



A framework for Member States to support business in improving its resource efficiency

An Analysis of support measures applied in the EU-28
Measure synthesis

Supporting voluntary agreements and initiatives

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its resource efficiency

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Authors: Martin Hirschnitz-Garbers and Mandy Hinzmann (Ecologic Institute); Emma Watkins and Patrick ten Brink (IEEP), Leonidas Milios and Sebastien Soleille (BIO by deloitte)

With contributions by: Christian Hudson, Ana Freluh-Larson, Gerardo Anzaldúa, Zoritz Kiresiewa (Ecologic Institute); Kristof Geraerts, Kamila Paquel, Andrea Illes (IEEP); Dana Huranova, Paula Marghiloman, Constance von Briskorn, Andreas Mitsios, Linas Tamutis, Natalja Saburova, Britt Marie Kutser (BIO by deloitte)

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Consortium coordinator:

Institute for Environmental Studies
Vrije Universiteit
De Boelelaan 1087
1081 HV AMSTERDAM
The Netherlands
Tel. ++31-20-5989 555
Fax. ++31-20-5989 553
E-mail: info@ivm.falw.vu.nl
Internet: <http://www.vu.nl/ivm>

Project coordinator:

Ecologic Institute
Pfalzburger Str. 43-44
10717 Berlin
Germany
Tel. ++49-30-86880 197
Fax. ++49-30-86880 100
E-mail: martin.hirschnitz-garbers@ecologic.eu
Internet: <http://www.ecologic.eu/>



Supporting voluntary agreements and initiatives

The aim of voluntary agreements or initiatives is to encourage resource efficiency in groups of businesses by creating shared goals. In this way, businesses may become more motivated and committed to take steps towards greater resource efficiency. Governments might support such agreements/initiatives e.g. by encouraging the development of codes of conduct/covenants (between businesses, or between businesses and government), offering support for the development of voluntary product labelling, voluntary corporate disclosure or voluntary collaboration between actors along a supply chain, or by hosting meetings/discussions between businesses.

State support for voluntary agreements and initiatives is widely used in eight Member States (28%; Finland, Germany, Greece, Italy, Luxembourg, Spain, The Netherlands, and the UK) and used a little in ten Member States (36%) (see Figure 1). In ten other Member States (36%) there is no national policy in place for this support measure.

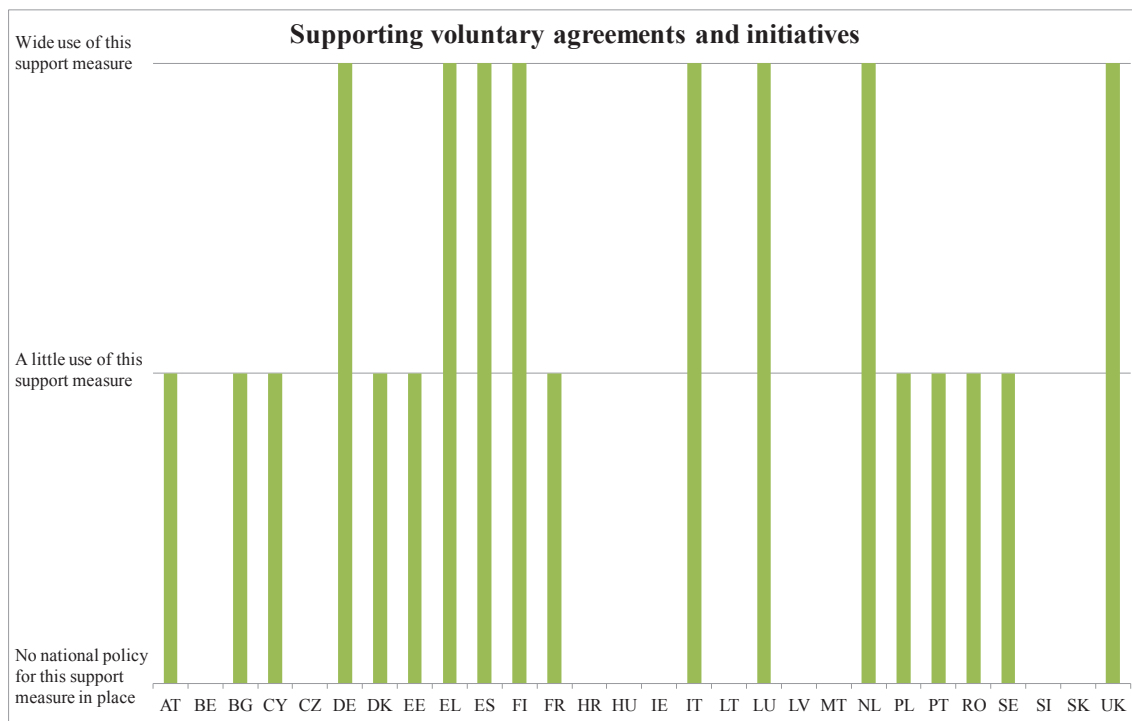


Figure 1: Scope of application of support measure 4 across the EU-28

Good practice examples

In the following, we provide selected good practice examples for this support measure from six different Member States (see Figure 2; the full list can be found in the separate Annex document): Italy, Luxembourg, Spain, The Netherlands, and the UK (each with wide use of this measure); Romania (a little use of this measure).

Supporting voluntary agreements and initiatives

Scope of application of support measure 4 across the EU-28 & Best practice cases

4 Courtauld Commitment in the UK – launched in 2005

Aimed to reduce food and packaging waste in the food and drink (grocery) supply chain.

The Commitment's first two phases contributed to preventing 2.9 million tonnes of waste with a value of 4 billion £; to using 1 million tonnes less packaging; and to decreasing UK annual household food waste by 15% between 2007 and 2012. Phase 3 (2013 to 2015, 53 signatories) aims to cut household food and drink waste by 5% and grocery supply chain waste by 3%, and to prevent any increase in grocery packaging's carbon impact; a fourth phase taking the measure to 2025 is under development.

3 Dutch Green Deals policy – launched in 2011

Green Deals are agreements between the Dutch government and other parties (companies, civil society organisations and other public authorities), aimed at removing non-financial barriers such as regulation and permits in the fields of energy, climate, water, raw materials, biodiversity, mobility, bio-based economy, construction and food.

By the end of 2014, 176 Green Deals had been concluded with 1,090 partners altogether. 40 of the Green Deals have reached completion; Green Deals did contribute to more recycling (bottom ashes, textiles) and to using alternative bio-based materials.

1 Voluntary agreement in the Spanish paper industry – launched in 2000

Voluntary agreement between the Spanish Association of Pulp, Paper and Cardboard Manufacturers (ASPAPEL) and the Ministry for the Environment, Rural and Marine Affairs (MARM).

Aimed at achieving highly demanding emission limit values among businesses in the paper, pulp and cardboard production industry.

The voluntary agreement sparked corporate R&D investment for the implementation of measures that helped to reduce water use by 28% (with 14% increase in production levels).

2 EcoInnovation Cluster in Luxembourg – launched in 2011

Promoting development of clean energy and technologies and to foster sustainability and innovation in Luxembourg in the topics: Circular Economy, Mobility, Sustainable Cities and Smart Technologies.

A network supporting actors of the Clean Technologies sector with the goal of creating and developing new and sustainable business opportunities, mainly through collaborative R&D and innovation projects.

Over 120 companies and over 20 public and private organisations participate in the cluster.

5 Voluntary Agreement for packaging waste prevention/recycling in Romania – launched in 2013

Voluntary Agreement between Ministry of Environment and Forests and distribution and recycling companies in order to develop tools for packaging waste prevention and improving recycling to help increase by 25% the volume of packaging collected.

Implemented in 14 major cities in Romania.

New service was developed – Sigurec Mobil programme, a mobile collection centre to collect household packaging waste or WEEE; 450,000 tonnes of plastic and aluminium packaging were collected in one of the pilot cities (Buzau) and around 500 tonnes of WEEE.

■ Wide use of the support measure

■ A little use of the support measure

■ No national policy in place for the support measure

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Figure 2: Good practice examples and scope of application for support measure 4 across EU-28

The **Italian** Ministry of Environment is committed to involving the private sector in efforts to improve resource efficiency. In this context, the Ministry is currently working on the definition of a national voluntary scheme, called “Green Made in Italy” that, by adopting the methodology PEF - Product Environmental Footprint of the European Commission, is aimed at promoting the competitiveness of Italian products in a context of growing demand for high environmental performance on national and international markets. Under this Italian Environmental Footprint Programme, a diagnostic tool based on the LCA (Life Cycle Assessment) methodology will be developed that helps companies to identify ‘carbon management’ procedures and low-carbon technologies to improve resource efficiency of the production processes. Launched in 2012, this programme has already received 200 participants from (large and small) companies and other actors.

The EcoInnovation Cluster of **Luxembourg** was launched in 2011, aiming to promote the development of clean energy and technologies and to foster sustainability and innovation in Luxembourg. The Cluster focuses on the following topics: Circular Economy, Mobility, Sustainable Cities and Smart Technologies. The Luxembourg EcoInnovation Cluster is a network that supports the various actors of the Clean Technologies sector with the goal of creating and developing new and sustainable business opportunities, mainly through collaborative R&D and innovation projects. The Cluster’s specific objectives are to: (i) diversify the activities of Luxembourg companies, thus allowing them to gain and develop new capabilities in the field eco-technologies; (ii) contribute to the development of new environmental solutions in the field of eco-technologies and sustainable construction; (iii) raise public awareness for the uptake of “green technologies”; (iv) build PPPs in order to develop new collaborative projects of common interest; and (v) encourage networking between public and private actors on the national and international level.

The membership of the Luxembourg EcoInnovation Cluster is open to companies, public research institutes and organisations that are active in the field of eco-innovation technologies. Many organisations as well as private companies have become members of the cluster. Over 120 companies and over 20 public and private organisations participate in the cluster, actively pursuing its objectives.

The national administration in **Spain** uses voluntary agreements as a strategic tool to go beyond legal commitments to implement circular economy principles, promote business competitiveness and encourage resource efficiency. The Spanish Ministry of Agriculture, Food and Environment (MAGRAMA) participates in and promotes these voluntary commitments with business associations of various sectors as well as with social enterprises. A good number of agreements have emerged in the past years. One prominent example is the voluntary agreement between the Spanish Association of Pulp, Paper and Cardboard Manufacturers (ASPAPEL) and the predecessor to the MAGRAMA, the Ministry for the Environment, Rural and Marine Affairs (MARM). The voluntary compromise of the pulp and paper industries aims to achieve highly demanding emission limit values among businesses in the paper, pulp and cardboard production industry that release process waters into public waterways. The first voluntary agreement was signed in 2000 and was renewed in 2005. Among other things, the voluntary agreement sparked corporate research and development (R&D) investment for the implementation of measures that reduce the environmental impact of pulp and paper production processes. Through these measures, water use could be reduced by 28% (with 14% increase in production levels) (OECD 2015).

The **Dutch** government gives support to voluntary agreements through the Green Deals policy. Green Deals are agreements between the Dutch government and other parties. These parties may be companies, civil society organisations and other public authorities. In a Green Deal the central government helps to remove bottlenecks for green plans, mostly with a view to remove non-financial barriers such as regulation and permits. Through the Green Deals approach government facilitates society to bring opportunities for a greener economy to fruition themselves, and hence becomes an enabler for new collaborative partnerships that aim at promoting a greener economy. The Green Deals started from the theme of energy, but also cover themes such as climate, water, raw materials, biodiversity, mobility, bio-based economy, construction and food. The first Green Deals have been concluded in 2011. By the end of 2014, 176 Green Deals had been concluded with 1,090 partners altogether. 40 of the Green Deals have reached completion. In the first two years (2011/2012) the most covered themes were energy, bio-based economy and raw materials. The green deals concluded in 2013/2014 were more strategic in nature and also involved a larger number of parties. Results and achievements from these Green Deals encompass, inter alia: erecting 15,000 charging posts for electric vehicles; making 8,100 homes energy efficient;

constructing seven LNG tanking stations for lorries and ships and two bunker stations; developing a method for incorporating sustainability in the tendering process for engineering projects; sharing knowledge and experience on factoring biodiversity into investment decisions; and establishing a Community of Practice as a spin-off for the financial sector. For a number of Green Deals, the envisaged actions could not be completed fully because (i) projects turned out to be technically infeasible, (ii) business cases could not (yet) be proven, (iii) funding was insufficient; (iv) wrong parties were involved, or (v) the licence could not be granted. (Directorate-General for Industry & Innovation, 2015)

In the **UK**, the Courtauld Commitment was launched in 2005 by the UK government's Waste and Resources Action Programme (WRAP) to reduce food and packaging waste in the food and drink (grocery) supply chain. The Courtauld Commitment has operated in three phases to date: Phase 1 ran from 2005 to 2009, and had three targets: to stop the growth in packaging waste by 2008, to cut packaging waste by 2010 and to identify ways to tackle food waste. Phase 2 ran from 2010 to 2012 and began the move from weight-based targets to new metrics that considered wider environmental impacts. This phase had three targets: to cut the carbon impact of grocery packaging by 10%, to cut household food and drink waste by 4% and to cut supply chain waste by 5%. Phase 3 started in 2013 and runs until the end of 2015. It has three targets: to cut household food and drink waste by 5%, to cut grocery supply chain waste by 3% and to ensure there is no increase in the carbon impact of grocery packaging. A fourth phase taking the measure to 2025 is under development.

Phase 1 had over 40 signatories, with 92% of the UK supermarket sector represented. Phase 2 had 53 signatories including major UK retailers and many of the leading brands in food and drink sale and manufacture,¹ which have over 90% coverage of the UK food and drink (grocery) market. Phase 2 helped businesses to (1) reduce costs; (2) improve the resource efficiency of products and their packaging; (3) better position organisations for a carbon-constrained future; (4) deliver against consumer expectations; and (5) help drive innovation in the sector. The Commitment's first two phases contributed to preventing 2.9 million tonnes of waste with a value of 4 billion £; to using 1 million tonnes less packaging; and to decreasing UK annual household food waste by 15% between 2007 and 2012 (DEFRA 2014). Grocery packaging weight was reduced by 10.7% (in the 2nd phase). In addition to the business benefits, in Phase 2, a 3.7% absolute reduction in total household food waste was achieved (270,000 tonnes per annum) against a target of 4% (92% of the target was achieved). However, avoidable household food waste reduced by 5.3%. This will have saved consumers 700 million £ and local authorities 20 million £ a year in 2012. The carbon savings associated with the reduction in avoidable household food waste amounted to around 930,000 tonnes CO₂eq a year.² Phase 3 has 53 signatories (as at October 2014). In 2013, a third phase of the Commitment was launched, aiming to prevent a further 1.1 million tonnes and bring the reduction of household food waste to 20% of the 2007 levels.³

In 2013, a voluntary agreement with regard to packaging waste prevention and recycling was signed in **Romania** between the Ministry of Environment and Forests and its distribution and recycling companies to develop tools for packaging waste prevention and improve recycling. The agreement's goal is to increase the volume of packaging collected by 25%. The project is now implemented in 14 major cities in Romania and its deployment will continue progressively in other cities. In the framework of this agreement, a new service was developed, Sigurec, which aims to improve recycling solutions around the country. One of its activities involves offering vouchers to clients in several supermarkets in Romania (Carrefour and Cora in 12 Romanian cities) when bringing end-of-life home appliances or plastic packaging: for example, for a recycled refrigerator, the customer receives a voucher of around 20 EUR, a few eurocents are offered for plastic bottles (1 eurocent) or glass (2 eurocents) and 2.5 EUR for 1 kg of mobile phones. Another Sigurec solution is the Sigurec Mobil programme: the collection centre can be

¹ WRAP 2012. Courtauld Commitment 2 Signatories. Available at URL: <http://www.wrap.org.uk/sites/files/wrap/CC%20Ph2%20signatories%20list%2012%20Mar%202012.pdf>, accessed 06 August, 2015

² WRAP (n.d). Courtauld Commitment 2. URL: <http://www.wrap.org.uk/node/9297/>, accessed 08 October, 2015 (measure 4)

³ WRAP (n.d). Courtauld Commitment 3. URL: <http://www.wrap.org.uk/node/14621>, accessed 08 October, 2015 (measure 4)

contacted via an application in order to collect household packaging waste or waste electrical and electronic equipment (WEEE). Through the installation of containers, 450,000 tonnes of plastic and aluminium packaging and around 500 tonnes of WEEE were collected in one of the pilot cities (Buzau).⁴

Lessons learnt from the application of the support measure

From the application of this support measure in the above six Member States, the following lessons learnt could be derived.

In the case of the **Spanish** voluntary agreement in the paper sector, **setting objectives per unit of production terms** instead of as a function of pollutant concentration was key to incentivise the adoption of the best available technologies by manufacturers. Furthermore, the fiscal incentives on investments offered by the MAGRAMA allowed ASPAPEL members to **commit to the reduction of emissions**, the phasing out of Chlorine gas (Cl₂) in the whitening processes and the elaboration of annual reports. The voluntary agreement is considered by the businesses in the sector as key to initiate improvements of environmental management.

At least 200 entities (public entities, companies, research institutions) signed voluntary agreements and participated in calls for funding promoted by the **Italian** Environmental Footprint Programme. The Programme succeeded in promoting carbon management procedures, low-carbon technologies and **best practices** in production processes within the Italian goods and services private sector. It provided an **effective tool for data collection** and **scientific and technical information necessary** to ensure active participation in the testing programme of the European Commission on the PEF.

The EcoInnovation Cluster of **Luxembourg** seems to be a success, as many organisations have become members. It offers an interesting example of a **networking and sharing platform** joining very diverse types of businesses (ranging from SMEs to large global companies), public authorities and research institutes operating in a concentrated territory.

Central to all **Dutch** Green Deals are the actions by entrepreneurs themselves: exploring, establishing and strengthening ‘innovative activity’ with other parties. Cooperation is often needed to effectively achieve the products and to put them on the market (networking). Companies indeed appreciate that the Green Deal approach offers additional benefits, in particular by **providing new business opportunities through cooperation with non-usual partners**, by **enabling new experiments outside the box** and because of the **direct interaction with one contact point within the central government**. Green Deals prove to function as a catalyst in the process. Companies indicate among others that a Green Deal increases the commitment among the parties involved and accelerates the licensing procedure. The Green Deals also include many actions as to adapting regulation and other actions such as labels, certification and quality systems and the strengthening of the role of the central government as launching customer. Many deals also include activities with a view to explore and establish new financing arrangements and investment funds through combing provincial and private resources (directed towards demonstration and upscaling). Almost all products and services targeted by the Green Deals **fall within the stage in which the first practical applications take place and in which the first steps are taken towards upscaling**.

Furthermore, unsuccessful Green Deals provide learning experiences so that per Green Deal the **lessons learnt are documented** thus enabling a) other parties to make use of them, and b) the state to make improvements to the Green Deal Approach. The **Green Deal Board** has been increased in size **to ensure that it represents all green growth domains**, thus facilitating the Green Deal Approach by more effectively challenging and promoting it, e.g. through suggesting new Green Deal initiatives.

The **Romanian** voluntary agreement with regard to packaging waste prevention and recycling was first launched in two cities and has now been implemented in 12 other major cities. The project can be easily implemented elsewhere, due to its attractiveness. The **voucher system** allows consumers who deliver their end-of-life products to be compensated for their action, and recyclers (or producers, indirectly through participation in extended producer responsibility EPR systems) can increase the collection and

⁴ See also The Diplomat Bucharest (2015). Recycling in Romania: waste of space? URL: <http://thediplomat.ro/articol.php?id=5901>, accessed 19 October, 2015

use of recyclable materials, thus increasing their output and potential gain from the sales of materials (or use for own production purposes).

According to the information obtained and analysed, two main aspects served as success factors for the Courtauld Commitment in the UK: i) **coordination and support by WRAP**, a government funded organisation with expertise in waste reduction. WRAP provides support and guidance to signatories, providing regular updates, website tools, data and evidence, research and resources to support the delivery of the targets. Many of these tools and publications are available on WRAP's website. WRAP also promotes change by facilitating forums, workshops and meetings to encourage the adoption of best practice across the entire grocery sector. Signatories provide data to WRAP on their progress **on a confidential basis**. WRAP analyses data confidentially, under the terms of the agreement, and reports the total impact from all the signatories. Much of the data submitted to WRAP is required to meet legal obligations. ii) **Working in partnership is crucial to the success of the Commitment**. WRAP works in partnership with leading retailers, brand owners, manufacturers and suppliers' influential industry bodies, local authorities, community-based organisations and many others who sign up and support the delivery of the targets, e.g. the British Retail Consortium (BRC) and the Food and Drink Federation (FDF), the Dairy association.

In addition, further lessons learnt emerged from the information obtained for the other Member States where this support measure is being applied:

In 2004, the **Austrian** Federal Ministry of Agriculture, Forestry, Environment and Water Management launched the **klimaaktiv** initiative for active climate protection as part of the Austrian climate strategy. The programme fosters a competitive low-carbon economy based on efficient and sustainable use of resources, the protection of the environment and the establishment of innovative green technologies and high quality production practices. **klimaaktiv** follows an innovative governance idea for market transformation towards green markets, with the aim to raise the share of renewables and of energy efficient products and services. Essential for the market transformation approach is an active and comprehensive inclusion of all relevant market players and stakeholders. **klimaaktiv** uses its extensive networks to promote the building of social capital for change in the direction of a sustainable society. Within the four thematic fields (1) building & renovation, (2) energy saving, (3) renewable energies and (4) mobility, **klimaaktiv** helps clarify new solutions, establish standards of quality, deepen the knowledge and competence of key players and advise companies, local authorities and private households. Resource efficiency is directly addressed in the **klimaaktiv** programme **Nawaro Markt** (market for renewable materials). In the other programmes, energy efficient and sustainable products and services are the main focus. 190 Austrian companies and organisations support **klimaaktiv** as signed **klimaaktiv** partners. 11 large-scale enterprises are signed **klimaaktiv** pakt2020 partners, who have committed themselves to reach the 2020-goals in their own company. The website received 1.6 million hits in 2014 and 35,000 persons subscribed to the various **klimaaktiv** newsletters. Specific factors for success include (i) a **long term programme** (over the last eleven years, **klimaaktiv** has continuously built a large network of active people and companies: 12,000 people attended further education programmes, 12,500 companies have implemented measures to mitigate CO₂ advised by **klimaaktiv**); (ii) **strengthening and complementing existing initiatives**; (iii) establishing **standardised tools and trainings** based on high quality standards; and (iv) using **standards to improve the effectiveness of various issued grants**.

The **Danish** Ministry of Environment and Energy and the Danish Confederation of Industries, acceded to by **Plastindustrien** (Plastic Industry Federation) and **Emballageindustrien** (Paper and Board Federation) signed an agreement in 1994 on the recycling of transport packaging, aiming to collect and recycle 80% of the volume of transport packaging by the year 2000, either through direct re-use or material recovery. The agreement ended in 2011. The **results of analyses, monitoring, annual reports, developments and statistics** are **circulated** among all parties and the Agreement Working Group and are **open to public scrutiny**, largely via government-published statistics and bulletins.

In **France**, several voluntary agreements and initiatives have been deployed to support resource efficiency in business. Along with other initiatives, such as **ARPEGE** (Atelier de réflexion prospective sur l'écologie industrielle), the **Institut de l'Economie Circulaire** is a key player in France for fostering voluntary collaboration among business stakeholders in the field of resource efficiency. Its aim is to promote the concept of a circular economy. The Institute was founded in February 2013. Among its founding members, there are NGOs such as the **Fondation Nicolas Hulot**, companies such as **La poste**,

Gaz réseau distribution France, and business associations such as the French federation of recycling industries and the French Cement Association (SFIC). Many business stakeholders/eco-organisms/business associations have become members, among which Coca-Cola Enterprise, ECOFOLIO, Ecologic France, GrDF, Greenflex, La Poste, Le Relais, Nexity, Paprec group, etc. French experiences in this field show that this measure helps to spread the concept of resource efficiency and increase collaboration among stakeholders. In the case of the Institut de l'Economie Circulaire, specific achievements include organising workshops, seminars, producing position papers, monitoring legislative developments on the circular economy and communication/outreach.

In 1999, the **Estonian** government signed voluntary agreements (VA) with industry to improve the environmental performance of businesses and make resource use more efficient. The VAs are bilateral – between one firm (or group of firms) and the Ministry of the Environment. VAs have not included any subsidies or other financial elements from the administration side. In the frame of the VA, the company usually takes an obligation to reduce its emissions into the environment through implementing environmental management systems, best available technologies and sustainable production and consumption techniques. In turn, the Ministry takes on the obligation to provide the firm(s) with information related to its activity and involve the company in the process of developing relevant legislation. Since 1999, 11 contracts were signed. The VAs have raised the awareness of companies and motivated them to make investments into resource efficient solutions. Voluntary agreements with companies have had some success, but have not resulted for cooperation between companies (symbiosis).

Since 1996 (renewed in 2001), a voluntary agreement on the waste management for office paper including books, forms, copy paper, labels, envelopes and posters is in place in **Sweden**. The costs of the scheme are covered by the value of waste paper collected and sold as secondary raw material, due to the **high market value of collected waste paper** in Scandinavian countries.

Across the examples obtained from literature review and Member State responses, the following aspects could be identified as key success factors for supporting voluntary agreements to improve resource efficiency in businesses in the EU:

- ★ Working in partnership with relevant companies and institutions in the sectors targeted by the voluntary commitment.
- ★ Ensuring and maintaining confidentiality of information provided by the companies.
- ★ Designing the agreements to (i) be long term and (ii) strengthen and complement existing initiatives.
- ★ Founding the agreement's targets on criteria and indicators relevant to the targeted sectors and companies (e.g. setting objectives per unit of production terms instead of as per unit of emissions concentration).
- ★ Providing and establishing standardised tools and trainings to improve the effectiveness of the delivery on the agreements' objectives.
- ★ Promoting best practices linked to the sectors/companies within the scope of the voluntary agreement(s).
- ★ Providing a networking and sharing platform joining diverse types of companies (ranging from SMEs to large global companies) and offering relevant data, scientific and technical information. This includes making the results of analyses, monitoring, annual reports, developments and statistics available to all parties and open to public scrutiny.
- ★ Offering and encouraging (i) cooperation with non-usual partners and (ii) new experiments outside the box in order to develop new business opportunities.
- ★ Establishing a central contact point within the central government as a one-stop-shop for communication and management of the voluntary agreement(s).
- ★ Targeting voluntary agreements at the stage in which the first practical applications take place and in which the first steps are taken towards up-scaling.

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