

BNN towards embedding environmental oriented management in the EU Organic Regulation

Background:

In the draft revision of the organic regulation which was published on March 24th 2014, article 7 paragraph 1 letter d obliges all processing and trading companies subject to the organic control system – with the exemption of smallest companies – to implement an environmental management system to improve their environmental performance. Measures for implementation are to be set in a delegated act.

The head of the organic unit within the Directorate-General of the European Commission recently stated that the requirements of article 7 paragraph 1 letter d are to be fulfilled by establishing the environmental management system EMAS as it is the environmental management system established by the European Union. This seems plausible as there are no comparable instruments established at European level.

Request:

The obligation that all processing and trading companies subject to the organic control system with the exemption of smallest companies have to implement an environmental management system (article 7 paragraph 1 letter d of the draft revision of the organic regulation) is to be deleted without replacement. Accordingly the authorization for a delegated act setting the implementing rules more precise in article 7 paragraph 2 is to be deleted.

Reasoning:

Environmental oriented management and environmental performance in the organic sector

Specialized organic companies mostly operate according to ecological criteria by own accord. This has been shown by the BNN Sustainability Monitor which aims to improve environmental performance and ecological management via a set of indicators. As well the communication campaign Nachhaltig Bio! (“sustainable organic!”) gives numerous examples of environmental oriented management in the specialized organic sector. (www.nachhaltigbio.de). We assume, there will be companies in further member states of the European Union as well to prove their environmental performance and record measures and outcome in their own systems.

Environmental management as obligation?

A legal obligation usually means that there have to be standards set as well regarding how to assure control of compliance. Therefore it is plausible that within the delegated act the decision will be for EMAS as it is already based on a EU regulation. Whether the different company structures and sizes

in the different member states can provide for this requirement is not known by now. To answer this question a European survey should assess which measurable and controllable systems or instruments are already implemented successfully in Europe. This status-quo-analysis should be part of the EU organic action plan and needs to be equipped with adequate financial means. It should cover:

- description of certified and not-certified systems for management and record which are successfully implemented in the different member states
- comparison of the systems regarding
 - o effort for companies
 - o informative value: dimensions and depth of examination
 - o Suitability of the management or record system to improve environmental performance and enhance ecological aspects in management
 - o options for assessment or control within the organic control system
 - o costs for companies
- discussion if an obligatory management system can lead to a steady improvement in environmental performance at all (see also reasons against an obligatory introduction of an environmental management system).
- discussion of a feasible sanction system under consideration of the according administrative efforts.
- discussion of incentive systems for a systematic improvement of environmental performance.
- conclusions for all member states and company structures

This status-quo is needed to decide at a later stage (e.g. before the next revision) if and how a compulsive environmental management system might be embedded in the Organic Regulation.

Reasons against the obligatory introduction of an environmental management system

The obligatory introduction of an environmental management system, especially EMAS, for all processing and trading companies subject to the organic control system with the exemption of smallest companies is not adequate and appropriate, the following reasons among others do not support it:

- Numerous processors and traders would be forced to give up as the effort in time and money is too high. This especially holds for small and regionally engaged small and medium enterprises (SMEs). The structural change would be pushed at the expense of SMEs.
- The control procedures are not well elaborated. There is the thread of high burocratic effort with little benefit for the environment.
- Environmental management systems are very much oriented on documentation; they do not demand specific content or specific measures. So they first improve documentation. If an obligatory introduction of an environmental management system actually leads to an

ambitious environmental policy and a steady improvement of the environmental performance is not known. There might be even greenwashing enforced, when an environmental management system which is formally correct but weak in content would be introduced and advertised.

- The benefit of an obligatory environmental management system was not assessed in the impact assessment and therefore has not been a priority concern.

Conclusion:

The obligatory introduction of environmental management systems in article 7 paragraph 1 letter d should be deleted without replacement. The compulsory introduction of environmental management systems for all companies subject to the organic control system (with the exemption of smallest companies) in order to embed environmental performance and its measuring into the Organic Regulation is not adequate and appropriate. It means risking companies to give up. If and how the environmental performance the organic sector already shows by own accord can and should be part of the organic regulation should be decided on the basis of a status quo analysis taking into account the practice and showing the efforts in SMEs in all member states. The status quo analysis is to be implemented in the EU organic action plan and to be equipped with adequate financial means.