



ANALYSING THE SUCCESS DRIVERS OF EMAS IN SELECTED MEMBER STATES

CASE STUDY ON GERMANY



KEY LEARNINGS

- ✎ The way EMAS is administered in Germany reflects the country's overall legal and administrative framework. This constellation, as well as the close connection between the Competent Body and EMAS registered organisations, provides a strong basis for successfully implementing EMAS support measures in Germany.
- ✎ Similar to Austria, Germany has a dedicated law detailing the legal privileges exclusive to EMAS registered organisations, called the EMAS Privilege Act.
- ✎ Germany's Energy Efficiency Law from 2015 recognizes EMAS as fulfilling the obligation of large companies to conduct an energy audit. This law is an excellent example of how Member States can create a win-win situation for both regulators and organisations.
- ✎ While the convoy concept provides financial support similar to that offered by other initiatives, it sets itself apart from direct funding measures by generating more long term benefits, such as the chance for members to network or the potential to gain wider knowledge about environmental management through co-learning and exchange. Hence, the convoy concept offers support to SMEs in a number of ways, including financial, organisational and technical.

BACKGROUND

In terms of absolute numbers *Germany has the highest number of EMAS registrations across the EU, with 1,223 EMAS registered organisations and 2,047 sites* (June 2016). Overall, the number of German EMAS registrations has experienced a slight but continuous downward trend approximately between 2001 and 2014; during this time the number of sites fell from 2669 in 2000 to 1875 in 2014. In 2015 this trend was reversed and the number of registered organisations stabilised, while the number of sites clearly rose from 1875 to 2047 at present. This rise can to an extent be ascribed to the phenomenon that many registered organisations in Germany have introduced EMAS at one or more of their additional sites in recent years: between 2005 and 2016 the average number of registered sites per organisation increased from 1.3 to 1.7. German organisations thus appear to be satisfied with the scheme, implementing EMAS across their locations.

Including the organisations that left the scheme over the years, EMAS has been implemented at over 6,000 sites in Germany. To date, approximately 4,000 sites have left the scheme; notably around 40% of these sites did so before their first renewal, meaning within three or four years. At the same time almost *one third (31%) of the organisations that introduced EMAS in its initial version (before 2001) were still EMAS-registered in 2015*.

The regional development of EMAS in Germany mainly corresponds to the national trend. The two largest states by area, Baden-Württemberg and Bavaria, together account for more than 50% of all EMAS registrations. Similar to the distribution at EU-level, SMEs comprise the majority of EMAS registered organisations in Germany, representing 70% of all registered organisations.

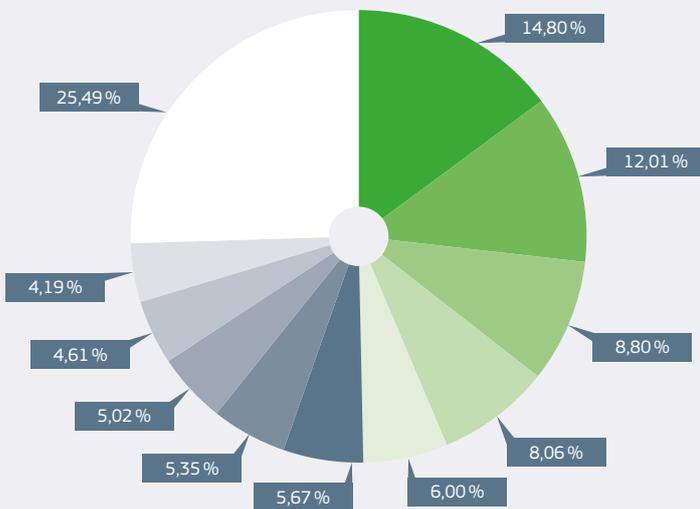
The manufacturing sector (NACE code section C) accounts for the highest number of registered organisations (38%) in Germany. At the level of individual NACE codes however, activities of service providers fill the top two spots: NACE code 94 (activities of membership organisations) and NACE code 85 (education). The industrial NACE code 25 (manufacture of fabricated metal products) ranks third overall (see table next page).

METHODOLOGY

Data for this case study includes the German EMAS registration numbers divided into regions for the years 1998 to 2015. This data was compiled from figures published by the German Competent Body in yearly summaries from 2010 to 2015 and from statistics provided by the German EMAS Advisory Board, based on the German national EMAS register. Additionally, the German Competent Body provided the authors with a breakdown of registration numbers according to NACE codes of activity for the years 1999, 2001, 2002, 2006, 2010, 2012, 2014 and 2015. The statistics were complemented by figures derived from monthly reports sent by the German Competent Body based on the German EMAS register, the latest one being from June 2016. Together, these numbers provide a basis for analysing the trends across the different sectors of activity, and by region to examine the distribution of EMAS registrations in Germany. Furthermore, information was gathered from the German national ministerial representative for EMAS and a representative from the Office of the German EMAS Advisory Board in the form of a questionnaire and follow-up interviews.

In Germany, the registration of EMAS organisations is carried out by the Chambers of Commerce and Industry and the Chambers of Crafts, with each federal state having their own Competent Body. While EMAS is largely administered on a regional level, the national umbrella Association of German Chambers of Commerce and Industry (DIHK e.V.) acts as the national Competent Body, with a central coordinating role and a responsibility for national support measures. The Chambers of Commerce and Industry and the Chambers of Crafts represent the political and commercial interests of all organisations within their respective state at national level. They are public statutory bodies with a self-administering role under the inspectorate of the state ministries of economy. Hence, the way EMAS is administered in Germany reflects the country's overall legal and administrative framework as a federal nation-state. *This constellation, as well as the close connection between the Competent Body and EMAS registered organisations, provides a strong basis for successfully implementing EMAS support measures in Germany.*

TOP 10 NACE CODES IN GERMANY IN 2015



- **NACE Code 94** Activities of Membership Organisations
- **NACE Code 85** Education
- **NACE Code 55** Accommodation
- **NACE Code 25** Fabricated Metal Products
- **NACE Code 20** Chemicals
- **NACE Code 29** Manufacture of motor vehicles & trailers
- **NACE Code 56** Food & beverage service activities
- **NACE Code 84** Public Administration
- **NACE Code 38** Waste & Disposal
- **NACE Code 22** Manufacture of rubber & plastic products
- **OTHER**

SOURCE: GERMAN COMPETENT BODY

SPECIFIC POLICIES

Both the German federal government and the individual states offer EMAS-registered organisations and those organisations interested in implementing EMAS a variety of financial and non-financial support measures. Direct federal funds are available to SMEs, covering 50% (Western Germany) or 75% (Eastern Germany) of the consultation costs. In addition, several regional and sector-specific funds exist. Similar to Austria, Germany has a dedicated law detailing the legal privileges exclusive to EMAS registered organisations, called the EMAS Privilege Act (EMAS-Privilegierungs-Verordnung). These privileges concern the federal emission control act, the waste management law and the water management law and include exemptions for EMAS registered organisations from their duty of disclosure, from appointing a dedicated person and from presenting reports on the organisation's emissions, given that these criteria are already covered by the EU scheme.

The EMAS Privilege Act is a federal law and as such needs to be implemented by the individual states in the form of administrative directives. While these privileges decrease the general administrative burden for EMAS registered organisations in Germany, according to the German EMAS Advisory Board, in practice they are less attractive to organisations than some laws passed directly by the states. Based on the EMAS Privilege Act, many states in Germany grant EMAS-registered organisations reduced or eliminated fees for inspection, licensing or permits. According to information from the German EMAS Advisory Board, these financial privileges are particularly significant for large organisations and represent more relevant and tangible incentives than the above-mentioned reduced administrative burdens.

Financial support measures do not only exist at regional level. The German federal government has recently introduced two indirect financial benefits for EMAS registered organisations in the manufacturing sector. The Energy Tax and Electricity Tax Acts that were amended in 2013 recognize EMAS as fulfilling the requirements for an energy tax rebate of up to 90% for energy intensive users, while Germany's Energy Efficiency Law from 2015 recognizes EMAS as fulfilling the obligation of large companies to conduct an energy audit. These laws are excellent examples of how Member States can create a win-win situation for both regulators and organisations, and as such these measures have also been discussed in other relevant publications, such as the EMAS Compendium. According to the German EMAS Advisory Board, these measures mainly provide benefits to large organisations from the private sector.

At a regional level, the state of Baden-Württemberg has introduced the convoy procedure, including financial support. This measure provides benefits to SMEs and has proven highly successful in encouraging new organisations to implement EMAS. The convoy procedure is a concept under which SMEs, membership organisations, municipalities, schools or universities can jointly work towards their individual EMAS registrations. They do so by organising joint workshops with an external consultant on the principles of an environmental management system according to EMAS and the preparation for the environmental audit. The external consultant also performs on-site visits for each convoy member, providing them with individual advice. The convoy is composed of 5 to 10 members and needs to be set up and run by a responsible body, such as a business membership organisation, a public corporation, a chamber, an association, or a municipality. Individual private organisations are not authorised to fill this role. The responsible body is in charge of organising the convoy procedure, including acquiring the convoy members, hiring the external consultant, conducting informational meetings and applying for financial support. The financial support by the Ministry of the Environment of Baden Württemberg covers up to 80% of the expenses for the convoy procedure or up to an amount of € 5,000 per member and is paid out after a successful EMAS registration. Financial support is also available to a convoy leading to an ISO 14001 certificate, however only up to an amount of € 3,000 per member.

Offering financial support to convoy procedures provides substantial benefits to both the participating organisations and the authority providing the support (in this case the Ministry of Energy of Baden Württemberg). Driven by the idea that it is easier for a small or medium-sized organisation to implement EMAS within a group, the convoy procedure offers members the chance to share the costs for the external consultant, to support each other during the implementation process and to create a network which they can use even after the convoy procedure has ended.

For the ministry, on the other hand, it is economically much more efficient to grant funds for a consultant leading a group of up to 10 organisations than to fund the expenses for 10 consultants for 10 individual organisations. Furthermore, the ministry only needs to administer one single application for the whole convoy instead of 5 to 10 individual applications, leading to further administrative relief.

The convoy concept is a highly successful measure in the state of Baden-Württemberg and many small and medium-sized private and public organisations, such as hotels and restaurants, social institutions and municipalities, have made use of it. Since the introduction in 2000 the ministry has invested more than € 900,000 into the programme. According to the ministry, approximately 40 convoys have been successfully completed in Baden Württemberg, covering more than 250 member organisations. While not all organisations joining a convoy decide to take the final step of implementing EMAS, the state currently has 416 active registrations overall. The ministry concludes that fostering the convoy programme has significantly contributed to Baden-Württemberg being the state with the highest number of EMAS registrations in Germany.

EMAS convoys could easily be reproduced in other Member States as the financial support for the convoy procedures may be integrated into the existing administrative structure. While the measure provides financial support similar to that offered by other initiatives, it sets itself apart from direct funding measures by generating more long term benefits, such as the chance for members to network; the potential to gain wider knowledge about environmental management through co-learning and exchange; or a wider awareness of the benefits of environmental protection. Hence, the convoy concept offers support to SMEs in a number of ways, including financial, organisational and technical. In contrast to conventional direct funding, the convoy concept represents a more holistic approach by acknowledging the fact that financial constraints are not the only obstacle for small and medium-sized organisations implementing EMAS.

“Without the convoy it would have been difficult for our business to get through the implementation process.”

“We would advise everyone to go about such a project in a group.”

SMALL EMAS REGISTERED HOTEL & MEMBER OF AN EMAS CONVOY¹

¹ HOLLAND, H (2006). UMWELT-AUDIT: FÜNF HOTELS AUS DER REGION MACHEN ES VOR- IM KONVOI INS EMAS-REGISTER. WIRTSCHAFT IM SÜDWESTEN 10/2006. RETRIEVED FROM WWW.ECKARDTCONSULTING.DE/DE/DOWNLOADS/2006_EMAS_KONVOI_IHK.PDF

REASONS WHY GERMAN POLICY-MAKERS TRUST AND SUPPORT EMAS

German policy-makers support EMAS in large part because they consider it to be *the most ambitious environmental management system*². In Germany environmental protection has emerged as an important political topic over the past decades and politicians – both at national and local level – have set themselves ambitious environmental goals. In order to reach these goals, policy-makers have started combining legal instruments, i.e. obligations and prohibitions, with incentives to use a voluntary instrument – in the form of EMAS – to fulfil these obligations. This is the case under Germany’s new Energy Efficiency Law. According to the ministerial representative for EMAS, there is great potential to expand such a combination to other areas, creating an even stronger basis for EMAS as a useful tool in achieving legal compliance.

However, an ISO 14001 certification, which does not contain a guarantee of ongoing legal compliance or a mandatory environmental statement, tends not to be seen as sufficient by German regulators to fulfil reporting requirements. In this context EMAS serves as an *effective tool to engage organisations in the efforts towards systematic and sustainable environmental protection*³. The state in turn can benefit from fostering greater environmental commitment than it could by legal obligations and prohibitions alone, while regulators can profit from administrative relief regarding EMAS registered organisations. They can refer to the EMAS environmental statement with its guarantee of validated data, rather than having to request additional data that may be incorrect.

Despite the strong political support and the high EMAS registration numbers there is still room for improvement in Germany. According to the German Ministerial Representative and the German EMAS Advisory Board, EMAS with all its undisputed advantages is *still not sufficiently known among external consultants, environmental auditors and regulators*. Often, policy makers do not know the scheme sufficiently well and it partially suffers from the *stigma of being a voluntary instrument* which is falsely perceived as being less reliable than direct legal obligations and prohibitions.

Another practical difficulty for regulatory agencies is that the environmental statements of some EMAS organisations do not contain sufficiently detailed information in order to satisfy the requirements set out by the agency. Therefore exempting EMAS organisations from certain reporting requirements, such as industrial emissions, may not work in practice, even though the EMAS Privilege Act provides the basis for such an exemption. The German Ministerial Representative concludes that after more than 20 years *EMAS still needs more political support on all levels from local and regional to national and EU-level*.

*“Being known is the prerequisite
for regulatory relief.”*

ANNETTE SCHMIDT-RÄNTSCH
GERMAN MINISTERIAL REPRESENTATIVE FOR EMAS

² BMUB (2015). EMAS-KONFERENZ DER EU-KOMMISSION. RETRIEVED FROM WWW.BMUB.BUND.DE/E1350

³ BUNDESMINISTERIUM FÜR UMWELT, NATURSCHUTZ, BAU UND REAKTORSICHERHEIT (2016). EMAS- ECO-MANAGEMENT AND AUDIT SCHEME. RETRIEVED FROM WWW.BMUB.BUND.DE/P399/

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Additional information is available on the EMAS website www.emas.eu or through the EMAS helpdesk at emashelpdesk@adelphi.de
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