

# **Evaluation of Ecodesign Directive**

## **3<sup>rd</sup> Stakeholder meeting**

### **18 January 2012**

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**Concluding session – Stakeholders’ feedback on the  
key conclusions of the study**



# Relevance

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- ❖ The Ecodesign Directive is well placed as a policy instrument within the context defined by the SCP/SIP Action Plan
- ❖ The main purpose of removing the worst performing products from the market is appropriate
- ❖ The relative focus on energy efficiency issues since 2005 resulted from various factors, notably the product scope (EuPs) , policy choices on the basis of technical analysis and available data
- ❖ For some IMs adopted there are non-energy improvements that have not been addressed as a result of the above but should be considered in the future reviews
- ❖ There are also products still under consideration, where evidence cited identifies possible non-energy in use improvements that some may qualify for Ecodesign Implementing Measures against the criteria of Article 15 of the Framework Directive.

# Coherence

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- ❖ The implementation of the Ecodesign Directive is, in general, effectively linked with Energy Labelling ; their coordination should be safeguarded
- ❖ There is scope for greater coordination with Green Public Procurement (GPP) and the European Eco-label scheme mainly in the form of greater coordination, use of common methodology and reference to the same evidence base among the different units of the Commission.
- ❖ The interface with related legislation, such as the WEEE and RoHS Directives is a challenge. A guidance document based on recent experience could be formulated to establish in practical terms how this and other issues can be best resolved.

# Effectiveness (I)

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- ❖ There are limited data at this stage and in many cases it is too early to allow for a conclusive assessment of the effect of IMs
- ❖ The introduction of IMs has had a positive and direct impact on energy efficiency in the case of domestic and tertiary lighting.
- ❖ They also had an indirect role in the energy efficiency improvements in relation to stand-by and off mode and to a lesser extent to circulators in buildings through increasing attention and supporting industry initiatives.
- ❖ The IMs Tier 2 requirement are expected to have a substantial role in changes in the case of electric motors in the coming period.
- ❖ In the case of televisions, domestic cold appliances, domestic washing machines and dishwashers, there have been important developments in the direction of increased energy efficiency but it is not possible to directly attribute this to the IMs.
- ❖ Tier 2 requirements for most of those products are expected to contribute more to the increased energy efficiency of appliances. This is not expected to be the case for televisions, as requirements are at a lower level than many products already on the market.

## Effectiveness (II)

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- ❖ There is no evidence of a negative impact on the consumer prices of EuPs examined. These findings are also in agreement with the conclusions from studies in other regions (U.S.A, Japan, and Australia)
- ❖ There is no consistent picture in terms of the costs to industry. There are examples where the costs have been rather substantial but in general industry does not seem to consider that the Directive has introduced excessive additional costs
- ❖ The significant lead time provided before the introduction of the demanding Tier 2 requirements allows industry to integrate production changes into the product design cycle of most firms
- ❖ In relative terms administrative and testing costs are a greater burden for SMEs than for large firms
- ❖ The study has not identified adverse effects on the operation of the markets and the distribution of market power along the supply chain.

## Effectiveness (III)

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- ❖ The implementation of the Directive has, in general, a positive role in the adoption of existing innovative technologies and the promotion of innovation.
- ❖ The Directive and the relevant Implementing Measures provide the necessary framework conditions, a clear timetable and legal certainty to support the operation of a competitive market.
- ❖ There are cases where the requirements appear not particularly ambitious. In most cases this is due to the outdated or unavailable market data at the time of the preparatory studies. It is also affected by the delays in the process of the introduction of the IMs.
- ❖ So far, the identification of advanced benchmarks in the Implementing Measures appears to have had a limited effect. Their role in promoting best available technologies and innovation should be strengthened.

# Efficiency (I)

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- ❖ There are no significant problems identified in relation to the criteria for the selection of products to be covered under the Ecodesign Directive
- ❖ Despite criticisms concerning certain aspects of the MEEuP methodology it has served its main purpose in the identification of the significant environmental aspects and the relevant requirements to be set. The revision of the methodology has improved certain, if not all, aspects
- ❖ Good quality research at an early stage to produce extensive, detailed and authoritative Working Plans and preparatory studies can save time and expenses in subsequent stages. This will probably require an increase in the resources dedicated by the Commission

## Efficiency (II)

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- ❖ The procedure for the development of the Implementing Measures is rather lengthy. Additional resources on behalf of the Commission can help expedite the process even if this is not the only parameter
- ❖ By way of comparison, staffing levels in the USA are in the region of 10 times the number of desk officers in the Commission. There is a similar disparity in terms of resources devoted to the necessary studies.
- ❖ The delays in the development of an Implementing Measure for boilers and water heaters have led to a missed opportunity in terms of energy savings
- ❖ There is a need for better synchronisation between the development process for Implementing Measures and that of measurement and test standards. The recent horizontal mandate to the standardisation bodies is a positive development in this direction.

## Efficiency (II)

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- ❖ **Market surveillance and enforcement is an area of concern, posing a threat to the credibility of legislative framework and undermining the efforts of industry.**
- ❖ **Most Member States have not provided the necessary resources for effective monitoring and enforcement.**
- ❖ **Growing evidence indicates that the level of non-compliance is in the range of 10-20%.**
- ❖ **There are steps that can be taken without great expense to improve surveillance and compliance and the Commission should assist with coordination and information exchange**
- ❖ **The introduction of a requirement for on-line registration of all new models should be seriously considered for future Implementing Measures and revisions. It can contribute to improving market surveillance, market monitoring and the review of the effectiveness of the Implementing Measures. The most appropriate approach needs to be determined**

# Efficiency (IV)

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- ❖ The analysis of the cost-effectiveness of the Directive suggests a very high overall benefit to cost ratio. There is clear scope for investing more resources in order to improve the implementation and the level of compliance
- ❖ Generic requirements on environmental parameters combined with performance standards have not been used so far. This is a key aspect of the Ecodesign Directive that should be considered for new IMs or reviews of existing ones
- ❖ There is no experience at this point to assess the effectiveness of the use of Voluntary Agreements. The difficulties in arriving at agreements suggest that this route does not necessarily provide an easier process than regulation and their applicability depends very much on the specific product concerned. They do however, in principle, provide potential benefits such as flexibility for creative approaches to complex technical issues and a mechanism to monitor market developments which is missing from Implementing Measures.

# Extension of Ecodesign Directive (I)

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- ❖ The introduction of Ecodesign based requirements can, in theory, bring substantial environmental improvements for several non-ErPs.
- ❖ However, for many products there are important feasibility considerations relating to the absence of the necessary measurement and testing methods to support the adoption and implementation of mandatory requirements.
- ❖ For many non-ErPs, conformity assessment with Ecodesign requirements would have to rely on documentation in the form certification or declaration schemes rather. Such an approach could possibly introduce substantial administrative costs for industry and higher risk of non-compliance, especially in the case of products with global supply chains, fragmented markets and with a large share of SMEs.

## Extension of Ecodesign Directive (II)

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- ❖ An extension of the Ecodesign Directive can pose certain risks to the implementation of the current Directive. Unless significant additional resources are made available, an extension may risk obstructing a process that is demanding and complicated, and where there is already a backlog.
- ❖ It would also risk creating uncertainty for industry and may be counter-productive.
- ❖ Additional experience with important aspects/tools of Ecodesign (e.g. generic requirements, VAs) that may be more appropriate for non-ErPs is necessary
- ❖ Still, an extension does not imply immediate action. It is possible even in the absence of methodologies and standards. It can provide a toolbox to be used if considered appropriate.
- ❖ Voluntary initiatives within the context of the Ecodesign Directive can provide similarly effective but more flexible and less costly solutions for some categories of non-ErPs products. Whenever available they should be considered and promoted.

# Extension of Ecodesign Directive (II)

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- ❖ In the case of a possible extension, the products that appear to be of higher priority or potential include chemical products like detergents and all-purpose cleaners, furniture and mattresses and, depending on the specific type, toys. These products represent only a small share of the total environmental impact of non-Energy related products.
- ❖ Other categories like foods and drinks, apparel, housing/construction products, flooring and industrial chemicals should be seen as having medium level priority with possible implementation issues that need to be solved.
- ❖ Means of transport do not appear to be appropriate priority targets for an extension given the existing relevant legislation covering the most important environmental aspects.



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**Thank you for you attention!**

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**Questions, Comments?**



# Recommendations

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- ❖ The European Union has chosen to have a sustainable development policy on products that addresses all the major environmental challenges together. Furthermore the EU's sustainable industrial policy aims to implement this vision in an integrated approach, in which a series of policy instruments are brought to bear in a co-ordinated way. In principle, an extension of the Ecodesign Directive to cover non-energy related goods is necessary to make available a very important instrument for sustainable development policy.
- ❖ However, if the extension of the Directive is not to be an empty gesture, it should be ensured that implementation and enforcement of legal requirements is feasible, practicable and cost-effective. In particular, resources must move to something that is more commensurate with the resources that are available in the United States and elsewhere.
- ❖ Guiding the actual development of an eco-design programme of legislation, the authorities must reaffirm the principle that industry has to be provided with maximum certainty and clarity. Otherwise use of the Ecodesign policy instrument can actually be counter-productive and inhibit enterprises from undertaking the necessary developments, at least in the short to medium term.

# Recommendations

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- ❖ **Application of this principle requires a series of improvements to clear the backlog of Implementing Measures for Energy-using Products and ensure that those for energy-related goods are adopted with the minimum delay. This will not be possible without some additional resources. If these resources cannot be provided ambitions should be set at a more modest level.**
- ❖ **A series of improvements need to be made in the processes by which Implementing Measures are developed, including more extensive initial studies, setting timeframes for the completion of each Implementing Measure and the codifying of experience.**
- ❖ **Special provisions should be made for cases involving particularly complex products or systems. This would involve identification of such cases in the Working Plan, and additional provision within preparatory or special studies, in order to design the best regulatory solution, which may be entirely under the Ecodesign Directive or within a different regulatory framework, but possibly including Ecodesign elements.**

# Recommendations

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- ❖ Further consideration should be given to creating a dedicated institutional framework, such as an executive agency or an extended remit for the JRC, to capture and embody the technical, market and institutional experience of particular Implementing Measures and to monitor market developments in order to support the development of future Measures. The case for this development becomes even stronger, if an extension of the coverage of the Directive is to be proposed.
- ❖ In order to address wider environmental issues than energy, both under the current legislation and in any extension, it is imperative that the appropriate measurement methods and metrics are available
- ❖ Data requirements should be an enhanced feature of preparatory studies and Implementing Measures and responsibility for developing the data foundation for policy in this area and for monitoring market developments could be one of the functions of the suggested dedicated institution.

# Recommendations

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- ❖ **Effective enforcement is essential for the credibility of the whole system and to avoid undermining the efforts of enterprises committed to the spirit of the legislation. Surveillance authorities need to be more transparent across the range of their activities and take a series of measures to increase the effectiveness of their activities.**
- ❖ **A review and comparison of penalties imposed by Member States should be undertaken and kept up to date.**