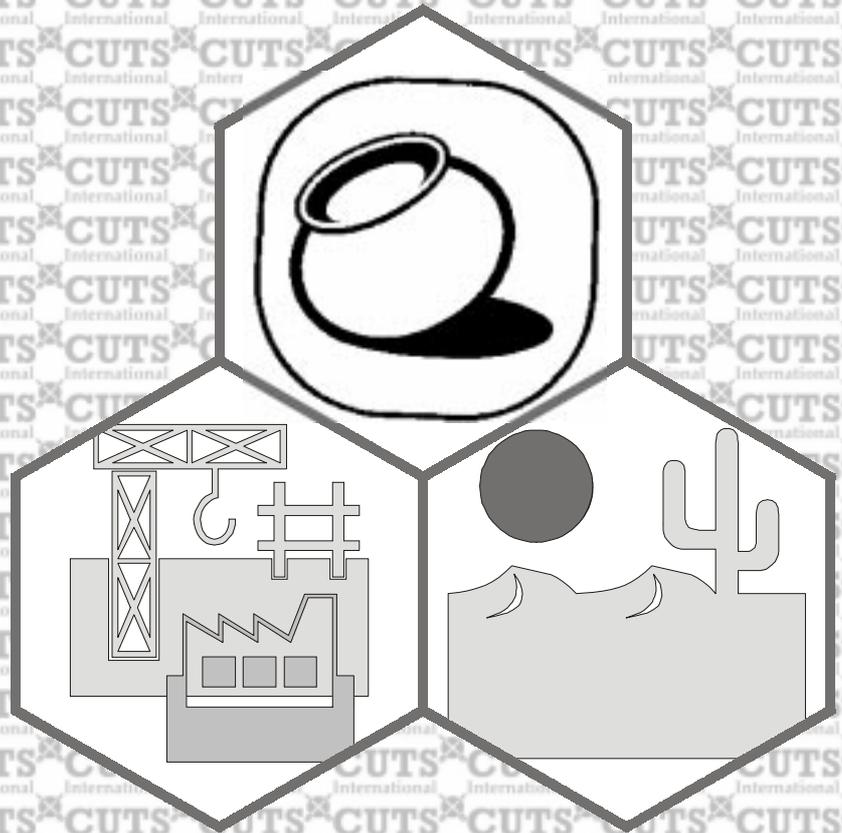


CUTS Centre for  
International Trade,  
Economics & Environment  
**Research Report**

# Why was India's Ecomark Scheme Unsuccessful?



CUTS Centre for International  
Trade, Economics & Environment  
**CUTS CITEE**



# Why was India's Ecomark Scheme Unsuccessful?

CUTS Centre for International  
Trade, Economics & Environment  
**CUTS CITEE** 

**CUTS**   
International

# Why was India's Ecomark Scheme Unsuccessful?

This paper was researched and written by Pradeep S Mehta, Secretary General, CUTS International, India with the assistance from Arjun Dutta, Simi T B and John Tabari, researchers at CUTS Centre for International Trade, Economics & Environment (CUTS CITEE). Comments on the first draft were received from Rajan Gandhi, Director, Safety Action Group, Gujarat; Ghayur Alam, Director, Centre for Sustainable Development, Dehradun; Sudhir Ghosh, Environmental Expert former Sr Scientist, Central Pollution Control Board incharge of the Ecomark Scheme, Bhopal, which have been suitably incorporated but they are not responsible for the final contents of the report.

Published by:



**CUTS Centre for International Trade, Economics & Environment**

D-217, Bhaskar Marg, Bani Park, Jaipur 302 016, India

Ph: 91.141.228 2821, Fax: 91.141.228 2485

Email: citee@cuts.org

Website: [www.cuts-international.org](http://www.cuts-international.org), [www.cuts-citee.org](http://www.cuts-citee.org)

Printed by:

**Jaipur Printers P. Ltd.**

Jaipur 302001

**ISBN 978-81-8257-084-9**

**Mehta, Pradeep S.**

Why was India's Ecomark Scheme Unsuccessful?, Research Report, CUTS CITEE, Jaipur

© CUTS, 2007

# Contents

<b>Preface</b> .....	<b>i</b>
<b>Executive Summary</b> .....	<b>iii</b>
 <i>CHAPTER-1</i>	
<b>Introduction</b> .....	<b>1</b>
 <i>CHAPTER-2</i>	
<b>Launching the Ecomark Scheme</b> .....	<b>4</b>
2.1 <i>Reasons behind Starting the Scheme</i> .....	4
2.2 <i>Political Will behind the Ecomark</i> .....	5
2.3 <i>Main Objectives of the Ecomark Scheme</i> .....	5
 <i>CHAPTER-3</i>	
<b>Management of the Ecomark Scheme</b> .....	<b>7</b>
3.1 <i>Composition of the Steering &amp; Technical Committees</i> .....	8
3.2 <i>The Complex Process of the Ecomark Scheme</i> .....	9
3.3 <i>Critical Observations on the Steering Committee and the Technical Committee</i> .....	9
3.4 <i>Critical Observations on the BIS</i> .....	10
3.5 <i>Issues in Ppplying for an Ecomark Licence</i> .....	13
3.6 <i>Cost of Certification</i> .....	14
 <i>CHAPTER-4</i>	
<b>Choosing Product Categories for Ecolabelling</b> .....	<b>16</b>
4.1 <i>Initial Selection of Product Categories</i> .....	16
4.2 <i>Demand and Supply Concerns</i> .....	17
4.3 <i>Present Selection of Product Categories</i> .....	17
4.4 <i>Only Household and other Consumer Products?</i> .....	19
4.5 <i>Too Many Product Categories Taken Up</i> .....	19
 <i>CHAPTER-5</i>	
<b>Developing Criteria for Product Categories</b> .....	<b>21</b>
5.1 <i>Soaps &amp; Detergents</i> .....	22
5.2 <i>Paper</i> .....	23
5.3 <i>Food Items</i> .....	25
5.4 <i>Lubricating Oils</i> .....	26
5.5 <i>Packaging Materials/Packaging</i> .....	27
5.6 <i>Architectural Paints and Powder Coatings</i> .....	28
5.7 <i>Batteries</i> .....	29
5.8 <i>Electrical/Electronic Goods</i> .....	31
5.9 <i>Food Additives</i> .....	32
5.10 <i>Wood Substitutes</i> .....	32
5.11 <i>Cosmetics</i> .....	33
5.12 <i>Aerosol Propellants</i> .....	34
5.13 <i>Plastic Products</i> .....	34
5.14 <i>Textiles</i> .....	35
5.15 <i>Fire Extinguishers</i> .....	36

5.16 Finished Leather Goods .....	36
5.17 Coir and Coir Products .....	37
<b>CHAPTER-6</b>	
<b>Popularisation of the Ecomark Scheme .....</b>	<b>38</b>
<b>CHAPTER-7</b>	
<b>The Ecomark versus Industry Self-declarations and Ownership Issues .....</b>	<b>42</b>
<b>CHAPTER-8</b>	
<b>Conclusion and Policy Recommendations .....</b>	<b>45</b>
<b>Annex I .....</b>	<b>48</b>

## List of Boxes

Box 1: International Ecolabelling .....	5
Box 2: Accountability at Stake .....	10
Box 3: Godrej's Tide Water and its 'Ezee' detergent .....	14
Box 4: Drugs and Pesticides Put on Hold .....	16
Box 5: Views of Industries .....	18
Box 6: New Product Category Acceptance under the Ecomark Scheme .....	20
Box 7: Century Textiles and the Eco-tex .....	35
Box 8: International Leather Standards .....	36
Box 9: International Awareness of the Ecomark .....	39
Box 10: Does Labelling Matter to Consumers? .....	40

## List of Tables

Table 1: The Main Functions of the Three Tiers .....	7
Table 2: Soaps and Detergents Product Category .....	22
Table 3: Examples of Criteria for Packaging Materials/Packaging .....	27
Table 4: Examples of Criteria for Architectural Paints and Powder Coatings .....	28
Table 5: Examples of Criteria for Batteries .....	30
Table 6: Sub-categories of Recycled Plastic Products .....	34

# Preface

Having been one of the persons responsible for the launch of the ecolabelling scheme: Ecomark in India in 1991, I have a stake in it and a deep interest in its success. It did not succeed, because of several reasons. The purpose of this research report, is to document and analyse the causes of its non-success till date. The objective of this report is, therefore, to see how the scheme can be made successful.

In my parlance as a social science activist, I rarely use the word “failure”, because of its negative connotation. In fact, in my work, I often refer to such situations, when the expected results are not achieved, as non-successes or deferred success. I sincerely hope that with determination, the Ecomark Scheme in India will succeed if the recommendations of this report are implemented.

As a consumer organisation, CUTS has been working in the area of consumer protection for long, since 1983-84 to be precise. One of our macro successes was when we were able to lobby the United Nations to amend the UN Guidelines for Consumer Protection, 1985 to include guidelines on Sustainable Consumption in 1999. The amended guidelines include ecolabelling as one of the important tools of sustainable consumption. Therefore, it becomes our duty to push for such green tools in order to promote a better and sustainable world.

This report assumes some significance now, because the National Environment Policy Statement of India adopted in 2006 has recognised the role of ecolabels in promoting environmental conservation. The Policy states that action would be taken to formulate “Good Practice Guidelines” for ecolabels to enhance their scientific basis, transparency and requirements of participation and at the same time promote the mutual recognition of Indian and foreign ecolabels, which adhere to the Good Practice Guidelines, to ensure that Indian exporters enhance their market access at lower costs.

In developing this research, I have been assisted mainly by Arjun Dutta, who did the painstaking work of interviewing many stakeholders etc., and writing the first draft of the report. Most of the interviews were carried out during 2002-2003, and hence maybe dated. However, not much has happened on the substantive issues. Therefore the report by itself is not dated. The work was polished over time and fine-tuned by John Tabari and Simi T. B. researchers at CUTS. I am thankful to them for their hard work and to the many stakeholders who cooperated with us in our fieldwork. We have also gained from comments on the earlier drafts of the report from Rajan Gandhi, Ghayur Alam, Sudhir Ghosh and many others.

**Jaipur**  
March 2007

**Pradeep S Mehta**  
Secretary General



# Executive Summary

Ecolabels are believed to be an important market-based instrument to influence the behaviour of consumers and industries in favour of environmentally friendly products and thus contribute to environmental conservation. It is a voluntary method of environmental performance certification and labelling that is practiced around the world. The efficacy of ecolabelling in inducing a market-based incentive for environment friendly production was recognised when the first ecolabelled products were launched in Germany in the late 1970s.

Since then, and especially during the 1990s, ecolabelling schemes have been developed in most industrialised countries for a wide range of products and sectors. It has become one of the most high profile market-based tools for achieving environmental objectives. Gradually but relatively at a slow phase its importance was also felt by a number of developing countries, including Brazil, India, Indonesia and Thailand. The concept was globally endorsed in 1992 at United Nations Conference on Environment and Development (UNCED), where governments agreed to “encourage expansion of environmental labelling and other environmentally related product information programmes designed to assist consumers to make informed choices”.

Despite the international community’s explicit acceptance of product ecolabelling, the approach adopted in several countries was not a success, including India’s Ecomark scheme. The Ministry of Environment & Forests (MoEF), Government of India instituted this Scheme on labelling of Environment Friendly Products on February 21, 1991. The voluntary label is awarded to consumer goods, which meet the specified environmental criteria and the quality requirements of Indian Standards.

However, even after 15 years in existence, the Indian Ecomark Scheme has not caught the fancy of the consumer or the industry. Only 12 manufacturers of various products like paper, pulp, leather and wood particleboard have till now applied and got the Ecomark licence (See Annex I). Furthermore, the licencees hardly use the Ecomark symbol ‘matka’ on their package as none of them found any benefit by the same. Thus the scheme that was formulated to recognise environment friendly products is yet to gather momentum.

In this backdrop, the objective of this research report is to highlight the reasons why the Indian Ecomark Scheme has not succeeded as desired. Taking these reasons into consideration the report makes some vital recommendations as to how the Scheme could be revived, reinvigorated and implemented to benefit consumers, producers and the society at large.

The research is based on primary data collected using questionnaires and follow-up discussions with a large number of companies in India.

It is supplemented by getting inputs from industry by sending letters seeking the basis of their environmental claim, and collecting information through survey/interaction with other interest groups viz, government officials in the Ministry of Environment and Forests (MoEF), Central Pollution Control Board (CPCB), Bureau of Indian Standards (BIS), State Pollution Control Boards (SPCBs), various industry associations, consumer and environmental advocacy groups by using another set of questionnaires. In addition, we interacted with firms operating in different sectors to get their reactions on the Ecomark Scheme. Secondary sources of information have also been used to supplement information collected from primary sources. The reasons for its lack of popularity among industries and consumers have also been discussed.

Thus after a thorough research on the prevalent scenario, this report puts forward a few policy recommendations. First, there is a need for a new, independent board with an advisory structure comprising of consumer, environmental and business groups. Second, there should be a reduction and prioritisation of the number of selected product categories to be included under the Scheme. Third, the product categories to be chosen should be based on certain measurable parameters such as maximum adverse environmental impact and high national consumption. And last, there should be a system that determines whether to include new product categories under the Scheme in view of the environmental dynamics.

In addition, the Scheme needs to be made more dynamic and forward looking by periodic revisions of criteria through wide stakeholder consultations that could motivate and encourage industry to attain a higher gradation. And most important of all, since the ecolabels can be used as non-tariff barriers (NTBs), domestic as well as international requirements need to be balanced while setting a feasible criterion. The government should press for equivalence and mutual recognition of the schemes of different countries at the WTO, as it will prove beneficial for Indian industries.

Last but certainly not the least, an effective National Awareness Campaign should be carried out to raise both consumer and industrial awareness and demand for the Ecomark.

## Chapter 1

# Introduction

Around the world, ecolabels are becoming an important addition to the toolkits of environment regulators. Both international organisations such as the Global Ecolabelling Network (a non-profit association of third party environment performance labelling organisations founded in 1994) and national governments believe that ecolabelling will have a positive impact on the environment.

***An impartial third-party in relation to certain products or services that are independently determined to meet environmental criteria***

Ecolabels are used to identify the overall environmental preference of a product or a service. The main rivals to such ecolabels are “green” symbols or self-declarations developed by manufacturers and service providers. However, these are often specious claims and today retail outlets continue to be flush with herbal cosmetics, non-toxic soaps, eco-friendly detergents, CFC-free refrigerators, and biodegradable cleaning solutions<sup>1</sup>. Their authenticity is anybody’s bet, coming as they do without a credible ecolabel. In contrast, an ecolabel is awarded by an impartial third-party in relation to certain products or services that are independently determined to meet environmental criteria.<sup>2</sup>

Another benefit to the regulators for using the ecolabelling method is its flexibility. It can be adopted either as a voluntary or a mandatory method of environmental performance certification and labelling. The key difference between the two is that voluntary labelling is a form of *product differentiation* based on the production process and/or product characteristics. It allows for the sale of both labelled and unlabelled products in the market. Hence, producers can choose whether to participate in such a programme or not. Mandatory labelling on the other hand, does not allow products without ecolabels to be sold. In this case, all producers must meet certification requirement for access to the market. In effect, mandatory ecolabels are nothing but mandatory environmental standards.<sup>3</sup>

***The presumed knock-on effect of ecolabelling conveys to the changing of both consumer and producer behaviour in support of making environment-friendly choices***

The presumed knock-on effect of ecolabelling conveys to the changing of both consumer and producer behaviour in support of making environment-friendly choices. There is the opportunity that an ecolabel programme will give rise to consumers being more aware of environmental issues and buying environmental products via informing consumers that a labelled product is more environmentally friendly than other products in the same product category.<sup>4</sup> Likewise, this may encourage industry to manufacture and market such environment-friendly products. If the entire product life-cycle is taken into consideration in the ecolabel criteria, there is greater chance for the environment performance of the whole supply chain to be improved. Further, once an ecolabel is adopted by some of the companies, their competitors may also introduce products with improved environmental performance.<sup>5</sup>

***In 1991, India launched its own ecolabelling scheme called "Ecomark"***

A number of countries have introduced ecolabels for products considered to be particularly damaging to the environment. The concept evolved as an outcome of growing global concern for environmental protection on the part of Governments, businesses and consumers. In 1977, ecolabelling was first introduced in Germany through the Blue Angel scheme and for about 10 years, it was the only ecolabel programme in the world. This was followed by Canada's Environmental Choice Programme, introduced in 1988. Since then many countries, including developing ones, have adopted ecolabelling as a tool for making production and consumption patterns sustainable. Interestingly, the German ecolabelling when introduced was defined as an environment-friendly labelling. Doubts were raised that no product can be environmentally friendly in its truest form. Thus the definition was changed to an environmental label rather than environment-friendly.

In 1991, India launched its own ecolabelling scheme called "Ecomark". Although the Ecomark is similar in many ways to ecolabels of other countries, it differs from most in one important aspect; whereas ecolabels in most countries are awarded solely on the basis of environmental considerations. In India, it is also linked with the quality of products. In other words, in order to be eligible, products must meet both environmental and quality criteria. In Canada too, a similar approach was adopted, however it was not mandatory that an environmental label should necessarily be accompanied with a quality label.

***In order to be eligible, products must meet both environmental and quality criteria***

Yet, 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 of existence. Currently, only 12 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 the possibility exists for greater investment to reach the high stringency standards for acquiring an Ecomark licence. Consequently, no stakeholder seems to be prepared to exercise ownership in pushing forward the Scheme.

Given this background, the purpose of this research paper is to highlight the reasons why the Indian Ecomark Scheme has not succeeded and suggests how the Scheme could be revived, reinvigorated and implemented to benefit consumers, producers and the society at large.

***The Indian Ecomark Scheme has not caught the fancy of the buyer or the industry, even after 15 years of existence***

The methodology of the project involved the four following simultaneous steps:

- a) Study and analysis of the historical development of the scheme, product categories and their criteria;
- b) Selective survey of 41 individual companies using questionnaire and follow-up discussions carried out over six months;
- c) Getting input from industry by sending letters seeking the basis of their environmental claim, and

- d) Survey/interaction with other interest groups viz., government officials in MoEF, Central Pollution Control Board (CPCB), Bureau of Indian Standards (BIS), State Pollution Control Boards, (SPCB) various industry associations, consumer and environmental advocacy groups using different set of questionnaires. In addition, firms operating in different sectors were interviewed for their views on the Ecomark.

Section II of this study describes the background behind the launch of the Ecomark Scheme in India. Section III presents an investigation as to the effectiveness of the system designed to manage the implementation of the Indian Ecomark Scheme. An exploration of how products were chosen for inclusion under the Scheme is then set out in Section IV, while how criteria developed for each of these product categories is examined in Section V. An extensive and constructive assessment on the popularisation of the Indian Ecomark is given in Section VI. Finally, an analysis of environmental self-declarations as compared to the Ecomark is provided in Section VII, followed by conclusions and policy recommendations in the final Section.

## Chapter 2

# Launching the Indian Ecomark Scheme

### 2.1 Reasons behind Starting the Scheme

The Scheme was initially designed to operate on a national basis and provide accreditation and labelling for household and other consumer products that would meet certain environmental criteria along with the quality requirements of Indian standards for that product. It should be pointed out, however, that ecolabelling of services, which were environmentally friendly, was not considered for the Indian Ecomark Scheme. Just for illustration, in Germany and Sweden ecolabels are also awarded to root distance train services on the criterion that the service is an environmentally friendly substitute to consumers using private means of automobiles, which is environmentally more energy intensive.

As a whole, government officials, industry associations, experts, parliamentarians and non-government organisations (NGOs) stated that the following factors had contributed to the launch of the Scheme:

- Concern for reducing the adverse environmental impact of increasing consumer products, especially disposal of garbage.
- Encouraging sustainable management of resources and ultimately improving the quality of the environment.
- Successful advocacy by consumer bodies.<sup>6</sup>
- Political will of the Government.<sup>7</sup>
- Need for clear and credible guidance regarding products that are environment friendly.

It is pertinent to note that no trade related concerns were considered as a factor behind the launch of the Scheme. At the time there was hardly any debate on the international dimensions of trade and environment.

In addition to these factors, government officials and members of the Steering Committee (the makers of the Scheme) viewed that the Ecomark started as a pollution prevention tool. At the same time, there were differing opinions among industry leaders, some of whom felt that it was a leadership<sup>8</sup> tool while others considered it was a marketing tool. In light of these differing positions, it could be said that the Scheme was not positioned appropriately during the launch, and neither was it marketed properly thereafter.

Though the MoEF instituted the Ecomark Scheme in February 1991<sup>9</sup>, the real beginning of the Scheme came to pass only after the Ministry of Finance approved the MoEF's proposal of awarding excise duty concessions to environment friendly products a year later.<sup>10</sup>

*Though the MoEF instituted the Ecomark Scheme in February 1991, the real beginning of the Scheme came to pass only after the Ministry of Finance approved the MoEF proposal a year later*

***No political party has had a clear cut agenda for pushing the Indian Ecomark Scheme***

## **2.2 The Political Will behind the Ecomark**

The activism of the Minister of Environment and Forests, Maneka Gandhi in 1990-91 was, certainly, one of the major factors behind the constitution of the Scheme. Besides being a politician, she was also an environmental activist. Her immediate successor, Kamal Nath, was also very supportive towards the Scheme. However, his successors were not as active and did not show the similar zeal and enthusiasm in implementing the Scheme. After that only a few instances of interventions from politicians were traced; as a former Member of Parliament felt, “no political party has had a clear cut agenda for pushing the Indian Ecomark Scheme”<sup>11</sup>. This view is supported by the CPCB, consumer and environmental groups. This indifferent attitude, shown by a majority of political leaders, was conceivably one of the major reasons for the failure of the Ecomark Scheme.

## **2.3 Main Objectives of the Ecomark Scheme**

The MoEF took into account the above factors and set out the following major objectives while devising the Ecomark Scheme:

- to provide an incentive for manufacturers to reduce adverse environmental impact of products;
- to reward genuine initiatives by companies to reduce adverse environmental impact of their products and processes;
- to assist consumers to become environmentally responsible by providing sufficient information to take account of environmental factors in their purchasing decisions;
- to encourage citizens to purchase products, which have less harmful environmental impacts; and
- to improve the quality of the environment and to encourage the sustainable management of resources.

### **Box 1: International Ecolabelling**

Environmental labelling refers to the provision of information about environmental quality of a product or service. The Global Ecolabelling Network (GEN), a non-profit making association of ecolabelling organisations from different countries of the world, states that ecolabelling is a positive environmental label and involves awarding a distinguished label by an independent third party to products or services that meet environmental leadership criteria. An ecolabel identifies overall environmental preference of a product or service within a specific product/service category normally using a life cycle analysis (LCA<sup>13</sup>).

The International Organisation of Standardisation (ISO) defines programmes issuing these ‘ecolabels’ as either:

- *Type-I*: Environmental labelling programmes or “ecolabelling programmes”, which is certified by an independent agency.
- *Type-II*: Self-made “green” declaration, which a company develops in association with its own product or service. This form of environmental labelling is identified by ISO as Type-II labelling programmes (see Section VII).
- *Type-III*: This takes the form of a descriptive listing of the environmental attributes of the product or service without making any endorsement. In this case, the consumer is left with the task of making comparative decisions based on the information provided.

Out of the above, on grounds of simplicity, credibility and impartiality, the Type-I labelling has the highest global acceptance; the Indian Ecomark was initiated as a Type-I programme.

In general, while the process for criteria development of the Scheme was similar to the German “Blue Angel” programme, the publication of criteria and making them available to all parties prior to final decision was similar to the Canadian “Environmental Choice” programme, which took into account consumer, industry and governmental views.<sup>12</sup> It should be noted that the inspection of every applicant’s production site by the implementing authority, i.e. the BIS, was a unique feature of the Indian Ecomark Scheme (see section 3.5).

## Chapter 3

# Management of the Ecomark Scheme

*A three-tiered system was set up for the implementation of the Ecomark programme*

A three-tiered system was set up for the implementation of the Ecomark programme. These three tiers were established as follows:

1. An Inter-Ministerial Steering Committee<sup>14</sup>, which was constituted in the MoEF.
2. A Technical Committee<sup>15</sup>, which was constituted in the CPCB<sup>16</sup>.
3. The BIS, which was designated for the assessment and the certification of the products for the Ecomark against a licence fee. Moreover, the BIS was notified as the implementing authority of the Ecomark Scheme in 1991.

**Table 1: The Main Functions of the Three Tiers**

<b>1. The Steering Committee</b>	Selection of the logo for the 'Ecomark'.
	Creating mass awareness for promotion and acceptance of the Scheme.
	Determining the product categories to be taken up under the Scheme.
	Coordinating ways of ensuring active involvement of industry in the Scheme.
	Securing involvement of other Ministries, Government Departments, Industry Associations and NGOs.
	Formulation of strategies for future development of the Scheme.
	Identifying institutions in India and outside which are engaged in standardisation of any product/process or improvement of the quality of any product/service.
	Promoting comparative testing programmes of products.
	Supporting research programmes for the formulation of the Ecomark products in the interest of consumers.
	<b>2. The Technical Committee</b>
Reviewing the existing state of knowledge and the environmental criteria followed in other countries.	
Recommending the most appropriate criteria and parameters to designate various products as environment friendly including the most important criteria or the individual products that have been specified for the purpose.	
Reviewing the various technologies available for determining the criteria.	
Recommending various laboratories and analysts for product assessment to the MoEF.	
Evaluation of the environmental impact of the product and criteria from time to time.	

	Reviewing, from time to time, the implementation of the Schemes by the BIS.
	Setup sub committees for each product category, if so required, including formulation of test programmes for comparative testing.
	Set up expert panels to advise it on specific products.
<b>3. The Bureau of Indian Standards</b>	Assess the product for the Ecomark, and certify the product for award of the Ecomark.
	Review, suspend or cancel a licence, for the use of the Ecomark.
	Inspect whether the product, which uses an Ecomark conforms to the contract or is improperly used in relation to any article or process with or without licence.

### 3.1 Composition of the Steering and Technical Committees

Currently the composition of the Steering Committee is 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 & Broadcasting (or his representative)	Member
(vii) Director General of Technical Development (or his representative)	Member
(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, Central Pollution Control Board (CPCB)	Member
(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 (NGOs) of which at least two will represent consumer groups.	Member
(xiii) Officer in charge, "Ecomark" in the Ministry of Environment & Forests.	Member-Secretary

In case of special requirement of expertise in specific fields, the committee may invite experts as special invitees.

The composition of the Technical Committee includes:

(i) Chairman, Central Pollution Control Board.	Chairman
(ii) Director General, Bureau of Indian Standards, New Delhi	Member
(iii) Director, National Environmental Engineering Research Institute, Nagpur	Member
(iv) Director, National Chemical Laboratory, Pune	Member
(v) Director General, National Test House, Calcutta	Member
(vi) Director, Industrial Toxicology Institute, Lucknow	Member
(vii) Director, National Institute of Occupational Health, Ahmedabad.	Member
(viii) Not more than five non-officials to represent the interest of industry and consumer groups, of which at least three will represent consumer groups be nominated by the Central Government.	Research Member
(ix) Officer in charge, (Ecomark scheme) Central Pollution Control Board.	Member-Secretary

The Committee can co-opt experts on different products, as special invitees.

Despite the fact that it is mandatory, and at least two consumer groups would be represented in the steering and the technical committees, environmental groups have been ignored. As per practice the world over, in Canada, Sweden, Japan or Germany, environmental groups and consumer groups along with industry groups are also part of the scheme's management. This issue was raised by the author of this report in one of the meetings of the technical committee but did not get any proper response.

### **3.2 The Complex Process of the Ecomark Scheme**

It is the task of the Steering Committee to initially determine the category of products for coverage under the Scheme. Once decided, it is put up before the Technical Committee to develop desired criteria. The Technical Committee, on request, can also set up sub-committees for developing the criteria for specific sub-products.

Subsequent to the Technical Committee reaching agreement on the product specific criteria, the same is put before the Steering Committee for comments. In case of any changes suggested, the draft criteria are sent back to the Technical Committee for necessary amendments. Having incorporated the feedback of the Steering Committee, the criteria are again sent to the Steering Committee, and are then notified for public comments; a period of 60 days is given for receiving such comments. Following receipt of the comment, these are forwarded to the Technical Committee for inclusion to the best possible extent.

After discussion on the comments, the Technical Committee finalises the criteria and returns them back to the Steering Committee for final notification. The BIS, subsequently, translates the product specific specifications into Indian Standards for the Ecomark certification. Finally, for any applicant wishing to be granted a licence, the BIS is required to carry out an inspection of the applicant's production site.

*Due to comple process, during the initial years after the launch of the Scheme, proper attention could not be given by the three bodies to popularise the Scheme in an effective manner*

The whole process of developing criteria to the grant of an Ecomark licence is certainly complex and time consuming. As a consequence, it was found that, due to the complex process, during the initial years after the launch of the Scheme, proper attention could not be given by the three bodies to popularise the Scheme in an effective manner (see Section VI).

### **3.3 Critical Observations on the Steering Committee and the Technical Committee**

- A closer look at the existing representation of these two Committees indicates that a majority of the members represent Government organisations. The Scheme was and still is heavily reliant on government organisations.
- As the government official is transferable, there has always been a lack of continuity of specialised officials on ecolabelling from the member government agencies or Ministries. As a result, the momentum of the Scheme was adversely affected with every transfer of the official responsible for the Ecomark. Moreover, within the CPCB, the Ecomark Scheme is considered as the additional responsibility entrusted by the MoEF, since it is not directly identified under the purview of the functions of the CPCB. The Scheme would always be an additional responsibility of the officer in-charge and not the sole responsibility.

*The three-tiered system has often resulted in undesired information gaps pertaining to its intricacy*

- The exclusion of the Ministry of Finance from the Steering Committee, from inception, was regarded as inappropriate. This Ministry would have considered the feasible suggestions on incentives and rewards more actively. This led to the lack of realisation of the two prime objectives of the Ecomark Scheme as set out in Section 2.3<sup>17</sup>
- There was no representation of the BIS in the Steering Committee nor were they invited to attend the Steering Committee meetings, though this was brought to the notice of the then Secretary of the MoEF during the Steering Committee meetings.
- The three-tiered system has often resulted in undesired information gaps pertaining to its intricacy. 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.
- The current structure does not explicitly provide for an appropriate information system in enabling the BIS to inform others. Also, to ensure the success of the Scheme it was crucial for the two Ecomark Committees to jointly take stock periodically, observe if any deviations occurred and to devise corrective action(s). But this did not happen till 1996. Despite 12 Steering Committee and 30 Technical Committee meetings, only two joint meetings were held and a possible reason for this is that most attention during the period was dedicated to criteria development.
- Finally, in the existing structure, reversal of a decision formally notified could be seen as extremely cumbersome, involving a series of tiring steps. Unless the existing rules for reversal are simplified, the Scheme will continue to encounter such difficulties, even if members reach agreement to make alterations in the product categories or criteria for the wellbeing of the Scheme.

*Despite 12 Steering Committee and 30 Technical Committee meetings, only two joint meetings were held*

#### **Box 2: Accountability at Stake**

Participation of the members responsible for the making of the Scheme has been on a voluntary basis, which limits their accountability for taking the Scheme forward. Only when a specific assignment or study were awarded to individual member/s, would have been they held responsible for delayed delivery of such assignments.

In the existing organisational structure with Inter-Ministerial participation, fixing accountability is complicated. However, if an independent Ecolabelling Board can be set up replacing the three-tiered system, then accountability of the management and staff of such a Board to take the Scheme forward could be more viable.

### **3.4 Critical Observations on the BIS**

The BIS, headquartered in Delhi, was set up under the Bureau of Indian Standards Act, 1986, and has branch offices located all over the country. The functions of the Bureau include:

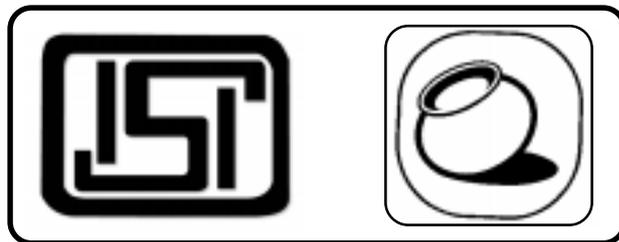
- i) Standards Formulation
- ii) Certification of Products
- iii) Certification of Quality Management Systems
- iv) Certification of Environment Management System
- v) Certification of Hazard Analysis and Critical Control Points
- vi) Laboratory Testing, Calibration and Management
- vii) Standard Promotion
- viii) International Cooperation
- ix) Consumer Affairs

The BIS was chosen as implementing agency because it was by statute the National Standards Body. In addition, it had a chain of laboratories located in different parts of the country to test conformity of certified products and samples. However, designating the BIS as the implementing agency was found to be problematic to a certain extent.

### ***The Controversial BIS logo***

In the Technical Committee meetings the BIS insisted that as the implementing agency for the Ecomark, the licencees must also have the BIS's own logo i.e. the ISI mark, which would be displayed besides the Ecomark logo i.e. the 'Earthen pot.' Arguments to the contrary that nowhere in the world such a condition is applied for a joint labelling, the same did not succeed. The dual logo is illustrated below.

***The BIS is a monolithic bureaucracy that does not have the marketing skills necessary to promote the Ecomark. The BIS has only succeeded through regulatory powers in areas like ISI (BIS) mark where mandate has helped it, rather than the "voluntary participation of industry" observed an industry representative***



The justification provided by the BIS is that any certification they grant is governed by the BIS Act, 1986 that requires that the BIS logo should also be on the product. 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<sup>18</sup>.

Furthermore, it was mandatory for the product to meet the relevant ISI standards in order to be eligible for 16 out of 17 product categories (the exception being 'Finished Leather Products'). Besides this, product categories also need to meet the additional environment friendly requirements. On occasions, this requirement has also led to conflict in criteria suggested by the BIS and the Technical Committee. If some products stay linked with the BIS while others are exempted, then the credibility of the Ecomark gets dampened on grounds of "fairness".

"The BIS is a monolithic bureaucracy that does not have the marketing skills necessary to promote the Ecomark. The BIS has only succeeded through regulatory powers in areas like ISI (BIS) mark where mandate has helped it, rather than the "voluntary participation of industry" observed an industry representative<sup>19</sup>.

### ***The BIS found lacking on Implementation***

The Ecomark criteria have been incorporated in Indian Standards for 128 products<sup>20</sup> by the BIS. However, on several occasions members of Technical Committee have questioned the seriousness of the BIS on implementation of the Scheme. For instance, the BIS was unable to undertake promotional campaigns on the Indian Ecomark until recently. This indifference of the BIS regarding the implementation of the Scheme could be explained by the lack of pressure from the parent ministries.

Often at the BIS, there has been a transfer of concerned officials and lack of dedicated staff on the Ecomark, which has led to a deficiency in coordination between the central office and regional/state offices. During this study, 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 central office responded rather lackadaisically, "Such data is not readily available with the Bureau".

***The BIS has not set targets, as yet, on the number of licences to be issued per year, nor made efforts for attaining them. In the course of this study, some units either claimed eligibility or expressed willingness for the Ecomark licence. However, the BIS did not possess the drive for a proactive approach on the 'Ecomark'***

The BIS has not set targets, as yet, on the number of licences to be issued per year, nor made efforts for attaining them. In the course of this study, some units either claimed eligibility or expressed willingness for the Ecomark licence. However, without pre-fixed targets, the BIS did not possess the drive for a proactive approach on the 'Ecomark'. C. Viswanath, the then Joint Secretary in 2002, MoEF observed, "If units are in a position to comply, an effort could be made to visit them and give them Ecomark instead of asking them to visit the BIS". However, the feasibility of such a move under the existing set-up of the BIS seems doubtful.

### ***Functioning of the BIS lacks transparency***

It seems that the functioning of the BIS also lacks transparency, since there are no ways to identify and resolve the bottlenecks faced in the implementation the Scheme.

### ***Standards set by the BIS lacking in feasibility***

The process through which the BIS sets standards desires a closer look. Normally, the BIS constitutes a Committee of Experts to set standards while it acts as a facilitator. Such experts are invited from well-known institutions, industry and consumer groups. However, the Bureau is known for its inclination for higher representation from government organisations. This often leads to the setting of standards on the principle of "desirability", which can be quite arbitrary and not a pragmatic approach based upon the principle of "feasibility."

Currently, the BIS have more than 17,000 standards, but according to a top official of the BIS only around 1,300 have gained acceptance among industry. Another possible reason for low acceptance is that some of the Bureau's standards are out-of-date e.g. criteria for ready mixed paint for road making is as old as 1951. This automatically discourages those industries that rely on technological innovations for attaining/retaining market leadership.

### ***Favouritism to multinationals***

During the survey, the BIS was also accused of favouritism towards multinational corporations (MNCs). A member<sup>21</sup> of the BIS said, “As a member of the BIS for about 40 years I have been observing the operations of the BIS, which is dominated by MNCs promoting brand driven products”. A study is needed to understand the image of the BIS among industry and consumers. Depending on the findings the BIS may devise steps to improve the same.

### **3.5 Issues in Applying for an Ecomark Licence**

The application procedure for an Ecomark by a firm comprises of many obligations. Along with the application, the applicant must provide:

- a) Consent/environmental clearance certificate from the concerned SPCB.
- b) A detailed list of manufacturing and testing equipments available with the applicant.
- c) A process flow chart for the product.
- d) A layout plan of the unit. Small scale units, desiring to avail the concessional rate of marking fee, have to further furnish a copy of their registration certificate.

***During the survey, the BIS was also accused of favouritism towards multinational corporations (MNCs)***

On receipt of the complete application form, the BIS arranges for a preliminary inspection (PI) of the factory of the applicant on a mutually convenient date. The objective of the inspection includes an assessment of the manufacturing and quality control facilities of the factory as well as checking the availability of testing personnel with the applicant. In view of the fact that none of the successful overseas ecolabelling schemes require plant visits, this aspect of the Ecomark certification also needs a review. There is likelihood that there could be possible breeding grounds for corruption with these inspections.

The testing of the product for which the Ecomark is applied can be done in two ways: either the BIS tests the samples within the factory or another set of samples is sent to independent laboratories for testing. The test results are used to determine the conformity of the product with requirements of the Ecomark. Following this the applicant is given a copy of the Scheme of Testing and Inspection (STI) that the unit needs to adopt in the production process of the product.

***In view of the fact that none of the successful overseas ecolabelling schemes require plant visits, this aspect of the Ecomark certification also needs a review***

The PI report, independent test reports of samples drawn during the PI, acceptance of STI and marking fee schedule are then assessed within the BIS. When all documents are found to be complete and satisfactory, the BIS grants the Ecomark licence for one year, which is renewable for a period of two years. The extension is determined on the basis of performance of the unit in the preceding year(s). However, through informal sources it was found that such certification could take six months to a year and hence needs to be reduced. It may be beneficial to increase the period of validity of the licence when first issued along with licence fee waivers to attract industry participation.

During the period of validity of the licence, the Bureau arranges periodic unannounced visits to the manufacturing premises of the licensee to assess the operation of the Ecomark Scheme for the product. During the visit, samples are drawn for testing both within the factory as well as for independent testing to verify conformity of the product. While

the purpose of this is to check for compliance, it might be better if the results were compared with samples drawn at random from the market.

Although the first three licence holders, viz. Madhya Bharat Paper Mills, Century Paper Mills and Orient Papers Mills<sup>22</sup>, opined that the procedure for getting an Ecomark certification for the paper product category was not stringent, this is not true for all product categories. Other respondents felt it was necessary to simplify the certification procedure.

However, it is seen that some industries face problems while acquiring the consent/environmental clearance certificate from the concerned SPCB. The issue of the ubiquitous corrupt practices has arisen with some of the SPCB inspectors. "If any unit sets up and operates an effluent treatment plant but still find that they have to bribe the SPCB inspectors, then they would not want to incur the additional cost by operating the effluent treatment plant but only bribe their way through. In the process the environment suffers", said an environmental researcher<sup>23</sup>. The current situation requires complete overhaul; yet it must be mentioned that the problem is not purely limited to the Ecomark scheme.

***The current situation requires complete overhaul; yet it must be mentioned that the problem is not purely limited to the Ecomark scheme***

In the interest of the Scheme the procedure for awarding licence for the eco-friendly products needs to be simplified. The requirement of the ISI mark should not be mandatory for the award of the Ecomark. This would facilitate a smooth launch of the Scheme.

**Box 3: Godrej's Tide Water and its 'Ezee' detergent –  
March 01, 1994**

Tide Water Detergent Company (a unit of Godrej) and Tata Chemicals applied for the Ecomark for "detergent for woollen fabric" and "detergent powder" respectively, on January 25, 1993. Out of the two, the Ecomark was awarded to Tide Water Detergent Company for its 'Ezee' detergent the following year. In between, some amendments were made to the Scheme and it was launched again on July 28, 1993.

Immediately after the award of the licence, Procter & Gamble acquired "Ezee" from Godrej. After the takeover, Procter & Gamble said they could not use the Ecomark on "Ezee" due to their corporate regulations. This proved a significant blow to the progress of the Scheme. While Procter & Gamble chose not to use the Ecomark, the same company was found using ecolabels on products sold in Sweden under pressure from the Swedish Society for Nature Conservation, a Swedish NGO.

### **3.6 Cost of Certification**

Three types of costs are associated in the process of obtaining and using the Ecomark licence:

- 1) Application fee along with cost of visit by BIS official/s;
- 2) Cost towards product testing; and
- 3) Marking fee.

***The fee for applying for an Ecomark licence is Rs.1,000 (US\$21.50). Along with this, the applicant also has to pay Rs. 3,000 (US\$64.60) as cost towards the inspection to be made by BIS officials***

The fee for applying for an Ecomark licence is Rs.1,000 (US\$21.50). Along with this, the applicant also has to pay Rs. 3,000 (US\$64.60) as cost towards the inspection to be made by BIS officials. In case BIS officials on first inspection do not find the claims to be valid, then Rs.3,000 is to be paid by the applicant for every subsequent plant visit.

The cost of product testing varies from product to product; however according to the respondent from Madhya Bharat Paper Mills it should not be a deterrent factor if companies understand the utility of the entire Scheme.

Finally, the applicant has to pay a marking fee for the product on which it desires to use the Ecomark. The minimum marking fee applicable to the product and accepted by the applicant is payable to the BIS in advance after the grant of the licence but before initiation of the marking on the product. On calculation of the marking fee payable at the end of the year, the calculated amount along with a minimum marking fee is required to be paid to the BIS by the applicant along with his request for renewal of the licence for a further period.

## Chapter 4

# Choosing Product Categories for Ecolabelling

### 4.1 Initial Selection of Product Categories

The question was raised as to which product categories were to be included in the Scheme, but after much deliberation, as 16 product categories initially were identified and finalised for criteria setting<sup>24</sup>. Each product category considered for certification had to meet two sets of requirement:

- a) *General requirements:* It is common to all product categories. These deal with issues such as compliance with Pollution Control Acts; Environment Protection Act; safety; and the quality of the products.
- b) *Product specific requirements:* It is related to each product category. These requirements take into account issues such as production process including source of raw materials; use of natural resources; likely impact on the environment; energy conservation in the manufacturing process of the product; effect and extent of waste arising from the production process and its toxicity; disposal of the product and its container, utilisation of “waste” and recycled materials; and the suitability of such waste for recycling or packaging and biodegradability.

***No member of either the Steering or the Technical Committee disputed the rationale behind the selection of these product categories***

No member of either the Steering or the Technical Committee disputed the rationale behind the selection of these product categories. This implies that either consensus prevailed on the selection of the product categories during constitution of the Scheme or, alternatively, that not all members were given equal say on the selection. In fact the list was decided by the MoEF without wide consultation, for what appears to be a list of industries announced by the Minister, Maneka Gandhi in one of her passionate speeches.

Interestingly, some of these product categories were ready for award as soon as the logo was notified, such as the two sub-product categories “Toilet Soaps” and “Detergents” under the “Soaps and Detergents” product category and the “Paper” product category.

#### Box 4: Drugs and Pesticides Put on Hold

On December 09, 1992, a debate took place on the inclusion of “Pesticides, Insecticides, Biocides and Weedicides” as a product category under the Ecomark Scheme. Questions were also raised on the validity of the inclusion of “Drugs” as a product category under the Scheme. The questions were raised on the grounds that their composition includes toxins and carry their own caution notices, hence one cannot award an Ecomark to them. After discussion, the two product categories were kept on hold. However, the Technical Committee felt that at least household insecticides should be covered, as consumers are in direct contact with them. Thus, the total number of product category technically got reduced to 14. These developments imply that the selection of the 16 product categories was done on an *ad hoc* basis without adequate forethought.

## 4.2 Demand and Supply Concerns

Ecolabelling can affect the supply side as well as the demand side. However, there are some conceptual flaws with either line of thinking.

On the supply side, a critical problem is that proponents of certification of products/firms as 'green' focus only on firms/sectors that come under the purview of such programmes i.e. product categories included under the Scheme. In the process, they ignore impacts of certification programmes on sectors of the economy that are not covered under the product category list. The Indian Ecomark Scheme is also not free from this limitation. Unless products categories are chosen in accordance with the existing economic, social and cultural conditions of the country as well as geographic and climatic factors, it is most likely to fall short in reaching the desired objective and in some cases even adversely affect the desired objective<sup>25</sup>. Hence, judicious selection of product categories is of utmost importance to ensure that a Scheme fulfils its desired objective. In fact, the approach should have been piecemeal by starting with very few products whose production or usage or disposal is highly polluting.

For example, the German Blue Angel scheme was launched with toilet paper, whose manufacture involved; a) cutting down trees; and b) disposal was highly polluting. The TV campaign launched by the agency showed the river Rhine under severe attack by toilet paper being flushed down from the city sewerage system and clogging the clear waters. Germans and others on the river Rhine have an emotional attachment with the river. Hence, the message went down clearly and consumers switched to toilet paper, which was made from recycled fibres and could degrade fast without choking the river.

On the demand side, in any economy there are two types of consumers. Firstly, there are "eco-consumers" i.e. those who are willing to pay a premium for ecolabelled products so that labelling will increase their demand for such products. Secondly, there are consumers who are not concerned about the environmental friendliness of products and are guided by many other market factors such as the price criterion.

*Former Chairman of the CPCB, explained 'consumers' attitude of 'buy cheap' rather than 'buy green' is a major impeding factor in promotion of Indian Ecomark*

In India, the second class of consumers represents most of the population. "Consumers of a developed country are likely to attach greater value to environmental concerns in contrast to consumers of a developing country", felt a chamber representative<sup>26</sup>. Former Chairman of the CPCB, explained that 'consumers' attitude of 'buy cheap' rather than 'buy green' is a major impediment in promotion of Indian Ecomark."<sup>27</sup> These two opinions are not far from the truth as can be seen in various studies and papers.<sup>28</sup>

## 4.3 Present Selection of Product Categories

At present, there is no mechanism for capturing products that offer environmental advantages, which so far do not fit into the existing categories. Hence, there is a possibility that the composition of product criteria is not driven by industry requirements.

Furthermore, the current Ecomark Scheme does not provide any scope for gradation of a product category. This means either one qualifies or does not, i.e. remains excluded from the Scheme. Many of the disputes on product criteria could have been solved if a gradation system was

possible in the Ecomark Scheme. The system could be modelled on the lines of financial credit rating such as a Leadership in Energy & Environmental Design (LEED) and TERI Green Rating for Integrated Habitat Assessment (GRIHA) or rating of hotels e.g. 3 star, 4 star, 5 star, etc.

It should also be mentioned that the ecolabelling criteria could be for services as well as products. However, starting from inception to date, no criterion has even been proposed for services under the Scheme. “Over the last few years, some service industries like hotels have been advertising the environmentally friendly practices being pursued by some of their units such as Ecotel, Green Globe, etc. Inclusion of such services might breathe life to the popularity of the Scheme”, remarked an industry representative<sup>29</sup>. At para 2.1 above, it has been mentioned that in Germany and Sweden train services have also been awarded the Blue Angel.

Moreover, the Scheme has failed to keep pace with some of the recent legislative changes in India, e.g. the mandatory Energy Conservation Bill introduced in 2001. The Energy Conservation Building Code (ECBC) guidelines is not harmonised with the Ecomark Scheme. Even, the Government of India’s energy labelling scheme with a rating method to enable consumers to know the level of consumption of energy of each gadget is not integrated with the Ecomark Scheme. This has resulted in anomalies, raising questions about the utility of the Indian Ecomark Scheme. Only a handful of instances are available when changes have been reflected appropriately in the Scheme. To make the Scheme more meaningful, such anomalies need to be resolved .

***Over the last few years, some service industries like hotels have been advertising the environmentally friendly practices being pursued by some of their units such as Ecotel, Green Globe, etc. Inclusion of such services might breathe life to the popularity of the Scheme***

Also it would be preferable if scope could be created to differentiate products within a product category. It is risky to compare the environment friendliness of two product categories. For strategic reason, it may be worthwhile to consider granting Ecomark for selected attributes (such as, water and energy conservation, recycling and biodegradability etc., which are the most pressing problems with the goods or the process) rather than sticking to the ‘cradle to grave” compliance of all the criteria.

#### **Box 5: Views of Industries**

R K Somany, Chairman and Managing Director of Hindustan Sanitaryware and Industries Limited said, “One primary reason for the failure of the Ecomark Scheme is the scanty composition of product categories... We fail to understand why our products such as Vitreous China Sanitaryware and Glass containers, have not been included in the list of product categories. We make flushes with consumption of three litres of water, whereas there are others making flushes with 10 litres water consumption. Water conservation is a serious environmental issue”.

Although the environment friendliness feature of Vitreous China Sanitaryware and Glass Containers may be disputed, this exemplifies that there are industries interested in Ecomark certification but that are excluded by the inconsistent process of selection of product categories.

***The scope of Ecomark covered many intermediate products without any limitations***

#### **4.4 Only Household and Consumer Products?**

The Scheme was to provide accreditation and labelling for 'household and other consumer products.'<sup>30</sup> However, in practice, there was no limitation and the scope of Ecomark covered many intermediate products. The point is that including 'intermediate' or even industrial products without any limitations under an ecolabelling scheme has merits of its own. Institutional purchase, for instance by Government, of ecolabelled products as is done for ISI-marked goods would boost demand and have resultant benefits.

For example, Lubricating Oils, Powder Coatings (under Architectural Paints and Powder Coatings) and Fire-Extinguishers relate more to industrial purchase and application rather than individual consumer use. Again, not all types of paper products qualify as household or consumer products: most of the consumer purchase of paper is of the products made of paper e.g. newspapers, magazines, writing pads, etc., and not the paper *per se*.

#### **4.5 Too Many Product Categories Taken Up**

Two schools of thought prevail on this issue. The first school, consisting mainly of Government bodies like the CPCB, feels that there was nothing wrong in considering the 16 product categories at the inception of the Scheme. However, the second school feels that criteria development for 16 product categories and around 132 sub-products was perhaps too large to begin with. Simultaneously, 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 high-level committee set up by the MoEF decided to concentrate on 10 product categories instead of 16 (to be discussed in Section 6.1). However, there was again a lack of justification why 10 product groups were to be considered instead of 16.<sup>31</sup>

***A better approach would have been to start with an even lesser number of product categories***

A better approach would have been to start with an even lesser number of product categories. The categories initially chosen should, by common consensus, be those that on the basis of a LCA carry the maximum adverse environmental impact. Secondly, the total consumption of such identified products/categories in the country should be significant. Thirdly, an equal emphasis should be placed on the inclusion of consumer goods so that individuals could be persuaded along the path of expressing their environmental concern by informed action.

### **Box 6: New Product Category Acceptance under the Ecomark Scheme**

The following are interesting examples of new product categories, which were accepted under the Indian Ecomark Scheme.

#### *ODS Free Fire Extinguishers Approved – October 18, 1994*

Respecting India's ratification of the Montreal Protocol in 1992, the Ecomark Steering Committee decided to include ozone-depleting substances (ODS)-free fire extinguishers as a product category under the Ecomark Scheme. Thus, the number of product categories increased to 15. Before the "Montreal Protocol on Substances that Deplete the Ozone Layer" came into existence in 1987, ODS (e.g. chlorofluorocarbons) were widely used in fire extinguishers.

#### *Leather and Leather Products Approved – August 14, 1996*

The CPCB proposed inclusion of "leather and leather products" under the Ecomark Scheme as a separate product category considering it as one of the major consumer item with significant export potential. This was the first instance when international trade considerations became a factor behind inclusion of a product category under Ecomark Scheme. The proposal was accepted and the product categories increased to 16. On December 01, 2000, the criteria for "finished leather" as a product category were finalised. This was the only product category from which the ISI mark was de-linked because there is no ISI standard for leather goods.

#### *Coir and Coir Products to be Approved*

Coir manufacturers approached the MoEF for including "Coir and Coir products" as a separate product category under the Scheme. Following this, a technical sub-committee was set up, that first met on July 16, 2002. The sub-committee met again on October 17, 2002. Following the meeting, the criteria were circulated to Technical Committee members for their comments. After incorporating comments received from members, the draft criteria were notified for public comments on May 01, 2003. Hence, technically 'Coir and Coir products' became the 17<sup>th</sup> product category for which Ecomark licence could be awarded. Inclusion of Coir and Coir products could still be viewed as a welcome step if and only if the Coir Board takes the onus of promoting the Ecomark among coir product manufacturers. Otherwise, the product category is likely to suffer the same fate as other product categories.

## Chapter 5

# Developing Criteria for Product Categories

***Stringency of criteria is a double-edged sword and unless handled properly could lead to difficulty in the implementation of the Scheme***

Once the product categories are selected under the scheme, the next task for any Type I ecolabelling programme, such as the Indian Ecomark, is to determine criteria and set stringency levels so that there is an incremental environmental improvement for the selected product<sup>32</sup>. However, stringency of criteria is a double-edged sword and unless handled properly could lead to difficulty in the implementation of the Scheme. The two possible scenarios are:

- On the one hand, if the stringency levels are too high, market impact will be minimal i.e. companies will not apply and participate in the ecolabelling scheme and there will be no positive environmental impact.
- Conversely, if the stringency levels are too low, there will be no incentive for companies to voluntarily participate and/or modify their products in order to qualify for the ecolabel, as the market will not accept and acknowledge the ecolabelled products as 'leadership' products.

Given this dilemma, there was often a consensus among members of the Technical Committee to refer to similar foreign schemes in the absence of existing criteria with domestic agencies.<sup>33</sup> The strategy adopted by many ecolabelling schemes is to set the stringency levels at a height so that a leadership component of the market can initially qualify for the ecolabel. Then, over time, stringency levels are reviewed and potentially 'tightened/heightened' to reflect evolving higher levels of leadership and environmental performance improvements. Consequently, the environmental impacts of ecolabelling criteria and programmes should be measured over a longer period of time, rather than trying to capture immediate and/or short-term impacts.

***Some of the criteria were and still are not achievable, even by the leading industries without substantial investment***

In the case of the criteria set out in the Indian Ecomark Scheme, a similar approach was developed based on the underlying principle of 'best available technology'. However, members of the Steering and/or Technical Committee have overlooked the need for domestic adaptation of such imported criteria and so the criteria developed were not based on the realities of existing industrial infrastructure. Some of the criteria were and still are not achievable, even by the leading industries without substantial investment.

Relevant sector firms/associations were adequately consulted while developing the criteria related to their particular sector. Industrial associations were permanent members of the Technical Committees and the Steering Committee and individual companies participated actively in these committees. This industrial participation assisted in the assurance that criteria developed were more relevant. Sometimes

there was dissent and disagreement also, but the majority opinion prevailed.

The disagreements on developing criteria that either existed or still continue to exist will be discussed in this section. However, it needs to be mentioned that it is beyond the scope of this report to analyse the feasibility of each and every criterion developed for each sub-product. Therefore, the discussion of this paper is limited to the analysis of the whole scheme, including the 17 product categories, while trying to pinpoint the substantive problem areas.

### 5.1 Soaps & Detergents

Soaps and detergents have a special significance in the current Indian Ecomark Scheme. This is not because the first product to be awarded the Ecomark was a detergent, but because the history of the development of this product category's criteria is full of controversies. When the criteria were being developed, according to official records, 'eutrophication',<sup>34</sup> 'biodegradability'<sup>35</sup> and 'dermatological safety' were the major issues that were addressed.

**Table 2: Soaps and Detergents Product Category**

<b>Toilet soaps</b>	<b>Detergents</b>	<b>Laundry soaps</b>
Toilet soap, liquid toilet soap, shaving soap, baby toilet soap, transparent toilet soap, and antibacterial toilet soap	Household laundry detergent powders, synthetic detergents for industrial purposes, household laundry detergent bars, synthetic detergents for washing woollen, and other delicate fabrics	Laundry soaps and laundry soap powder

#### ***Toilet Soap***

Although soap is regarded as a cosmetic under the Drugs and Cosmetic Act, 1940 no notification on quality specifications for toilet soap was issued by the Ministry of Health and Family Welfare even a decade after its purview; yet the Ecomark took up criteria development. Since toilet soap is sold by the same nomenclature and not by its new incarnation 'bathing bar,' a number of popular brands fail to comply with even Grade 3 of the relevant Indian Standard and came down to the level of laundry soap in terms of quality.<sup>36</sup> In the light of this statement the effort to develop criteria under the Scheme is relevant.

#### ***Detergents – Conflict between Existing Standards and Proposed Criteria***

Criteria development for detergents caused conflict between existing standards and proposed criteria. It was stated by an industry representative<sup>37</sup> where in one particular case, Ecomark criteria specified that the use of phosphate was to be mandatory to meet relevant BIS standards but on the other hand, the Ecomark Scheme prohibited the use of phosphate in detergents.

#### ***Detergents – Biodegradability***

Another controversy was on biodegradability of detergents. The controversy arose when the MoEF proposed that all surfactants used in household detergents should have minimum biodegradability of 92 percent for the purpose of ecolabelling. While the three leading makers of Linear Alky Benzene (LAB) in India, viz. Reliance Industries Ltd (RIL), Indian Petro Chemicals Ltd and Tamil Nadu Petro Products

Ltd., used international technical experts to endorse that LAB is environment friendly and is 100 percent biodegradable, another group suggested that the use of LAB should be discouraged in favour of Alpha Olefin Sulphonate (AOS). According to the second group, AOS biodegrades faster than LAB, and hence it is better.

### **Laundry Soap**

Laundry soap makers and the Ecomark Committee also engaged in a bitter row<sup>38</sup> on what makes soap environment friendly. In India, the bulk of laundry soaps is made in the small sector. The Federation of the Associations of Small-Scale Soap and Detergent Manufactures of India, claimed that laundry soap cakes are already eco-friendly and do not need to fulfil the additional norms required to be labelled as such. Small-scale manufacturers particularly objected to IS: 285:1992 and IS: 2887:1992 criteria, which they claim did not contribute to the criteria for the Ecomark, but on the other hand, increased the production costs enormously. Officials of the BIS strongly disputed this. According to them not adhering to IS:285:1992<sup>39</sup> would be short-changing the consumer on quality.

***Criteria for paper products have often been among the first to be developed in many ecolabelling schemes. In a number of cases, the criteria have passed through several revisions and are at a mature level***

### **5.2 Paper**

Criteria for paper products have often been among the first to be developed in many ecolabelling schemes. In a number of cases, the criteria have passed through several revisions and are at a mature level. In this regard, the Indian Ecomark Scheme has been no exception.

The production of paper could be considered hazardous to the environment mainly for two reasons. First, the process of making paper involves the use of chemicals and the resulting wastes, unless treated properly, pose environmental problems. Second, manufacture of paper requires use of pulp from bamboo, hard woods, soft woods and reed. Unless some conservation measures are introduced on the use of natural and forest-based raw materials, it could lead to de-forestation. Under the Ecomark Scheme, criteria under the paper category have been developed for as many as 27 sub-product categories.

The requirement on recycled content of the raw material is the most controversial parametre. The existing criteria limit paper and paperboards manufactured out of pulp, so that the same contain not less than 60 percent by pulp weight made from materials other than bamboo, hard woods, soft woods and reed. Otherwise, the criteria insisted that recycled paper and paperboard must be made from 100 percent waste paper.

The Scheme has granted licences to eight companies<sup>40</sup> to use the Ecomark on writing and printing paper as well as plain copier paper indicating that the current criteria are both desirable and feasible. But this does not mean that there is no room for improvement. A representative<sup>41</sup> of a major paper company asserted that there should be further review of the IS1848:1991 standard on specifications of Writing & Printing Papers, despite it having been amended three times already. The reasoning behind this statement is that the previous specification standard was asserted in light of the paper industry being a forest based industry but this has now dramatically changed.

Previously, the industry was completely dependent on natural forests for its raw materials, yet at present it is drawing most of the raw material (more than 60 to 80 percent) from man made forests, a large part of it is bamboo. Equally, the industry has been acquiring 'industrial bamboo' from farmers as well as from Government Forest Department, which harvests bamboo as per recommended silvicultural rules. The paper industry uses the leftovers after the extraction of the 'commercial bamboo', which can become a fire hazard if not removed from the forest floor. The industry, thus, helps not only in removing this potential hazardous waste from forests but also contributes to the exchequer.

Likewise, hardwoods that the industry uses come from remnants available after the felling of mature trees as per working plans and extraction of timber grade wood. Notably, neither bamboo nor hardwood is felled for the paper industry but is felled for uses other than manufacturing of paper. What the paper industry uses is only waste material from the forests along the same lines as wastepaper. Hence, it may be considered appropriate to review the provisions of Amendment to IS1848:1991 to broaden its applicability for the Ecomark.<sup>42</sup>

As explained in the introduction, the issue of ecolabelling has domestic as well as international ramifications, for example, the chief manager of a major sales company<sup>43</sup> observed that ecolabels on paper could act as a potential non-tariff measure. According to him, "some markets and customers require papers to be made of fibre from sustainable forests, while some markets and customers specifically request for a substantial quantity of recycled fibres in the exported products. Even the European Commission (EC) packaging laws provide a mechanism for waste collection and disposal which has to be met by the exporter/importer". Unless these conditions are met, the exports might be barred, hence there is a potential that this may be used as a non-tariff barrier (NTB) to international trade.

***Despite these drawbacks, it has been identified that more companies are willing to take up the Ecomark in the near future***

Finally, not all of the 27 sub-categories of paper products are in line with the Indian consumption culture or mass requirement, therefore there should be a review of the sub-categories. The categories that are retained should be on the basis of a sound rationale considering the recent developments within the country as well as internationally.

Despite these drawbacks, it has been identified that more companies are willing to take up the Ecomark in the near future. Our survey found that Seshasayee Paper and Boards Limited and ITC Limited (Bhadrachalam Paperboards Division) expressed willingness to take the Ecomark, while Tamil Nadu Newsprint and Papers Limited<sup>44</sup> claimed that they qualify for the Ecomark criteria. In light of this, it is important that the criteria are revised as appropriate to increase such acceptance among industry.

The city of Jaipur has a successful small scale hand made paper industry, and it advertises that its products are environmentally friendly. However till date, in spite of a reminder by CUTS, the concerned local officials of BIS did nothing to promote or to ensure that these manufacturers apply for and obtain the Ecomark, if at all the criteria are to be met. The interesting aspect is that the local director of BIS, had in his earlier posting at BIS headquarters

represented BIS in the Technical Committee on Ecomark and was thus personally exposed to the scheme. This apathy only reflects the insouciance of BIS in promoting the Ecomark scheme.

### **5.3 Food Items**

Under the Scheme, the criteria for food products have been developed in two phases. In the first phase, criteria were developed for edible oils<sup>45</sup>, tea and coffee, while in the second, criteria for beverages, infant foods, processed fruits and vegetable products were set out.

***It appears that the concern associated with the food products category was that of human safety and not so much related to environment as the Ecomark criteria stresses contamination by toxic metals viz. lead, arsenic, cadmium, mercury and pesticides***

It appears that the concern associated with the food products category was that of human safety and not so much related to environment as the Ecomark criteria stresses contamination by toxic metals viz. lead, arsenic, cadmium, mercury and pesticides. Other issues of concern are the use of antioxidants and shelf life of products. Human safety calls for mandatory standards and there are provisions for inclusion of such food items under the Food Safety and Standard Act, 2005. This inclusion of food items, under the Indian Ecomark Scheme, in the presence of other existing Schemes can lead to conflicts.

#### ***The Ecomark vs. the Agmark***

The Ecomark Scheme conflicts with some areas under the 'Agmark'<sup>46</sup> Scheme. The grade specifications, known as Agmark grade standards have been laid down for more than 163<sup>47</sup> agricultural and allied commodities under respective commodity grading and marking rules. Grading<sup>48</sup> of commodities has two purposes, namely, compulsory grading for export and voluntary grading for internal consumption. Again, voluntary grading is carried out at two levels: the producers' level and the traders' level. The graded product in packed form bears the seal of 'Agmark', which is also a third party guarantee by the Government on purity and quality of the product, but not on its environmental impact. Each and every lot of the produce is tested in approved laboratories to assess its conformity to the standards prescribed.

***According to DMI, the BIS enforced certification of Agmark commodities under the ISI Mark, which was in violation of Section 40 of the BIS Act, 1986***

As per the provisions of Agricultural Produce (Grading & Marketing) Act, 1937, the responsibility for framing of grade standards for agricultural and allied commodities, and quality control lies with the Directorate of Marketing & Inspection (DMI) of the Ministry of Agriculture. According to DMI, the BIS enforces certification of Agmark commodities under the ISI Mark, which are in violation of Section 40 of the BIS Act, 1986. Section 40 states: 'nothing in this Act shall affect the operation of Agricultural Produce (Grading & Marketing) Act, 1937'. However, despite the violation, compulsory certification of *vanaspati*<sup>49</sup> was entrusted to the BIS. This was also against the recommendations of the National Agriculture Commission.<sup>50</sup>

Under a notification of the PFA Amendment Rules in March 1992, the certification of blended edible vegetable oils under the Agmark was made compulsory. Official records show that this was pointed out to the Steering Committee. Notably, notification to entrust the labelling of edible vegetable oils, under the Ecomark, could confuse the consumer as to which mark he has to choose, thereby increasing the chance that the quality of assurance under one standard seal of Government would be discredited. It was proposed that the Agmark could amend their

standards to include environmental requirements (as specified by the Ecomark) with the cooperation of manufacturers and traders. With this in mind, it is not clear why the Steering Committee insisted on pursuing these categories on a stand-alone basis instead of integrating them with other Schemes.

### ***Tea and Coffee***

Criteria setting of tea and coffee was also not free from controversy. First, the DMI again claimed stake in the products, as both were basically agricultural products. Second, following notification GSR600 (E) dated June 18, 1992 the Tea Board<sup>51</sup> expressed strong reservations on specifications of limits of iron and lead contents in tea. They stated in a letter that if the specifications were implemented, the same might adversely affect exports of Indian tea.

The logic behind the inclusion of the second phase of criteria on beverages, as aforementioned, is vague because products needed to additionally comply with the requirements of the Fruit Product Order (FPO), 1955, framed under the Essential Commodities Act, 1956, Standards of Weight and Measures Act, 1977 and 1985 wherever applicable. In addition, the pesticide residues (if any) in the product should not exceed the limit as prescribed in the PFA Act, 1954, and the rules made thereunder.

The existing rationale behind the selection of foods items as a product category in the presence of other Schemes is contradictory to an extent. On the other hand, this product category could be translated into an advantage given that India urgently needs an agency to certify organically grown agricultural products. There is a need for such certification by farmers for obtaining better prices for their products, especially as organically grown agricultural produce is environmentally friendly. Therefore, the Indian Ecomark Scheme could consider starting certification of organically grown food products, but after reconciling with other Schemes so that the same mistake is not committed again. If this is done, units like Mother Dairy are likely to participate in the Ecomark Scheme. Our survey also found that Weikfield Products Company (India) Private Limited, Pune was mulling on the idea to go for the Ecomark in the future. Currently, the company is a major producer of products like custard powder, jelly, baking powder, mushrooms etc.

***The Indian Ecomark Scheme could consider starting certification of organically grown food products, but after reconciling with other Schemes***

### **5.4 Lubricating Oils**

Though lubricating oils are mainly consumed by institutional consumers and much less by individual consumers, this is another category, which was included in the list of products. Consumers buy lubricants (but not directly) for use in automobiles and sewing machines, however, the quantum is negligible in comparison to industrial use, which is validated by the fact that most of the 37 existing sub-product criteria are for use for machinery, spindle, turbines, clock like mechanisms, precision instruments, axle, jute oil, glass moulding, air compressor, etc. However, ecolabelling of lubricating oils is very relevant for institutional procurement e.g. by State Transport Corporations, Railways, Defence etc.

The major concerns that led to criteria development were proper use, storage, transport, after use disposal, safe handling precautions and

biodegradability. As no Indian testing standards were available, it was decided that biodegradability was to be tested as per the OECD test method.<sup>52</sup>

It was found that Castrol, a company that had participated actively in criteria setting, was still in a watch mode trying to assess demand. On the other hand, Indian Oil Corporation claimed that their products were already eco-friendly. However, with notification of the Hazardous Wastes (Management and Handling) Amendment Rules, 2003 on May 20, 2003, the criteria developed for lubricating oils were rescinded. A mention of the withdrawal was made in Schedule 5 of the Hazardous Amendment Rules. This implies that either the criteria of lubricating oils need to be drawn up again or that there is a possibility that this product category may be discontinued from the Ecomark product category list.

*This product category is very crucial for international trade, because of the conditions imposed by rich countries on import of packaged goods, as they do not wish to import 'pollution' in their country through packaging*

### 5.5 Packaging Materials/Packaging

This product category is very crucial for international trade, because of the conditions imposed by rich countries on import of packaged goods, as they do not wish to import 'pollution' in their country through packaging, which requires easy disposal, and which does not contain pollutants etc.

The Indian Ecomark Scheme has developed the criteria into two components for the 'packaging materials and packaging' product category. The first part consists of developed criteria for paper, paperboards and plastics (excluding laminates) to be used for food products. The second part is comprised of developed criteria for laminates and products to be used in packaging products other than food.

In addition to the Ecomark criteria, manufacturers are also required to comply with the applicable provisions under the PFA Act, 1954. Also as part of the requirement, packaging materials/packages need to carry instructions for proper use and mode of safe disposal.

**Table 3: Examples of Criteria for Packaging Materials/Packaging**

<b>Paper and paperboards</b> (for food packaging)	Require to be manufactured from virgin pulp
	Need to be free from dioxins
	Require that printed surfaces of the paper do not come into contact with the food
	Must specify the maximum amount of contaminants (cadmium, chromium, lead, mercury, pentachlorophenol and polychlorinated biphenyls) for paper that come into contact with food. Four separate levels have been set for dry food, wet food, food with fatty surface, and paper for filtration. Although, the rationale behind this appears very sound, whether such levels can be attained in a single go, by Indian manufacturers, needs further probing
<b>Plastics</b> (Excluding laminates)	The packaging of food, pharmaceutical, cosmetics and drinking water must be made from virgin plastic
	Packaging material used for packaging of non-food, non-pharmaceutical, non-cosmetic and non-drinking water commodities are to be

	manufactured from recycled plastics and compatible plastic wastes, which need to comprise a minimum of 30 percent by weight
Laminates	<p>Must not contain any residual volatile organic compounds when tested by the gas liquid chromatography method. For food products when this kind of plastic is used, the requirements are that:</p> <ol style="list-style-type: none"> <li>It should be made of 100 percent virgin material;</li> <li>It should not emit any obnoxious odour; and,</li> <li>No harmful material should be used in its making.</li> </ol> <p>It should be recyclable and reusable.</p>

*The main consideration behind criteria development was to restrict the use of volatile organic compounds (VOC) in paints*

As packaging is a major source of environment pollution, it is important that adequate care is taken to see that this product category achieves success. Although this product category has developed criteria for as many as 27 sub-products, a closer look at the sub-category list would again show that not all cater to household or consumer products. Packaging of commercial high explosives definitely cannot qualify as a household or consumer product, and institutional procurement of explosives is unlikely to be influenced by the environmental characteristics of its packaging. Therefore, the item selection needs to be streamlined.

#### 5.6 Architectural Paints and Powder Coatings

The main consideration behind criteria development was to restrict the use of volatile organic compounds (VOC) in paints. The other requirements were that products should not be formulated with mercury and mercury compounds or be tinted with pigments of lead, cadmium, chromium and their oxides. While criteria have been finalised for seven sub-categories, six were under revision. Under the Ecomark Scheme, "Architectural Paints and Powder Coatings" has been further sub-categorised into: a) Architectural Paints and Powder Coatings, b) Water Based Coating, c) Solvent-based High Solid Coatings and d) Powder Coatings.

**Table 4: Examples of Criteria for Architectural Paints and Powder Coatings**

<b>Water-Based Coatings</b> (including dry distemper and cement paints)	A product shall not contain more than five percent VOC
	Products are not to be formulated or manufactured with free formaldehyde in excess of 10mg per kg of paint
	There is a particular limit to the use of halogenated solvents, benzene and poly-aromatic hydrocarbons and other aromatic hydrocarbons
<b>Powder Coatings</b>	Requirement that a product should be free from any VOC
	Excluded are natural impurities or impurities entailed by the production process up to the amount of 0.1 percent by weight which are contained in the raw material
<b>Solvent-Based high Solid Coatings</b>	A product shall not contain VOC in excess of 380gm per litre
	Excluded are natural impurities or impurities entailed by the production process up to the amount of 0.1 percent by weight which are contained in the raw material
	The product should not be formulated or manufactured with free formaldehyde in excess of 10mg per kg of paint, and the same should be applied for halogenated solvents, benzene and poly-aromatic hydrocarbons, and other aromatic hydrocarbons in excess of 10 percent by weight

***The Ecomark, as aforementioned, is a Type I environmental label, hence there should be no need to display the list of critical ingredients in descending order of quantity present in percent by weight***

In addition, the criteria were further developed when there was no scope of 'Do it Yourself Paints' in India. Indians usually engage contractors for painting rather than painting themselves. Hence, the consumer normally does not decide on the brand of paint, only on its type (e.g. plastic emulsion versus distemper) and colour.

During the criteria setting of paints, official records show that all major paint-manufacturing companies participated, which led to the criteria developed being achievable. An industrial participant<sup>53</sup> said, "the environment criteria are definitely relevant. We, in fact, satisfy all the 'product specific requirements' for our 'Decorative Water-Based Coatings'. However, it was found that it may be difficult to comply with the general requirements like disclosure of composition, etc., on account of product secrecy". This appears to be correct given that even though the criteria were achievable, they were still not accepted by the industry. The listing of major/critical ingredients on labels when usage on the ingredient is over five percent of total weight, manufacturers were concerned about this listing on the label on grounds of secrecy. This is one of the major factors why the paints industry demanded an opportunistic incentive for adoption of the Ecomark *vis-à-vis* reduction of excise duty from 33 percent to 16.5 percent but this was never accepted.

The Ecomark, as aforementioned, is a Type I environmental label, hence there should be no need to display the list of critical ingredients in descending order of quantity present in percent by weight. Display of critical ingredients is exclusively a feature for Type III labelling, where the consumers after reading the ingredients have to take a decision. The identity of some of the used paint ingredients acted as a deterrent to paint manufacturers' acceptance in this case.

"Globally people have realised that use of environment unfriendly paints could aggravate Sick Building Syndrome. While India is currently passing through an infrastructure development and real estate boom, many infrastructure development and real estate companies are opting for green buildings. In order to qualify as a Green building one of the criteria is to ensure use of eco-friendlier paints. It is found that paint-manufacturing companies such as Kansia Nerolac Paints Ltd (Formerly Goodlass Nerolac Paints Ltd) are using US Green Seal standards to prove their eco-friendliness. If companies such as these can be targeted, then they could become easy takers of Indian Ecomark."<sup>54</sup>

***Globally people have realised that use of environment unfriendly paints could aggravate Sick Building Syndrome***

### **5.7 Batteries**

During the criteria development, batteries were sub-categorised according to the kind and type of batteries. Currently, the Scheme has developed criteria for lead acid batteries and dry cell batteries. The concerns behind the criteria development were proper use so as to maximise the product performance and safe disposal.

<b>Table 5: Examples of Criteria for Batteries</b>	
<b>Lead Acid Batteries</b>	Limit the ratio of the quantity of lead used in a battery with the overall weight of the battery when charged with electrolyte
	It stresses the use of recycled lead (from post-consumer lead) measured over a period
	Desire manufacturers to organise the collection pay back system for used batteries and provide documentary evidence. In this regard, a Battery (Management and Handling) Rules was notified in May 2001
<b>Dry Cell Batteries</b>	In case of non-rechargeable dry cell batteries, the criteria require that the amount of mercury in batteries should not exceed 0.005 percent <i>by weight</i>
	In case of re-chargeable dry cell batteries, the criteria require that mercury used should not be more than 0.005 percent <i>of total content</i>

However, it was found that small scale battery manufacturers, which primarily dominate the lead acid battery sector, were not properly consulted when the criteria were being decided.<sup>55</sup> This has led to none of the small manufacturers being able to attain the present criteria and thus the Ecomark and its criteria have received little acceptance by the industry. Moreover, there is little incentive for the manufacturers to invest Rs 100 crores (US\$21.5mn) to Rs 300 crores (US\$67.6mn) for state-of-the-art manufacturing units that would meet the criteria, since there is little consumer demand for the Ecomark on batteries.<sup>56</sup> Consequently, not a single company in this sector has applied or got the Ecomark licence.

It is important that the existing criteria are critically re-examined by taking into account the views of small manufacturers especially since metals used for manufacturing of batteries (i.e. lead, mercury, cadmium, etc) are highly hazardous, and qualify as household and consumer products.

***The success of Ecomark scheme largely depends on the availability of used/old batteries for recovery/recycling of lead in an environment friendly manner***

Moreover, the success of Ecomark scheme largely depends on the availability of used/old batteries for recovery/recycling of lead in an environment friendly manner. For this, essential arrangements need to be made so that large consumers such as Defence, Railways, State Road Transport Corporations etc., are obliged to return the used/old batteries to the manufacturers or their authorised agents who will undertake recovery of lead by complying with the provisions of Water (PCP) Act 1974, Water (PCP) Cess Act 1977, Air (PCP) Act 1981 and Environment (Protection) Act, 1986 and the rules made thereunder.

The Battery (Management & Handling) Rules, 2001 was implemented with the objective to regulate the Management and Handling of Batteries in India. The Rules seeks to regulate the channelisation, recycling and recovery of used lead-acid batteries in an environment-friendly manner. This is to control the traditional backyard smelting of used lead-acid batteries under-taken by the small-scale enterprises and firms that are highly polluting. As the activity leads to emission of lead to the atmosphere, discharge of acid into the open ground or sewers and loss of lead due to poor recovery of the order of 30-40 percent.

## 5.8 Electrical/Electronic Goods

Although the Ecomark Scheme has electrical and electronic goods included as a product category, the criteria development has not been dynamic. Under the Scheme, the criteria have been developed for 24 sub-product categories, but the criteria for 15 are yet to be finalised, according to official records. However, it has been found that the existing criteria are either irrelevant or problematic to a certain extent, including:

*Although the Ecomark Scheme has electrical and electronic goods included as a product category, the criteria development has not been dynamic*

- The existing criteria require that products display a list of critical components and cautionary notes. But this is unrealistic since many goods may contain hundreds of individual components whose listing would be meaningless for any consumer.
- This, notably, is the only product category that mentions energy efficiency and reduced power consumption for electrical appliances. In line with the criteria, the product needs at least five percent improvement in energy efficiency or five percent reduction in power consumption over existing standards in order to qualify for the Ecomark. However, a problem arises as to what the point of reference would be for such improvement.
- The Scheme sets at least 96 percent energy efficiency for electric type fan regulators, manually operated voltage stabilisers, automatic voltage stabilisers and servo motor operated voltage stabilisers. Yet further study is required in order to determine whether such requirements conform to the mandatory Energy Conservation Act, 2001.
- The Scheme has finalised criteria for black & white television sets but not colour television as yet. Today, black & white television has become totally outdated in India, which means that the criteria have also become irrelevant. Under the Scheme, the rated maximum power consumption in watts for colour and black & white television receivers is specified according to the screen size. The criteria also specify electro-magnetic radiation from colour television. There have been subsequent developments in television technology and the current criteria have not taken into account such occurrences, being too reliant on the BIS. Even the conventional CTV tube is being displaced by Thin-Film Technology and Plasma Displays.
- In the case of refrigerators, the existing criteria require that refrigerants and foam blowing agents should not contain any ODS (CFCs) relevant to refrigeration industry as identified under the Montreal Protocol. CFCs and other aromatic-halogenated hydrocarbons shall not be used for cleaning purpose during manufacturing assembly. Nevertheless, the Scheme does not make reference or link up to the domestic legislation, ODS (Regulation and Control) Rules 2000, implementation of which was enforced from January 01, 2003.
- The criteria for lamps are out-of-date. As an example, it would have made more sense to award the Ecomark to Compact Fluorescent Lamps (CFLs) rather than tubelights in 2003, yet there was no BIS standard for CFLs. In addition, Philips India Limited had desired the inclusion of fluorescent tubes<sup>57</sup> in 1993. However, a representative<sup>58</sup> of the company explained, "We do not advocate separate labels for environment. Environment should be a part of the overall brand image".

Since the electrical and electronic goods industry thrives on technological development, the criteria, when set for such products,

need the maximum level of dynamism. For greater acceptance amongst the electrical industry, when formulating the required standards and creating awareness on the advantages of the Ecomark, direct involvement of representatives from various industries needs to be carried out.<sup>59</sup> Furthermore, this is a more practicable way to ensure quick reaction to fast-changing technological developments.

### 5.9 Food Additives

Under the Food Additives product category, criteria have been developed for nine sub-products<sup>60</sup>. The main concern behind criteria setting was the use or presence of certain ingredients like assay, acetic acid, phosphorus pentoxide and nitrogen, and contamination i.e. arsenic, lead, iron, copper and non-volatile residue like tridodecyclamine and 4-Methylimidazole.

Although one of the respondents<sup>61</sup> expressed willingness to apply for Ecomark certification, food additives *per se* would not be able to qualify as a consumer or household product category. The use of synthetic food additives by an individual or household is negligible and the criteria relate more to health and food safety than the environment.

Food additives are purchased largely by units in the food processing industry whose final, finished products are governed by other laws pertaining to food and its safety for human consumption and so the inclusion of this category in the Ecomark Scheme requires further thought as to the reasons for its inclusion in relation to environmental objectives.

### 5.10 Wood Substitutes

Under this product category, criteria have been developed for: a) substitutes for fuel-wood; b) substitutes for wood building material; and c) substitutes for wood in furniture. As many as 35 standards under BIS have been formulated and are being upgraded. However, albeit wood substitutes could be utilised for industrial as well as domestic use, there is no clear mechanism addressed to distinguish the usage i.e. whether it is for industrial use or domestic use. This is a serious lacunae.

The Scheme recognises briquettes, biogas, liquid petroleum gas (LPG) and natural gases as substitutes for fuel-wood. Briquettes made from agricultural and wood residues (like saw dust) and domestic wastes (like garbage) without synthetic binders are eligible for Ecomark. The Scheme specifies that such briquettes should not be manufactured from any waste material, which contains any hazardous constituents as specified under Hazardous Wastes (Management and Handling) Rules, 1989. However, bricks made out of fly ash or concrete made of High Volume Fly Ash remain excluded from the scheme as wood substitute although the use of the same has been made mandatory through environmental legislation.

Criteria have been developed for building boards, which are used for different purposes such as partitioning, panelling, cladding and false ceiling. Such boards need to be made from agricultural or industrial wastes such as phospho-gypsum, red mud, baggase, cotton stalk, rice-husk, coir fibre, sisal fibre or wood residues, or wood from sources other than natural forests or environment friendly plastics to be eligible for the Ecomark.

*Under the Food Additives product category, criteria have been developed for nine sub-products*

In case of substitutes for wood in the furniture sub-category, the furniture (table, chairs and stool etc.) made from agricultural or industrial wastes or wood residues or wood from sources other than natural forests or building boards or environment friendly plastics are eligible for the Ecomark.

***As most of the LPG supplying companies were still under government control, the use of the Ecomark on such products could have been easily achieved***

Since wood substitutes could easily qualify as a source for non-conventional energy, not meaning renewable energy, an opportunity presented itself for the promotion of the Ecomark with the on-going efforts of the Ministry of Non-Conventional Energy Sources (MNES), which could have resulted in consumer awareness. However, no effort was made in this direction in the period of existence of the Scheme and the opportunity passed.

Finally, as most of the LPG supplying companies were still under government control, the use of the Ecomark on such products could have been easily achieved by convincing the same companies to use the Ecomark on their cylinders. A 'demonstration effect', leading to increase in popularity of the Scheme among consumers, could have taken effect, however this option was overlooked as well.

### **5.11 Cosmetics**

Conceptually, the concerns behind cosmetics are mainly related to human safety and not so much to the environment. This leads to questions behind the inclusion of this product category under the Scheme and perhaps the industry may not go in for the Ecomark.

Taking into account official records, the main concerns behind criteria development for this product category were: a) biodegradability of surfactant agents as per the limits under the Ecomark for synthetic detergents; b) presence of heavy metals like lead and arsenic, and c) dermatological safety. Apart from these criteria, the product has to meet the relevant clauses under the Drugs and Cosmetic Act, 1940. Notably, the first and second main concerns of this criteria development can be linked to environmental concerns, while the issue of dermatological safety relates more to immediate human health and not the environment.

***The concerns behind cosmetics are mainly related to human safety and not so much to the environment***

Criteria have been developed for 18 sub-product categories and criteria for 24 other products are under process as per official records. The existing sub-product categories include products such as skin powder, tooth paste, tooth powder, shampoo, skin cream, hair oil, hair cream, hair dyes, cologne, nail polish, after shave lotion, pomades and brilliantine's, chemical depilatories, shaving cream, cosmetic pencil and lipsticks. The sub-product category does not contain *sindoor* and *bindis* for which about a dozen women parliamentarians had written to the Environment Minister<sup>62</sup>.

According to one industry observer<sup>63</sup>, "The fast moving consumer goods (FMCG) industry in India, in particular, has not found value in ISI certification and finds that the certification only increases cost. The ISI standards are also not available for all categories of products marketed. Hence, we see no tangible benefit in seeking Ecomark for only certain products, which in the process may undermine the quality of our other products for which no ISI standards exist. Nevertheless, our quality standards are far superior and stringent as compared to the ISI".

### 5.12 Aerosol Propellants

The main concern behind the criteria development for aerosol propellants was restriction/prohibition of ODS that are relevant to the aerosol industry as identified under the Montreal Protocol.<sup>64</sup> The ozone depleting potential (ODP) listed as a single value are determined from calculations based on laboratory measurements.<sup>65</sup>

However, the current criteria have not been linked up with the ODS (Regulation and Control) Rules 2000, implementation of which has started since January 01, 2003. If the use of ODS as propellant is being phased out under the ODS Rules 2000, then the concern to have this as a separate product category does not remain meaningful. In addition, the only respondent from the sector, Kumar Aerosol Limited felt that the current criteria are stringent and preferred a gradation system than the existing go-no-go gauge.

### 5.13 Plastic Products

The Ecomark criteria developed for this product category has been broadly divided into plastic products<sup>66</sup> for food, pharmaceutical and drinking water, and secondly, recycled plastic products meant for products other than the ones mentioned under the first category. As a part of the requirement, the product, wherever necessary, also needs to comply with the regulations under the PFA Act, 1954, and the Drugs and Cosmetic Act, 1940.

**Table 6: Sub-categories of Recycled Plastic Products**

<b>Horticultural supplies</b>	All implements, containers and support structures used in gardening activities such as flowerpots, garden stakes and berry trays
<b>Product containers</b>	All containers for agricultural produce such as eggs, fruits and vegetables
<b>Office supplies</b>	All implements, containers and support structures for use in offices such as presentation folders, file folders and binder covers
<b>Non-food containers</b>	All containers for non-food products such as detergent bottles, pallets and reusable packaging containers
<b>Recreational Equipment and Furniture</b>	All implements and support structures designed for the recreational market such as playground equipment and patio tables
<b>Construction materials</b>	All materials used in the construction of structures whether stationary or transportable, such as lumber, fencing or shingles

The plastic products identified in the above sub-categories (excluding fillers and reinforcing agents for construction) need to be made from a minimum of 90 percent by weight of compatible plastic wastes in order to qualify for the Ecomark. Plastic products used as construction material (excluding fillers and reinforcing agents) need to be made from minimum 60 percent by weight of compatible plastic wastes.

The Scheme should be expanded to include criteria, which cover biodegradable plastic products. There are areas of overlap with the product category on 'packaging and packaging material' and unless the difference is properly clarified it is likely to create confusion.

Furthermore, according to two respondents of the survey, the main reason for industry's non-acceptance has been lack of awareness. As

plastics are an important product category, such issues need to be addressed directly.

#### 5.14 Textiles

Textiles have a special significance under the Scheme for two reasons. Firstly, the manufacturing process of various textiles results in wastes that are environmentally hazardous and secondly, Indian organisations<sup>67</sup> have acquired foreign ecolabels in this product category. Century Textiles and Industries, a part of the B K Birla Group, under pressure from the German buyer *Otto Aversano*, applied and got the “Eco-tex” label in January 1995 (see Box 7).

#### Box 7: Century Textiles and the Eco-tex

Meeting Eco-Tex requirements was difficult, even though the cost borne by Century Textiles for “Eco-tex” certification was less than Rs 93,110 (US\$2,000). It involved the company finding alternative dyes, reformulating recipes, checking quality, testing amines and retraining mill workers. The substitution exercise led to optimisation of the dyeing recipe so that a 10 to 15 percent cost increase in most of the shades was offset by a 20 to 30 percent cost saving in two of the most popular colours.

More importantly, however, was the fact that certification brought several market advantages. The marketing department could get an 8-10 percent higher price due to ‘Eco-Tex’ and overall quality improvements. Additionally, the market widened by 10 percent in the first year alone. Many new buyers from the US and the UK (who re-exported to Germany) turned to Century due to the Eco-Tex certificate<sup>68</sup>.

***Stringency in standards need not always deter companies because market often offers acceptance, price premia and greater profitability***

This example shows how stringency in standards need not always deter companies because market often offers acceptance, price premia and greater profitability.

The criteria developed on textiles under the Indian Ecomark Scheme can be divided into three sub-product categories including: a) criteria for cotton, wool, man-made fibre and blends<sup>69</sup>; b) criteria for jute and jute products; and c) criteria for silk and silk products<sup>70</sup>.

One industry representative<sup>71</sup> noted: “There can be no generalisation for technologies. As far as the vegetable dye production is concerned there has been a change brought about by blending traditional knowledge along with cost-effective, modern environment-friendly technology. But when that is applied on garments the technology differs, depending on the garment producing units and their considerations about the environment... But whatever technology is used, it should be cost effective to maintain the competitive edge”.

Another industry representative<sup>72</sup> said, “We have not as yet received any serious demand from foreign clients for mandatory ecolabelling, therefore there is no compulsion for the company to get serious immediately. Also there has been no effort on part of the government to promote consciousness amongst the producing units particularly the exporters on the Indian Ecomark”. He added that they had

expressed interest in applying for Indian Ecomark, but their interest diminished due to lack of response from the BIS to their application.

*Neither the MoEF nor the BIS formally approached the Ministry of Textiles to co-ordinate the Scheme*

The above responses point out the reasons why the textile industry has stayed away from the Ecomark. Not only that but no study has been done to show that meeting and obtaining the Ecomark criteria could lead to cost reduction: there has been no proactive promotion of the Scheme in the industry. Likewise, neither the MoEF nor the BIS formally approached the Ministry of Textiles to co-ordinate the Scheme.

### **5.15 Fire Extinguishers**

The main concerns behind criteria development for fire extinguishers were ozone depletion and global warming. The existing criteria restricts the use of ODS relevant to fire extinguishers industry as identified under the Montreal Protocol<sup>73</sup>. Chemicals used in fire extinguishers should also not have a global warming potential.

Further, the metallic body and other metal parts of the fire extinguishers need to be free of lead or lead alloys. The coatings used for the metallic part are not to be formulated with mercury and mercury compounds or be tinted with pigments of lead, cadmium, chromium VI and their oxides.<sup>74</sup>

Although G S Safety System India and Safex Fire Services Limited expressed willingness to apply for the Ecomark, the basic issue is that no manufacturer in India makes Halon based fire extinguishers for consumer use any longer. Hence, whether the need to continue with this product category is questionable.

*The leather industry is considered as a highly polluting industry*

### **5.16 Finished Leather Goods**

The leather industry is considered as a highly polluting industry. The pollution takes place mainly at the tanning and finishing stages of the production process. Chemicals and organic materials are the main sources of pollution. Chrome is considered as the most dangerous and long-lasting chemical pollutant. Other pollutants include sulphides and solvents. The industry also produces protein residues whose disposal is one of the tanners' main problems: this is because 50 percent of the original hides and skins do not get converted to leather and are discharged/disposed as solid waste.

#### **Box 8: International Leather Standards**

The worldwide leather sector has grown almost tenfold in the last 20 years, while there has been a sizeable shift of leather industries from industrialised to developing countries. The trade in leather goods and products is important for some developing countries, including India, because it is an important source of employment as well as foreign exchange.

In parallel with the shift of leather production from industrialised countries to developing countries has been a tightening of chemical residue limits applied by Organisation for Economic Cooperation and Development (OECD) member countries on leather and leather goods. These residue limits relate to formaldehyde, cadmium, certain azo dyes, pentachlorophenol and hexavalent chromium.

Since the middle of the 1990s, several OECD countries have banned manufacture, import, export and sale of leather and leather products using azo dyes because some of these chemicals are potentially carcinogenic. Germany was the first country to impose the ban. Within a couple of years, The Netherlands followed suit; since then, other European countries have also imposed similar bans e.g. Austria's ban went into effect on January 01, 1999 and Norway's on April 08, 1999.

***Recognising the potential for environmental damage by the Indian leather industry and further recognising the importance of the leather and leather goods sector to Indian exports, it was included as a product category under Indian Ecomark***

Currently, India's share in world leather production is around four percent. India is also one of the main exporters of leather and leather products to the EU. Compared with other developing countries, the Indian industry has been relatively quick and effective in responding to the regulations regarding pollutants and azo dyes. The Council of Leather Exporters of India determined that every tannery in Tamil Nadu had access to an effluent treatment plant. Wastewater treatment facilities are also being set up in other tanning centres, like Kanpur, Jalandhar and Bangalore. Additionally, a massive leather complex with pollution-control facilities is being built near Kolkata where many existing tanneries will be relocated. Between 15 and 20 Indian tanneries have obtained ISO:14001 certification, and several more are applying for it. Such mandatory requirements have also prompted new research. Scientists at Central Leather Research Institute, Chennai have recently developed enzymes, called *amylases*, to replace lime in the leather-softening treatment.

Recognising the potential for environmental damage by the Indian leather industry and further recognising the importance of the leather and leather goods sector to Indian exports, it was included as a product category under Indian Ecomark. Leather was the only product category to be delinked from the BIS.

However, it is felt that the Indian Ecomark has not been widely adopted, mainly due to inertia and want of promotional efforts in the industry. Leather manufacturers claim that the average Indian consumer will not pay extra for goods produced at a sustainable rate, although they have not determined whether sustainable production would lead to increased costs.

#### **5.17 Coir and Coir Products**

Coir and coir products is the last addition to the product category under the Indian Ecomark Scheme.<sup>75</sup> Ecomark draft criteria on coir and coir products was finalised and approved by the Technical Committee. The draft criteria were notified in the Gazette of India GSR 449(E) dated May 01, 2003 for public comments.

The suggested criteria set limits on residual pesticides viz. Carbaryl and Monocrotophos, pH of aqueous extract, percentage of total chloride content, and percentage of total sulphate content and sand content. One of the general requirements under the criteria is that the manufacturers of these products must produce the consent clearance, as per the provisions of the Water (Prevention and Control of Pollution) Act 1974, and the Air (Prevention and Control of Pollution) Act 1981, and the authorisation(s), if required, under the Rules notified under the Environment (Protection) Act, 1986, as applicable, and the rules made there under, to BIS while applying for Ecomark.

## Chapter 6

# Popularisation of the Ecomark Scheme

***One of the major challenges for the success of any ecolabelling scheme is its popularisation i.e. raising awareness among producers, consumers and the society at large***

One of the major challenges for the success of any ecolabelling 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. An appropriate, well-targeted and continuous communication strategy would play a significant role in increasing acceptance of any product or service.

However, at the launch of the Ecomark Scheme and during subsequent years, it has been found that popularisation was severely inadequate. Initially, the members of the Technical Committee felt that first the Ecomark Scheme should be popularised as a product itself. After the popularity, all other things about the Scheme like thinking behind the Scheme, product categories, procedure and award of the Ecomark would be easier to popularise. Hence, during the second meeting of the Steering Committee the issue of communication was taken up. The Federation of Indian Chambers of Commerce and Industry (FICCI), interestingly, suggested the use of postal stamps for popularising Ecomark logo, yet the suggestion was not considered as appropriate. Instead, it was decided that aggressive advertising would be taken up with the first award of the Ecomark licence to a product. The Directorate of Advertising and Visual Publicity was entrusted with the task of undertaking publicity campaigns. Alas, a campaign never materialised.

In addition, after designing the Ecomark logo, the Centre for Environment Education (CEE), Ahmedabad had suggested a communication strategy for popularising the symbol to the major target audiences i.e. manufacturers, consumers and government departments. However, this proposal was not realised.<sup>76</sup> In 1999, the Waterfalls Institute of Technology Transfer, New Delhi was given a project to publish a bi-monthly magazine called 'Wista Ecomark'. The project was renewed in 2000, but this also failed to meet the objective of increasing awareness.

***The desired awareness of the Scheme among industry, consumers and government departments was never created***

As a result, the desired awareness of the Scheme among industry, consumers and government departments was never created. Evidently, the Scheme was launched without any communication strategy and with consumers not aware, the demand for Ecomarked products never caught on. There was also no incentive for industry to introduce eco-friendly technologies and products.

### Box 9: International Awareness of the Ecomark

In contrast, international awareness of the Ecomark Scheme can be said to be higher because reference of the Indian Ecomark can be found in various reports of several international groups. The awareness might have improved with the membership of GEN.

However, without any licences on export products, international acceptance of the Scheme remains to be tested. This is buttressed by the fact that during 1995 two Indian textile manufacturing export units viz. Arvind Mills and Century Textiles and Industries applied for and were awarded the “Eco-tex” certification from the Germany for textiles.

If the Indian Ecomark was acceptable to European buyers, then why did these units apply for foreign certification? One could counter argue that the two companies applied the Indian Scheme for “Eco-tex” because the criteria for textiles were not finalised in 1995. However, if we assume the counter argument to be true, then why have textile manufacturers stayed away from the Indian Ecomark licence after the criteria for textiles were finalised?

In parallel to the failed attempts for the popularisation of the Scheme, the MoEF took some initiatives to review the Ecomark Scheme and organise fresh thinking for future actions.

In 1998, the MoEF commissioned a study to be carried out on “Concept Testing of Green Consumption,” a survey for testing consumer and industry responses to the Ecomark Scheme in four metropolitan cities of India viz. Chennai, Delhi, Kolkata and Mumbai<sup>77</sup>. The study found that only some consumers in the higher income group were willing to pay more for green products provided that the price was not more than 10 percent higher than the price of non-green products. This revealed the *prima facie* assumption that a market for green products already existed in India when launching the Ecomark Scheme, was inaccurate. In addition to the study, A N Bhat of ICM & HLL, a member of the Technical Committee, prepared a paper, which reviewed the concept of the Indian Ecomark Scheme (see page no. 42). It observed that the assumption that a market already exists for ecolabelled products in India was not true and suggested prioritisation of 10 sectors for assessing the environmental attributes, but no consensus could be achieved in a following meeting.

***Only some consumers in the higher income group were willing to pay more for green products provided that the price was not more than 10 percent higher than the price of non-green products***

On a different note, in a research study on consumer acceptance of GM product by Sangeeta Bansal, Jawaharlal Nehru University and Bharat Ramaswami, Indian Statistical Institute, a small experiment at the Jawaharlal Nehru University in June 2006 was carried out. This experiment demonstrated the price sensitivity of the demand for labelled products even for low price items and showed that the importance of labelling will vary with social groups (See Box 10).

If the use of the Ecomark on a product would mean an increase in price, then it would adversely affect demand, as consumers are price sensitive in India. This, in turn, would dampen the implementation of the Scheme. This finding follows the line of reasoning that in a developing country, unless the price of environmentally benign products are at par or less than their environmentally unfriendly alternatives, an average consumer will never be able to override his/her environmental concerns over economic considerations. In light of this the Government could overcome this problem by either taxing environmentally unfriendly products or providing tax-breaks to Ecomarked products.<sup>78</sup>

### Box 10: Does Labelling Matter to Consumers?

Any kind of labeling, mandatory or voluntary, presumes that consumers care about the characteristics that are labeled. There has been considerable work attempting to measure the degree of aversion to GM foods in Europe and North America. Consumer surveys typically indicate a large preference for GM-free foods. Such studies do not exist for developing countries.

A more fundamental issue: do quality labels matter to consumers and how much?, was considered and a small experiment at the Jawaharlal Nehru University in June 2006 was conducted. A stall was set up in a popular shopping area in the University in the evening hours. The subjects who participated in the experiment were predominantly students but also included some workers and faculty.

The participants were faced with a choice of two bags: A and B. Bag A contained 400 mg of apple juice that advertised on its packaging “No preservatives and added colors”. Bag B also contained the same quantity of apple juice but without the same claim. The market price for the labeled product is Rs. 30 while that of the unlabeled product is Rs. 20. The choice of B (given away free) was accompanied by Rs. 20 in cash. The choice of A (given away free) was accompanied by Rs.  $x$  in cash where  $x$  was drawn by the participant from a box and it could be 0, 5, 10 or 15. The random payoff was first drawn and then the participant was asked to make the choice.

In this experiment, the difference between Rs. 20 and Rs.  $x$  is the amount foregone if the participant chooses bag A. It therefore represents the price of the labeled product. Out of 90 respondents, 49 chose the labeled product and 41 chose the unlabeled product. The experiment found that the probability of choosing the labeled product to be negatively correlated with its price. Also women are more likely to choose the labeled product than men.

This small experiment demonstrates the price sensitivity of the demand for labeled products even for low price items. This suggests that it would be difficult to assess the demand for labeled GM-free products from hypothetical attitude surveys. It also showed that the importance of labeling will vary with social groups.

The fact that the demand for the labeled ‘high quality’ product is negatively correlated with its price means that suppliers have to consider the trade-offs between market share and labeling. Hence it is this trade-off that determines the supply of labeled products. Under stable preferences, mandatory labeling requirements will not alter this trade-off and hence the supply of labeled products.

*Source: Sangeeta Bansal, Jawaharlal Nehru University and Bharat Ramaswami, Indian Statistical Institute, The Economics of GM Food Labels: An Evaluation of Mandatory Labeling Proposals in India, Forthcoming IFPRI Discussion Paper, December 2006*

Overall the study indicated that there was a lack of awareness about the Ecomark Scheme among Indian industry, in particular, among medium and smaller players. At the same time, the study showed that consumer awareness continued to be poor in the absence of a national communication strategy.

***Study showed that consumer awareness continued to be poor in the absence of a national communication strategy***

A conference titled “Future of Ecolabelling in India” organised at New Delhi was targeted at the Technical Committee and Steering Committee members to discuss future actions for the Ecomark Scheme.<sup>79</sup> The recommendations that emerged from the conference were aimed at:

- a) Reorientation of the rationale of the Ecomark Scheme;
- b) Prioritisation of product categories;
- c) Streamlining existing procedures of award;
- d) Providing incentives for the Ecomark award;

- e) Mass awareness programme;
- f) Preferential purchase policy;
- g) Resolution of any inconsistency between the BIS criteria and Ecomark criteria; and
- h) Establishment of an independent National Ecolabelling Board.

Furthermore, an industry meeting<sup>80</sup> took place to identify 10 sectors (taking into account AN Bhat's paper) and to make suggestions on the selection of criteria. The participants recommended:

- a) An incentive based approach to revive the Scheme
- b) Preferential purchase policy by the Government for creating a ready market for Ecomarked products
- c) A massive consumer awareness building exercise for creation of a market
- d) Simplification of procedures in awarding the Ecomark
- e) De-linking the ISI mark from the Ecomark

In 2003, three industry awareness generation workshops<sup>81</sup> were undertaken in the state of Madhya Pradesh. During the second workshop, Digvijay Singh, the then Chief Minister of Madhya Pradesh, said that a green procurement policy would be commenced in the State.<sup>82</sup> However, due to a lack of publicity, most of the respondents were unaware of such a policy. At the final workshop, Orient Paper Mills was awarded the Ecomark licence. These workshops were followed by an extra, but less eventful, seminar conducted by the BIS on the Ecomark for the leather sector.<sup>83</sup> Nevertheless, unless such efforts are continued in all states on a regular basis and using a strategic approach, awareness generation on Ecomark is not likely to improve.

***NGOs feel that unless and until awareness is created among the public at large, consumer demand will not be generated***

At present it seems that the Scheme has run into a chicken and egg type of situation. While Ministry representatives have taken a position that consumer awareness programmes should follow the introduction of products in the market with the Ecomark, NGOs feel that unless and until awareness is created among the public at large, consumer demand will not be generated.<sup>84</sup> A representative<sup>85</sup> of a major paper company further indicated that "the reason we have not publicised Ecomark on our product is that there is no additional gain both in terms of product acceptability or higher price realisation. Unless the public in India recognises the importance of Ecomark, we don't think it is going to make a major headway". This viewpoint highlights that as there is no 'demonstration effect' of the Ecomark, existing licence holders are showing reluctance to use the Ecomark on their packages.

Even 10 years after the launch of the Ecomark, the credibility of the Scheme within India remains a big question mark, fuelled by the fact that the level of awareness of the Scheme among consumers as well as industry has been miserably low. K K Agarwal, the Chairman of Alps Industrial Ltd believes, "There must be brand equity or at least some kind of brand image for Ecomark to work as an effective marketing tool. A larger agency rather than any single company must create this brand equity. For this the government should devise a publicity strategy like that of Woolmark, and other successful marks".

## Chapter 7

# The Ecomark versus Industry Self-declarations and Ownership Issues

***A self-declaration provides specific factual information to consumers about a product's environmental attributes***

Taking advantage of the lack of ecolabels for each and every product, sections of industry have successfully lobbied for the development of standards to enable producers to make “self-declarations.” A self-declaration provides specific factual information to consumers about a product's environmental attributes, without pre-judging where one product is preferable to another, which is left to the consumer to decide, as part of his/her purchasing decision.

The ISO has drawn up standards for such environmental declarations that allows manufacturers to write their own environmental labels. The ISO Type II standard has two basic components:

1. A set of general principles that should be applied to all self-declared labels: These state that self-declared environmental claims made in regard to products may take the form of statements, symbols or graphics on product or package labels, product literature, technical bulletins, advertising, publicity etc. The evaluation methods used should be scientifically clear, transparent and documented for the benefit of the consumer.
2. A set of illustrative guidelines for commonly made environmental claims: Whenever a claim is used, it must be substantiated and verifiable.

***In India, advocating self-declarations in place of the Ecomark would not be desirable because third party ratification of thousands of self-declarations is impossible***

In the approach paper submitted to the MoEF by A N Bhat (see page no. 39), it was opined that the industry would be better off with self-declarations and that the Indian Ecomark Scheme should be removed and replaced with such industrial self-declarations. It was argued that harmonisation of common environmental claims could be accomplished by the direct adoption of the ISO:14021 standard or even the creation of a code of conduct/guidelines based on this standard. According to Bhat, this would complement and not preclude nor over-ride any other applicable legal requirements under the country's existing “truth in advertising” mechanisms. The suggestion received support from some industries operating in the FMCG segment. On the other hand, the paper was criticised by consumer groups present on the Ecomark Committees.

In an independent study in 2001, CUTS found misleading environmental claims proliferating in India. The study showed that there are two ways of looking at green claims *vis-à-vis* consumerism. One could either be genuinely concerned about the environment, desiring to do the right thing or one could just be looking for that “green” edge from a marketing angle. In India, the latter seems truer. Hence, advocating self-declarations in place of the Ecomark would not be desirable because third party ratification of thousands of self-declarations is impossible.

Likewise, after three consultations, the core group (set up by the MoEF to comment on A N Bhat's submission) opined that even though the proposed self-declaration, in line with the Type II Scheme of the ISO, was applicable in a buyers' market, such a situation was not prevalent in India at that time. Type II Schemes (self-declarations) are successful only in a buyer's market i.e. a matured market with educated and environment conscious buyers. However, it was unanimously agreed that the Ecomark Scheme in the present form had not yielded the desired results and would also not work in the future unless drastic changes were made in the Scheme.

### **Ownership**

Ownership of the Ecomark Scheme has been a big question mark among all stakeholders, other than from officials in the MoEF, the BIS and the CPCB, although sufficient thought was given to: a) ensure active involvement of industry and other stakeholders in the Scheme, b) the need for creating mass awareness for promotion and acceptance of the Scheme, c) recommending the most appropriate criteria and parameters to designate various products as environment friendly; and d) review from time to time.

***The decision to acquire an Ecomark licence will inherently be dependent on three key issues: profit, market applicability and cost***

From the point of view of Indian industry, the decision to acquire an Ecomark licence will inherently be dependent on three key issues: profit, market applicability and cost. At present, the Ecomark is viewed by industry as a responsibility without commensurate rewards. The majority of industry respondents felt that Ecomark certification would not increase their domestic sales. According to a representative of Madhya Bharat Paper Mills (the first licence holder of the Ecomark for paper category), "Indian consumers are extremely price sensitive and industry is not sure of the commercial benefits. Should there be any increase in price due to increase in cost for complying with Ecomark criteria then it would invariably affect sales".

On the contrary, it should be known that ecolabelling could conceivably result in cost reduction. Orient Paper Mills, have publicly<sup>86</sup> said that they have managed huge cost saving by adopting better environmental practices. Whether such cost savings are due to compliance with ISO 14001<sup>87</sup> requirements or fulfilment of Ecomark requirements can be debated (see section 5.14 for other examples of cost reduction via the acquisition of an Ecomark by textile companies). Expert opinion<sup>88</sup>, however, suggests that cost reduction is not universally applicable to all product categories covered under the Ecomark. To obtain a categorical answer to the same, a study needs to be undertaken. If it can be proved that compliance with Ecomark criteria leads to cost savings, then acceptance of the Scheme will improve substantially among the industry.

***A misconception prevails among certain factions of industry that the Ecomark legitimises least 'performance expectations'***

Another deterring factor for ownership from industry has been the application procedure to get the Ecomark. Unless it is simplified and made less time-consuming, industry will continue to show apathy towards the Scheme (see Section 3.6).

Equally, a misconception prevails among certain factions of industry that the Ecomark legitimises least 'performance expectations' which has also affected ownership. However, the Ecomark does not legitimise anything, it only communicates the message that the certified product

is environmentally less harmful than one without the certification. The aim of the Scheme is to distinguish between environment friendly and unfriendly products. This should properly be conveyed to industry, to improve their attitude towards the Scheme.

***The Ministry of Information and Broadcasting could have popularised the Scheme through the Government television and radio channels like Doordarshan and All India Radio***

Finally, the very existence of the Ecomark programme suggests that the Government is supportive of using economic instruments for pollution prevention. Although the programme still remains within the purview of the Government, it was felt that other Government Departments could have done more to support the programme. For example, preferential purchase policy for Ecomark certified products by Government Departments could have provided a ready market for industry or some incentives like tax breaks could have motivated industry. Also, the Ministry of Information and Broadcasting could have popularised the Scheme through the Government television and radio channels like Doordarshan and All India Radio.

## Chapter 8

# Conclusion and Policy Recommendations

Ecolabels have three distinct dimensions attached to them. First, they are a part of the “sustainable consumption” agenda and aid consumers in making informed choices about the environmental impact of the products they consume. Second, they are a part of the “sustainable production” agenda: the products themselves, the processes by which they are manufactured, the usage to which they are subjected and the means of their disposal are certified to be environmentally superior to alternatives. Third, there appears a possibility that ecolabelling could be used as a protectionist measure, NTB to international trade. Ecolabels have now become a part of the WTO agenda and are being discussed at the WTO in the Committee on Trade and Environment.

***The effective implementation of any measure such as the Indian Ecomark Scheme requires resources and political will***

The effective implementation of any measure such as the Indian Ecomark Scheme requires resources and political will. In case of the Ecomark, there were both resources and political will when the Scheme was launched in the 1990s. However, with no political backup, the MoEF has been unable to maintain the momentum and subsequently the Scheme has failed to acquire adequate support of the Ministry of Finance.

After a large amount of work and effort (e.g. on criteria development), the Government changed and the will to implement the Scheme was lost. Currently, the Indian Ecomark Scheme has turned into a lame duck situation with lack of interest of most of the stakeholders. To a large extent, this is due to the lack of continuity of the concerned Governmental staff. A serious and complex issue such as ecolabelling must be handled by specialists who remain in the institution till the task is well accomplished.

Another reason behind the derailment of the Scheme was that some business lobbies worked hard to disrupt it: the detergent industry being a case in point. It must be realised that this is bound to happen initially, and that while voluntary adoption of the Scheme is highly advisable, the Government and civil society groups must show sufficient resolve by not allowing pressure groups to allow the Scheme to stand still.

***A serious and complex issue such as ecolabelling must be handled by specialists who remain in the institution till the task is well accomplished***

Problems also exist in the administrative set up, as the implementation is in the hands of the BIS, which treats the Ecomark Scheme somewhat like a step child. Communication between different branches/Ministries of the Government has been very poor at times, responsibilities have got diffused and the entire management has been weak. There is, therefore, a crying need to intensively re-examine the mechanics and modalities of managing and implementing the Scheme.

The Ecomark Scheme has failed to take off in a desired fashion due to multiple reasons. Today, the multiplicity has made the situation so complex that it would be relatively easier to start from first principles, i.e. starting with a small basket of products/categories, which are the dirtiest ones so as to get a maximum impact. The past repository of knowledge could serve as a reference point.

It is further suggested that the MoEF takes the initiative in reviving the Scheme. Given the resource constraints, this initiative would be a partnership between the Government, civil society organisations and industry. Within the Government, participation from the Ministry of Commerce & Industry, the Department of Consumer Affairs (DoCA) and the BIS and possibly other relevant Ministries such as Finance would be necessary but clearly, the MoEF must take the lead role.

The present Scheme needs to be restarted or even revitalised with a proactive and focused approach from the first principle with:

- **Ecolabelling Board:** As the existing three-tier system has been too bureaucratic, a new, independent board with an advisory structure comprising of the scientific community, consumer, environmental and business groups would be a better option. Suitable promotional tools and techniques have to be devised to promote Ecomark amongst individual consumers and institutional buyers.
- **Privatisation:** There should be a reduction and prioritisation of the number of selected product categories to be included under the Scheme. Intermediate goods should continue to be considered under the Scheme. The product categories to be chosen should be based on certain measurable parameters such as maximum adverse environmental impact, and high national consumption. However, there should be a system that determines whether to include new product categories under the Scheme given the dynamics of the environment.
- **Forward Looking:** The Scheme needs to be made more dynamic and forward looking by periodic revisions of criteria through wide stakeholder consultations. A system must be set in place that carries out the same every two years especially for rapidly changing technology products such as under the electronics product category. This will motivate and encourage industry to attain a higher gradation. Government should link such promotions with incentives in the form of excise duty exemption, rebates, preferential purchase or even tax holidays. In addition, the proposed criteria should also take into account existing Indian Standards that cover such product categories.
- **International Trade:** As ecolabels can be used as NTBs, domestic as well as international requirements need to be balanced while formulating the criteria. The Government should press for equivalence and/or mutual recognition of the Schemes of different countries at the WTO, as it will prove beneficial for industries. Otherwise a situation may arise where companies having Indian Ecomark certificate would need to apply for ecolabel of the destination country, leading to dual cost. If getting an Indian Ecomark would suffice for exporting the product to any country in the world, then an individual exporter would save substantially on

certification costs and this, alone, would act as sufficient inducement for him to adopt the Ecomark.

- **Awareness:** Last but certainly not the least, an effective National Awareness Campaign should be carried out to raise both consumer and industrial awareness and demand for the Ecomark. The campaign should be carried out on a continuous basis to set in motion a market for green products.

## **Annex I**

# **Ecomark Licence Awardees**

The Ecomark Licence has been awarded to the following companies:

1. Century Pulp and Paper, Nainital (Writing and Printing Papers Plain Copier Papers)
2. Madhya Bharat Papers Ltd., Chhatisgarh (Writing and Printing Papers)
3. Orient Paper Mills, Shahdol (Writing and Printing Papers)
4. Ecoboard Industries Ltd., Sangli (Wood Particle Board Pre-laminated Particle Board)
5. Ecoboard Industries Ltd., Solapur (Wood Particle Board Pre-laminated Particle Board)
6. Mangalam Timber Products Ltd., Korapur (Medium Density Fibre Board)
7. Tamil Nadu Newsprints & Papers Ltd., Karur (Plain Copier Papers)
8. Satia Paper Mills Ltd., Muktsar (Writing and Printing Papers Cover Paper)
9. Abhishek Industries Ltd., Sangrur (Writing and Printing Papers)
10. Shreyans Industries Ltd., Sangrur (Writing and Printing Papers)
11. Shreyans Industries Ltd., Nawanshahar (Writing and Printing Papers Cover Paper)
12. Tata International Ltd., Dewas (Leather)

# Endnotes

- 1 As many as 27 cases have been identified by CUTS and 16 of them were documented in the published report "Green Advertisements: Are they Telling the Truth". In its revised version, all 27 cases would be documented.
- 2 Global Ecolabelling Network website: <http://www.gen.gr.jp/eco.html>
- 3 "Ecolabelling: Does (Should) One Size Fit All?", CUTS, 2003.
- 4 Goodland Robert (2002), "Ecolabelling: Opportunities for Progress Toward Sustainability", *Consumer's Choice Council*, April.
- 5 Julian Morris (1997), "Green Goods? Consumers, Product Labels and the Environment", The Environment Unit, The Institute of Economic Affairs.
- 6 CUTS and VOICE organised a National Workshop on Consumer & Environmental Laws in April 1990, which *inter alia* raised a demand to introduce ecolabelling in India.
- 7 Minister of Environment and Forest, Maneka Gandhi, who spoke at the above workshop in 1990.
- 8 Leadership tool – A company would use the Ecomark to indicate that it is the leading environmental company in the industry.
- 9 Resolution no. G.S.R. 85(E), February 20, 1991.
- 10 The Ministry of Finance approved the proposal of awarding excise duty concessions to environment-friendly products. *The Economic Times*, Bangalore edition, September 29, 1992. In August 1992, the Ministry of Finance agreed 'in principle' to support the MoEF proposal of awarding excise duty concessions for environment friendly products provided "it was revenue neutral" i.e. there would be no net loss to the exchequer.
- 11 Ramabehn R. Mavani, former MP from Rajkot, Gujarat.
- 12 The Canadian Environmental Choice programme began in 1988 and the guidelines for certification are created with the help of industry, environmental groups, independent scientific/technical advisors, and universities.
- 13 LCA is a process to evaluate the environmental burdens associated with a product, process or activity by identifying and quantifying energy and materials usage and wastes released.
- 14 The Steering Committee first met on March 14, 1991, and the tenure of this committee was 3 years until reconstituted.
- 15 The Technical Committee first met on May 14, 1991 and the tenure of this committee was 3 years until reconstituted.
- 16 CPCB also became a member of the Global Ecolabelling Network in November 1992.
- 17 These objectives being (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.
- 18 Sudhir K. Ghosh, Director, Maneka Environment Management Services, Bhopal and former Officer-in-charge of Ecomark Scheme in CPCB.
- 19 R K Somany, Chairman and Managing Director, Hindustan Sanitaryware and Industries Limited.
- 20 Ecomark Scheme and its Implementation: H L Upendar, Director, BIS.
- 21 P P Khanna, CEO, Nand Kishore Khanna and Sons
- 22 Century Pulp and Paper Mills applied for the Ecomark and were awarded licences for using Ecomark on "Writing and Printing Paper" and "Plain Copier Paper" in 2000
- 23 Dr. Ghayur Alam, Director, Centre for Sustainable Development, Dehradun, India.
- 24 I) Soaps and Detergents, II) Plastic Products, III) Food Items (such as edible oils, tea, coffee, baby food, processed foods and beverages), IV) Paper, V) Textiles, VI) Food Additives, VII) Cosmetics, VIII) Architectural Paints and Powder Coatings, IX) Batteries, X) Lubricating Oils, XI) Packaging Materials, XII) Aerosol Propellants, XIII) Pesticides, Insecticides, Biocides and Weedicides, XIV) Drugs, XV) Electrical /Electronic Goods and XVI) Wood substitutes.
- 25 Paper by Swallow and Sedjo (2000)
- 26 K P Nyati, Head of Environment Management Division, Confederation of Indian Industry, New Delhi.
- 27 The response to the Ecomark scheme has been hesitant if not different, *The Financial Express*, Sunday, August 08, 1999. *In this issue the chairman of the CPCB, Dilip Biswas, who is also chairman of the Technical Committee on Ecomark Criteria, answers readers' queries on Ecomark.*
- 28 Eco-Labeling: Actual Effects of Selected Programmes, OECD/GD(97)105, 1997.
- 29 Long-term Perspective on Environment and Development in the Asia-Pacific Region, <http://www.ecoasia.org/workshop/bluebook/chapter3-1.html>
- 29 Rusi Governor, Head, Corporate Quality Analysis, Dabur India Limited.
- 30 Stated by Resolution no G.S.R.85(E).
- 31 Coir and Coir products were not under consideration as a category during this period of time.
- 32 Evan Bozowsky, Global Ecolabelling Network

- 33 During the second meeting of the Technical Committee held on July 26, 1991, members felt that in cases where methods for testing the parameters were not available with the BIS, the methods from the American Society for Testing and Materials/OECD or other standards organisations could be adopted.
- 34 Usually, 'Builders' or sequestering agents are added to detergents to increase the ability to suspend dirt. Phosphates are considered the most effective builders. However, they typically pass unchanged through wastewater treatment plants and spur overgrowth of algae, choking streams and rivers. The process, known as '*eutrophication*' poses a significant environmental problems.
- 35 Alkyl benzene sulfonates, which are generated from some detergent production processes, are not biodegradable. This is a serious environmental hazard because while they may not degrade, they do dissolve easily and therefore are a hazard to soil and groundwater. The presence of benzene is a danger to any living organism it touches.
- 36 N G Wagle, Letter to the Editor, *The Economic Times*, May 13, 1993.
- 37 V R Dhanuka, Head Skin-GTC, Hindustan Lever Limited.
- 38 *The Economic Times*, Sunday, October 25, 1992.
- 39 The Guidelines stipulates the amount of alkaline and fatty materials that laundry soap varieties should contain.
- 40 1. Century Pulp and Paper, Nainital 2. Madhya Bharat Papers Ltd., Chhatisgarh 3. Orient Paper Mills, Shahdol 4. Tamil Nadu Newsprints & Papers Ltd., Karur 5. Satia Paper Mills Ltd., Muktsar 6. Abhishek Industries Ltd., Sangrur 7. Shreyans Industries Ltd., Sangrur 8. Shreyans Industries Ltd., Nawanshahar
- 41 A K Agarwal, General Manager of Projects at Orient Paper Mills
- 42 A K Agarwal suggested that CUTS request the Technical Committee for ratification
- 43 S N Venkataraman, Chief Manager of International Sales at ITC Limited in Bhadrachalam Paperboards Division.
- 44 Letter received from Tamil Nadu Papers Limited, January 8, 2003.
- 45 Edible oils are sub-categorised into 1) raw and refined edible vegetable oil and 2) *vanaspati* (Hydrogenated Vegetable Oil). Under sub-category 1, criteria have been developed for 23 categories including imported rapeseed oil. Under sub-category 2, criteria have been developed for *vanaspati*. However, going by the consumption patterns of oil in India only some of the above categories are relevant to a common consumer.
- 46 The Agmark Scheme grades and marks agricultural produce under provisions of the Agricultural Produce (Grading & Marketing) Act, 1937 and General Grading and Marking Rules, 1988
- 47 <http://agricoop.nic.in/agmarket02.htm>
- 48 The objective of grading is (i) to ensure the availability of pre-tested and quality certified products to the consumers/buyers, (ii) to help the producers/farmers realise a better price that is commensurate with the quality of the produce, and (iii) to promote good marketing practice
- 49 Hydro-genated vegetable oil, popular cooking medium
- 50 The National Commission on Agriculture (1976).
- 51 In a letter, December 29, 1992.
- 52 CEC-L-33-T-82 (21 days)
- 53 P G Wagle, ICI India Limited.
- 54 Arjun Dutta, Bengal Shristi Infrastructure Development Limited
- 55 Yashpal Kanotra, President, Small Battery Manufacturers Association, National Consultation on the Battery Management and Handling Rules, April 2001.
- 56 Sushil Bhattar, President of Projects at Binani Industries Limited, Discussion held during the 46th session of the International Lead Zinc Study Group, October 16-18, 2001.
- 57 Comments received on February 4, 1993
- 58 L Ramakrishnan, Regional Environmental Coordinator, Philips Lighting, Asia Pacific Region.
- 59 S H Ghag, General Manager of Manufacturing at Voltas Limited.
- 60 a) acetic acid glacial, b) vinegar, c) sodium benzoate, d) citric acid, e) sodium metabisulphite, f) potassium metabisulphite, g) sodium bicarbonate and sodium carbonate, h) natural colourants (caramel) and i) baking powder.
- 61 IFF India Limited, based in Chennai.
- 62 Members of Parliament: Mamata Banerjee; Malini Bhattacharya; Santosh Chaudhary; Saroj Dubey; Geeta Mukherjee, Rita Verma and others gave a representation to the Minister of Environment & Forests, Shri Kamal Nath dated April 24, 1993.
- 63 P Shanker, Director-Legal and Corporate Affairs, Amway India Enterprises, December 18, 2002 in response to a letter seeking clarification on environmental claims made by them
- 64 Details available on [www.envfor.nic.in/cpcb/ecomark.htm](http://www.envfor.nic.in/cpcb/ecomark.htm)
- 65 The upper value is the estimate of the ODP of the isomer with the highest ODP, and the lower value is the estimate of the ODP of the isomer with the lowest ODP
- 66 Virgin plastics need to be used.
- 67 Arvind Mills also applied and obtained Eco-tex certification for their denim cloth in the same year. There are various others in the textiles and accessories sector who have also applied for and obtained this certification under pressure from their European buyers.
- 68 Unlocking Trade Opportunities: Case Studies of Export Success from Developing Countries, International Institute for Environment and Development, 1997.
- 69 Under this category parameters have been set on i) free and releasable formaldehyde, ii) extractable artificial sweat/saliva iii) heavy metals (mercury), iv) Chromium III, v) Chromium VI, vi) sum parameters (as lead), vii) Pentachlorophenol (PCP), viii) volatile hydrocarbons (non-halogens), ix) volatile halogenated organics, x) pesticides

- (sum parameter), xi) banned pesticides, xii) pH of Aqueous Extract, and xiii) Coupled Amines released from Azo-dyes (Sum Parameters). It has been noted that some of the parameters are quite stringent and at par with any other international standard.
- 70 Under a) and c) criteria have been developed on i) baby clothing, ii) close to skin and iii) outer fabrics. Under b) criteria have been developed for i) home textiles and clothing and ii) hessian and stockings close to skin and outer fabric.
- 71 K K Agarwal, Chairman of Alps Industrial Limited.
- 72 S Ghose, General Manager of Saveena Enterprises Private Limited.
- 73 List available on [www.envfor.nic.in/cpcb/ecomark.htm](http://www.envfor.nic.in/cpcb/ecomark.htm)
- 74 Excluded from these are natural impurities or impurities entailed by the production process up-to the amount of 0.1 percent by weight, which are contained in the raw material.
- 75 Currently, criteria are being finalised for Retted and Mechanically Extracted Coir Fibre, Coir Yarn, Rope, Coir Matting, Mourzouks, Carpets and Coir Mats, Rubberised Coir, Coir Geo Textiles and Coir Polymer Composite Boards.
- 76 Kartikeya Sarabhai, CEE.
- 77 "Concept Testing of Green Consumption", Study done for the MoEFs by CUTS International, 1998.
- 78 K P Nyati, Head, Environment Management Division, Confederation of Indian Industry.
- 79 The conference was organised by the CPCB, FICCI and CUTS at New Delhi on April, 26, 1996.
- 80 CII was requested by the MoEF to convene this meeting
- 81 The Madhya Pradesh Pollution Control Board (MPPCB) organised the three workshops on May 19, 2003 at Indore; June 15, 2003 at Bhopal; and July 10, 2003 at Jabalpur respectively.
- 82 Madhya Pradesh Government gives an exemption of 50 percent in the consent/renewal of consent to industries, which have been awarded 'Ecomark' label for their products.
- 83 The Seminar was held at Kanpur, UP.
- 84 Manubhai Shah, Chairman Emeritus, Consumer Education & Research Centre (CERC), Ahmedabad.
- 85 Jaydeep Chitlangia, Madhya Bharat Papers Ltd, Calcutta.
- 86 Third Ecomark Industry Awareness Workshop, Jabalpur, July 10, 2003.
- 87 Certification for environment systems.
- 88 K P Nyati, Head, Environment Management Division, Confederation of Indian Industry (CII).



# CUTS CITEE's Work on Environmental Issues

## **Ecofrig Campaign**

During 1998-2001, a campaign on environment-friendly refrigerator was undertaken (Ecofrig project). The objective was to increase awareness among consumers on environment-friendly products, lobby with refrigerator industry to supply environment-friendly refrigerators to Indian consumers and advocate with decision makers for an enabling environment. The initiative reached a milestone when the first Ecofrig was launched in January 2001. This was supported by the Swiss Agency for Development and Cooperation, Switzerland.

CUTS expects to become the National Partner in India to conduct awareness generation and information dissemination on CFC phase-out targeting the RAC (refrigeration and air conditioning) servicing sector. United Nations Environment Programme (UNEP) has approached CUTS for this project to be implemented during 2005-2008.

## **Lead Acid Battery Project**

Following its focus on environmental labelling and environmentally-sound technologies and practices, a project entitled "targeted lobbying and training initiative to promote the 'Ecomark' for primary batteries/cells and facilitate environment-friendly lead-smelting" was undertaken with support of Ministry of Environment and Forests (MoEF), Government of India (GoI). The project reached a milestone when some of the recommendations were included in the final version of the Battery (Management and Handling Rules) that was enacted in 2001.

## **Advertising and Sustainable Consumption**

With increasing popularity of 'green consumerism' incidents of misleading environmental claim are on the rise globally, including India. In India, while the industry is interested to go for self-declared claims they were often found indulging in misleading claims violating the International Organisation of Standards (ISO) 14021 guidelines. CUTS documented a case study, to show: how industry is misleading or cheating Indian consumers through

misleading/false environment claims?; industry justification to mark environmental claims as a marketing 'fad' is questionable; and how the industry has been avoiding the Ecomark scheme and trying to abort it?

## **Awareness Generation on Atmospheric Issues**

CUTS has undertaken an effort to increase awareness of elected legislators in South Asia on Atmospheric Issues (Ozone Depletion and Climate Change). This is a joint effort with South Asia Watch on Trade Economics & Environment (SAWTEE) and United Nations Environment Programme's OzonAction Programme.

Awareness generation and sensitisation work on Ozone Depleting Substance (Regulation and Control) Rules 2000 led to increase in registration of ODS using units operating in the refrigeration and air conditioning sector of West Bengal over 475 percent within a period of one month.

## **Concept Testing of Green Consumption**

With the support from the MoEF, GoI, CUTS has undertaken this project in 1997-98. A pilot survey was conducted in four metropolitan cities of India and the results (with analysis) were published in the form of a document.

## **Role and the Impact of Advertising in Promoting Sustainable Consumption in India**

Economic liberalisation in India witnessed the arrival of marketing and advertisement gimmicks, which had not existed before. This monograph traces the impact of advertising on consumption in India since 1991.

*pp 25, #9803, Rs.50/US\$10, ISBN: 81-87222-09-3*

## **Green Advertisements: Are they telling the Truth?**

This study tries to analyse that how the ISO 14021 standards are being violated in India. It also tries to find out if there was any need to indulge in self-declared labels and claims and the possible reasons behind the industry's effort to avoid Ecomark, or even abort it.

*pp 35, #C0101, Rs.100/US\$30, ISBN: 81-87222-42-5*

### **Quest for a Better Environment**

In India, multi-national refrigeration companies are trying to promote their products as environment-friendly but are using hydro-fluoro-carbon technology that is adding to global warming. Hence, the need was felt to expose the double-standards of these multinational refrigerator manufacturers through continuous public education, with the objective of generating consumer awareness and putting pressure on these companies to change over to environment-friendly product. This monograph is an effort to present these activities in this regard, in the quest for a better environment.

*pp 30, #C-0103, Rs.100/US\$30, ISBN: 81-87222-45-X*

### **Ecolabelling: Does (Should) One Size Fit All?**

The research report provides a developing country's perspective on the problem of harmonisation of ecolabels at the international level. The study includes analysis of conceptual issues; comparative costs of application for eco-labels and trade barrier issues arising out of the harmonisation demands. A comparative analysis of differing criteria requirements for three products across ecolabels from eight countries is presented to substantiate the case that across countries the environmental valuation differs and so do the standards.

*pp 72, #0501, Rs 100/US\$25, ISBN: 81-8257-049-2*

### **Trade in Environmental Services: An Indian Perspective**

The MoEF, GoI, commissioned the study 'Trade in Environmental Services' to CUTS, which analyses the impact of liberalisation on the Indian environmental industry. It also discusses the modes of supply for environmental services and certain barriers that restrict supply to foreign markets. Finally, it presents an analysis of commitments made by a number of WTO members, and suggests a negotiating strategy for India on environmental services.

*pp 92, #0502, Rs 100/US\$15, ISBN: 81-8257-050-6*

### **Linkages Between Environmental Standards and Poverty: A People Centred Approach**

This advocacy paper explores the possible linkages between environmental standards and poverty reduction. It provides a conceptual analysis of issues like the problem of poverty, impact of poverty on environment; and the impact of environmental standards on poverty. It analyses how environmental standards that focus on preventing use of resources could dilute the ability of the poor to gain capabilities to rise above poverty and affect the over all welfare and stability in the poor countries.

*pp 60, #0504, Rs 50/US\$10, ISBN: 81-8257-052-2*

### **Ecolabelling: Is It a Visible Instrument for Trade Promotion?**

India has introduced an ecolabelling scheme, called Ecomark, which has met with little success. Its failure has been a serious cause of concern for both environmentalists and governmental environmental agencies. The study is focused on the impact of ecolabels on India's leather industry. This is for two main reasons: the production of leather is a highly polluting process, which impacts very negatively on the environment; and leather and its products account for a large proportion of India's export.

*pp 88, #0505, Rs 100/US\$15, ISBN: 81-8257-053-0*

### **Stocktaking of Progress towards Sustainability: A pilot study of Indian legislative initiatives**

This pilot study addresses these issues by focusing on five laws, their implementation and stakeholder involvement. It first tests the extent to which these laws match Section G of the United Nations Guidelines on Consumer Protection (UNGCP) and relevant sections the Johannesburg Plan of Implementation (JPoI). Secondly, it presents findings on the implementation of laws and stakeholder involvement. The study uses analytical techniques, specialised literature as well interviews of implementing agencies and stakeholders.

*pp 200, #0508, Rs 350/US\$50, ISBN: 81-8257-057-3*

## CUTS Centre for International Trade, Economics & Environment

### Mission

Pursuing economic equity and social justice within and across borders by persuading governments and empowering people

### Goals

Enable and empower representatives of the civil society, from developing countries in particular, to articulate and advocate on the relevant issues at the appropriate fora.

Create a questioning society through empowerment of civil society representatives thus ensuring transparency and accountability in the system.

Promote equity between and among the developed and developing countries through well-argued research and advocacy on the emerging and relevant issues.

### International Advisory Board

#### T. N. Srinivasan

Samuel C. Park, Jr. Professor of Economics  
Yale University, USA  
*Chairperson of the Advisory Board*

#### Jagdish Bhagwati

Professor of Economics & Professor of Political Science  
Columbia University  
New York, USA

#### Jasper A. Okelo

Professor of Economics  
University of Nairobi  
Nairobi, Kenya

#### Tariq Banuri

Senior Research Director  
Stockholm Environment Institute (SEI)  
Boston, USA

#### Arjun Sengupta

Chairman, Centre for Development and Human Rights  
New Delhi, India

#### Debapriya Bhattacharya

Executive Director  
Centre for Policy Dialogue (CPD)  
Dhaka, Bangladesh

#### Magda Shahin

Director  
Trade Related Assistance Center (TRAC)  
Former Deputy Trade Minister of Egypt  
Giza, Egypt

#### Phil Evans

Competition Trade & Consumer Consultant  
London, UK

#### Dianna Tussie

Senior Research Fellow  
Latin American School of Social Sciences (FLACSO)  
Buenos Aires, Argentina

#### Janice Goodson Foerde

Chairperson, KULU-Women and Development  
Copenhagen, Denmark

#### Ann Weston

Vice-President and Research Coordinator  
The North-South Institute  
Ottawa, Canada

#### Mark Halle

European Representative & Director  
International Institute for Sustainable Development  
Geneva, Switzerland

#### L. Alan Winters

Research Director, World Bank  
Washington DC, USA

#### Trudi Hartzenberg

Director  
Trade Law Centre for Southern Africa (TRALAC)  
Stellenbosch, South Africa

#### Pradeep S. Mehta

Secretary General  
CUTS International



ISBN: 978-81-8257-084-9

CUTS Centre for International Trade, Economics & Environment

D-217, Bhaskar Marg, Bani Park, Jaipur 302 016, India

Ph: 91.141.228 2821, Fax: 91.141.228 2485

Email: citee@cuts.org, Web Site: www.cuts-international.org, www.cuts-citee.org