

**ENHANCE**  
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European Union  
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# **Regional study about the identification of regulatory relief/promotional incentives best practices to promote EMAS**

## **Region - Estonia**

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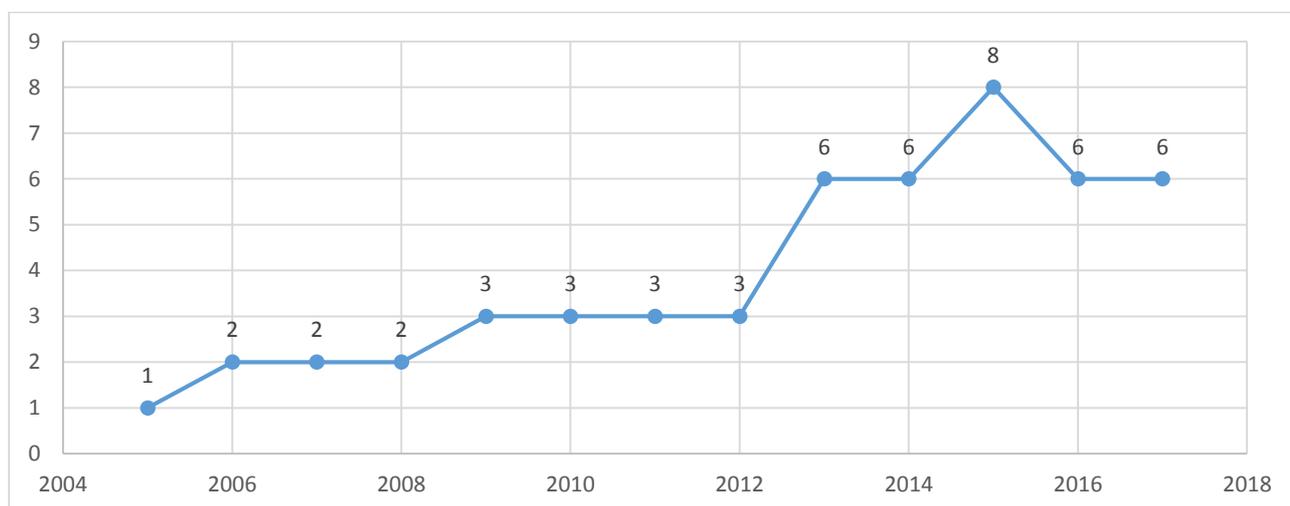
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## 1 Introduction: EMAS in Estonia

European Eco-Management and Audit Scheme (EMAS) was launched in Estonia soon after entering into EU in 2004. The first organisation became EMAS registered already in 2005 but the implementation of EMAS has been quite slow since then (see Figure 1). Estonia has some very good examples but so far does not have any permanent success stories.

Currently there are six EMAS registered organisations in Estonia, altogether on 62 sites<sup>1</sup>. Out of these organisations two are companies (Estonian Energy Iru Electric Power plant and Tallinn Water Company) and four are public sector organisations (Ministry of the Environment, Environmental Board, Agricultural Board, and Tallinn Environment Department). First EMAS registered company in Estonia was Tallinn Water Company (registered since 2005) and second was Iru Powerplant (registered since 2006).



**Figure 1. No of EMAS registered organisations in Estonia**

In Estonia EMAS has been favoured rather by large organisations as two organisations have less than 50 employees (Iru Power Plant and Tallinn Environment Department) and four have around 200-350 employees.

In the previous years there have been two more companies registered before. One of them was a printing house Ecoprint (EMAS registration during 2009-2015, third registration in Estonia) and second a producer of insulation material Werrowool (EMAS registration during 2013-2015). Both of these companies have been quite successful stories as both were awarded with Estonian Environmental Award, Ecoprint even many times - in 2007, 2008 and 2009, and Werrowool in 2013. In addition Ecoprint was nominated for European Business Awards for the Environment (EBAE in Management category) in 2008 and received European EMAS award in 2010. Werrowool was

<sup>1</sup> Based on EMAS register as of August 31, 2017 <http://ec.europa.eu/environment/emas/register/>

nominated for European Business Awards for the Environment (EBAE) in Management category in 2014. These awards allowed for both Ecoprint and Werrowool receive quite a lot of publicity and were kind of early birds in EMAS and the attention they received as a result of the awards in Estonia was good for their business when they were still quite new at the market. However, despite of their success and good publicity Ecoprint and Werrowool decided not to continue as EMAS registered organisations due to the high costs related to auditing and registration.

In 2009 the Ministry of the Environment launched a program called "Better implementation of environmental management principles in the public sector." The program aimed at increasing the capacity of the public sector to improve their environmental performance. The activities carried out during the programme included promotion of environmental management as well as direct support for the implementation of the environmental management in the municipalities and public authorities. As a result of this programme three public organisations (Ministry of the Environment, Environmental Board, and Agricultural Board) became EMAS registered. The programme lasted until the end of 2013.

The key stakeholders involved in EMAS are:

- The Ministry of the Environment is the main responsible authority of EMAS.
- Environmental Board, which acts as a Competent Body. Its task is to operate the EMAS agenda and ensure the registration of organisations. Environmental Board also manages the national and EU EMAS registry, maintains a list of accredited environmental verifiers. Environmental Board provides information and professional support not only to the organisations that are interested in applying for EMAS registration but also for organisations, which are already registered.
- In Estonia there is currently only one EMAS verifier –Metrocert.
- Estonian Association of Environmental Management (EKJA) is an umbrella organisation for environmentally responsible organisations implementing environmental management systems. EKJA is also a partner for the Ministry of the Environment in promoting environmental management including EMAS in Estonia. In the past, EKJA has been involved in various projects that supported and promoted EMAS implementation in Estonia, such as EMASEasy during 2004-2006 and BESmarter (2008-2011). EKJA is also involved in the activities of ENHANCE project.

## 2 EMAS regulatory relief and promotional incentives measures

The EMAS regulatory relief and promotional incentive measures collected in Estonia during the mapping phase are presented in Table 1. All these measures are promoted by state and apply at national level.

*Table 1 EMAS regulatory relief and promotional incentive measures collected in Estonia*

ID	Type of measure	Legislative reference	Voluntary scheme(s) addressed	Status	Description of the ordinary requirement	Description of the Measure (simplified version/regulatory relief)	Scope
1	Reduced inspection frequencies	Industrial Emissions Act § 157.	EMAS	In force	The ordinary frequency of inspection related to permits based on the requirements specified in the law	Frequency of environmental inspections related to environmental permits is lower for EMAS registered companies	All companies
2	Green Public Procurement	Public Procurement Act § 41	EMAS and ISO 14001	In force	EMAS or ISO14001 is not used in GPP	EMAS or ISO14001 can be used as criteria or validation in GPP	Companies participating in the public procurement or tender

3	Credit access and Funding support	Regulation of Minister of Environment No 13, 26.02.2006 (Application requirements, evaluation conditions, procedures and criteria for decision-making, monitoring the performance of the contract and the reporting procedures of financing in the field of environmental protection) § 7.	EMAS	In force	No support for implementation and registration	Financial support is given for first time implementation and registration of EMAS	All companies and public sector
4	Credit access and Funding support	Regulation of Minister of Environment No 22, 09.07.2016 Conditions for granting the measure "the energy and resource efficiency" action "Investments in best available technology of resources efficiency; and supporting resource management systems and supporting IT applications " in case of open application event § 5. Activities that are granted 5) implementation and registration of environmental management and auditing systems that increase resource efficiency.	EMAS and ISO 14001	In force	No support for implementation and registration	Estonian Ministry of the Environment implements measure "improving resource efficiency in SMEs" during EU budget period 2014 - 2020 with the help of EU Structural Funds. Action includes four activities: awareness raising, training of professionals, audits / resource use assessments and investments.	Currently five sectors: mining, food processing, wood industry, paper and pulp industry, and processing of mineral material
5	Other	No legal reference	EMAS	Expired	No support for implementation and registration	The program "Better implementation of environmental management principles in the public sector" during 2009-2013. Activities in the programme included promotion of environmental management activities as well as direct support for the implementation of the environmental management in	Only public sector

						the local governments and public authorities.	
6	Tax breaks	No legal reference	EMAS	In progress	Pay pollution tax in full amount	Companies that have environmental permit and EMAS do not have to pay pollution tax or get tax breaks.	Companies with environmental permit
7	Reduced reporting and monitoring requirements	No legal reference	EMAS	In progress	Reporting 4 times a year	Companies that have EMAS do not have to report 4 times a year but only once a year. No need for double reporting	To be confirmed

### 3 The results of the First Level Assessment

The aim of this chapter is to assess the measures identified during the mapping of regulatory relief and promotional incentives. At this phase all the collected measures will be assessed in terms of relevance and replicability and the best 10 practices should be selected. However, In Estonia altogether only 7 measures were identified. Therefore this phase helps to rank the measures based on relevance and replicability.

#### 3.1 Methodology for first level assessment

In order to carry out the evaluation of the identified measures, a series of qualitative criteria are applied that include:

*Criterion 1: Replicability potential of the measure:*

Refers to the replicability potential of the regulatory relief and promotional incentive measure analysed with a very strategic aim to assure a wide transfer of project results among participant regions. The criterion is composed by three sub-criteria:

*1A: Legal feasibility:*

It refers to the legal feasibility of transferring the measure in another Region/Member State. It will assess for example the need of legislative effort to transfer the measure in a legislative context. For the application of this criterion has taken into account the antecedents in relation to the previous work required before the approval of the legal referent and especially if it emanates from some community provision. In the application of the criterion, a gradient has been considered in relation to the legislative effort that the adoption of the regulatory measure identified could entail.

*1B: Economic feasibility:*

It refers to the economic feasibility of transferring the measure in another Region/Member State. It will assess the hypothetical additional staff costs (e.g. a higher number of persons that may be required to adopt the measure) or other economic costs needed by the Competent Authority (CA) involved in the regulatory relief. On the contrary it could assess also the time savings of the CA if the measure will be adopted. In the application of the criterion, a gradient is considered considering the costs associated with the adoption of the measure and the time saving of the Competent Authorities if the measure will be adopted.

*1C: Technical feasibility:*

It refers to the technical feasibility of transferring the measure in another Region/Member State. It will assess for example the skills needed in the public administration to apply the regulatory relief or the promotional incentive, or the need of additional technical efforts required. In applying the criterion, a gradient is considered that takes into account the technical effort required to adopt the measure.

*Criterion 2: Achieved results by the measure:*

This criterion aims to quantify the relevance of the measure. ENHANCE is seeking best practices that can be really effective and that can create added value in the spread of EMAS. Therefore this

criterion aims to take into account the results achieved by the measure (on qualitative basis) in particular in terms of increase of EMAS registered organisations in the region where it has been applied.

In applying this criterion, the experience of EMAS companies has been taken into account in relation to the benefit that the measure has brought to the organization and / or whether the implementation of the measure can be a springboard to encourage the dissemination of EMAS in a sector of specific activity or in a determined territory conditioned by a business structure.

*Criterion 3: Policy priorities:*

It aims to assess the policy relevance of the sector that is affected by the measure. This criterion aims to take into account the strategically value of a certain sector for the participating region, future forecast of development of the sector or other socioeconomic circumstances. In the application of the criterion, regional sectorial development policies have been considered, as well as investment forecasts in certain strategic sectors at the regional level.

*Criterion 4: Environmental benefits:*

It will assess the capacity of the measure to spread EMAS in industries with a high environmental impact. To apply this criterion we should take into account the international document issued by the International Accreditation Forum (IAF). The IAF is the world association of Conformity Assessment Accreditation Bodies and other bodies interested in conformity assessment in the fields of management systems, products, services, personnel and other similar programmes of conformity assessment. IAF has issued in March 2013 a document entitled “IAF Mandatory Document for Duration of QMS and EMS Audits. In this document IAF ranks the business sectors in five categories, according to the complexity of their environmental aspects that are those that have been taken into account for the application of the criterion, according to whether the regulatory measure incorporates sectors included in one category or another.

From the application of the criteria of reference to each one of the identified regulatory measures or to the promotional incentives of the EMAS, a score has been obtained for each one of them.

In the next section, the result of the application of the criteria is collected together with a summary of the justification of the score assigned to each measure.

### 3.2 Scoring the identified measures

The results of the First Level Assessment of the regulatory reliefs and promotional measures are presented in Table 2.

*Table 2 First Level Assessment of the regulatory reliefs and promotional incentive measures*

Regulatory relief/ promotional incentive	Replicability potential			Achieved results	Policy priorities	Environmental benefits	JUSTIFICATION
	Legal feasibility	Economic feasibility	Technical feasibility				
1. Frequency of environmental inspections related to environmental permits is lower for EMAS registered companies	3	3	3	1	1	3	<ul style="list-style-type: none"> <li>The measure does not require high legislative effort to be adopted.</li> <li>The time savings for the Competent Authority related to this measure are unclear but implementing this measure does not require high costs to be adopted.</li> <li>This incentive does not require any technical effort.</li> <li>This incentive has not contributed to increased number of EMAS registrations.</li> <li>The incentive involves sectors listed in “high complexity” and “special complexity” category of ISF document.</li> </ul>
2. EMAS or ISO14001 can be used as criteria or validation in GPP	3	3	3	1	1	3	<ul style="list-style-type: none"> <li>The measure does not require high legislative effort to be adopted.</li> <li>There are no time savings for the Competent Authority related to this measure but implementing this measure does not require high costs to be adopted.</li> <li>Implementing this measure does not require high technological effort to be adopted. But to support the application of this criteria in the public procurement, Estonia has started to develop an electronic public procurement platform where green criteria can be easily chosen. This however, has brought along some technical problems and has not been completely developed yet.</li> </ul>

							<ul style="list-style-type: none"> <li>• This measure has been quite successful in motivating the implementation of ISO14001, especially in the construction sector. However, it has had almost no effect on EMAS implementation but rather because requiring only EMAS in the procurement is not allowed.</li> <li>• EMAS and ISO14001 criteria can be used in any procurement but it is often used in procuring construction work, which is in the list of “high complexity” sectors.</li> </ul>
3. Financial support is given for first time implementation and registration of EMAS	2	2	3	2	1	3	<ul style="list-style-type: none"> <li>• There is a regulation of Minister of Environment No 13 that was first adopted in 26.02.2006 but it is regularly updated once or twice a year depending on the availability of funds and changes in needs. So there is a medium legislative effort required for this incentive to be adopted.</li> <li>• There are costs related to the evaluation of the project proposals and the reviewing the reports during and at the end of the projects. The EIC however manages many funding programmes, which makes it more cost efficient than having a funding support only for EMAS support.</li> <li>• It is unclear whether the Competent Authority receives any time savings if the measure is adopted.</li> <li>• All application and reporting procedures are electronic. This requires a working online platform that requires an IT technical effort. This however allows to save some costs for both the funding programme as well as applicants.</li> <li>• The funding support has been used by quite many public organisations but is not fully appreciated by the private companies. It is also clear that the availability if such funding requires promotion as many companies are still not aware of this opportunity.</li> <li>• There is no restraints of which type of organisation can apply for the funding. Especially “high complexity” and “special complexity” category companies are expected to apply.</li> </ul>

<p>4. Estonian Ministry of the Environment implements measure "improving resource efficiency in SMEs"</p>	2	1	2	2	3	3	<ul style="list-style-type: none"> <li>• The measure requires medium legislative effort to be adopted, not necessarily only in terms of legal acts but the developing the rules and regulations for distributing the funds.</li> <li>• It is quite costly to develop the measure and the rules for the funding. The time savings of the Competent authority are potentially low.</li> <li>• The technical effort required to adopt the measure is unclear. It depends also how much.</li> <li>• As this is quite new measure, it is not fully clear yet whether the incentive would contribute to increase of EMAS registrations.</li> <li>• The initial five sectors target to the measure include some sectors that are defined as “high complexity” sectors but not all.</li> </ul>
<p>5. The program "Better implementation of environmental management principles in the public sector" during 2009-2013.</p>	3	2	3	2	1	3	<ul style="list-style-type: none"> <li>• The measure does not require high legislative effort to be adopted.</li> <li>• The time savings for the Competent Authority are not clear but implementing this measure does require some funds to be implemented.</li> <li>• The incentive does not require high technical effort.</li> <li>• As this measure has been expired but during the time it was active it resulted in medium contribution in increasing the EMAS implementation in public sector.</li> <li>• This measure applies only for public sector organisations and local authorities, which fall under the “special complexity” category.</li> </ul>
<p>6. Companies that have environmental permit and EMAS do not have to pay pollution tax or get tax breaks.</p>	3	3	2	1	1	3	<ul style="list-style-type: none"> <li>• The measure does not require high legislative effort to be adopted.</li> <li>• The time savings for the Competent Authority are not clear but implementing this measure does not require high costs to be adopted.</li> <li>• There is a new electronic database of environmental permits being developed in Estonia. If the new database will be fully operating the EMAS registration info should be integrated into the database. The technical effort needed for this is not clear. It requires some IT solution but how complicated and demanding it needs to be is at this point unclear.</li> </ul>

							<ul style="list-style-type: none"> <li>As this measure is in the process, no results have been achieved yet but the companies have responded that it would be quite good incentive.</li> <li>This measure applies only for these companies that have environmental permit. Usually the companies in the “high complexity” list need some kind of environmental permit so it involves all these manufacturing sectors.</li> </ul>
7. Companies that have EMAS do not have to report 4 times a year but only once a year. No need for double reporting	3	3	2	1	1	3	<ul style="list-style-type: none"> <li>The measure does not require high legislative effort to be adopted.</li> <li>The time savings for the Competent Authority are not clear but implementing this measure does not require high costs to be adopted.</li> <li>There is a new electronic database of environmental permits being developed in Estonia. If the new database will be fully operating the EMAS registration info should be integrated into the database. The technical effort needed for this is not clear. It requires some IT solution but how complicated and demanding it needs to be is at this point unclear.</li> <li>As this measure is in the process, no results have been achieved yet but the companies have responded that it would be quite good incentive.</li> <li>This measure applies only for these companies that have environmental permit. Usually the companies in the “high complexity” list need some kind of environmental permit so it involves all these manufacturing sectors.</li> </ul>

### 3.3 Final results of the First Level Assessment

Table 3 shows the score assigned for each of the regulatory reliefs /promoting incentives. The score is given by average of the points given in the Table 2. This table should sort all measures. As in case of Estonia, there were only seven measures identified, no further selection is made but rather the measures are ranked based on the results of the first level assessment. Those measures that achieved the equal score by the criteria, shared the ranking positions and the score they received according to the ranking position was assigned as average between the two scores. For example, the measures 1 and 2 received the equal score by the criteria, which resulted in ranking position 4 and 5. This finally gave an average score of 6 and 7, which is 6,5.

**Table 3 Final results of the First Level assessment**

<i>First level assessment of Estonia</i>			
<i>7 Good practices identified</i>	<i>Ranking position</i>	<i>Score achieved by the criteria</i>	<i>Score assigned according to the ranking position</i>
4. Estonian Ministry of the Environment implements measure "improving resource efficiency in SMEs" during EU budget period 2014 - 2020 with the help of EU Structural Funds.	1	2,42	10
5. The program "Better implementation of environmental management principles in the public sector" during 2009-2013 for municipalities and public authorities.	2	2,17	9
3. Financial support is given for first time implementation and registration of EMAS	3	2,08	8
1. Frequency of environmental inspections related to environmental permits is lower for EMAS registered companies	4/5	2,00	6,5
2. EMAS or ISO14001 can be used as criteria or validation in GPP	4/5	2,00	6,5
6. Companies that have environmental permit and EMAS do not have to pay pollution tax or get tax breaks.	6/7	1,92	4,5
7. Companies that have EMAS do not have to report 4 times a year but only once a year. No need for double reporting.	6/7	1,92	4,5

## 4 Results of the Second Level Assessment and identification of best practices

The Second Level Assessment was carried out at the Second Stakeholder Meeting event – organized on May 3<sup>rd</sup>, 2017. There were 46 participants taking part in the meeting, representing various stakeholders. All participant assessed the seven good practices identified in the chapter 2. The methodology provided by ENHANCE project was slightly altered as it was difficult to carry out the assessment in the suggested way among so many stakeholders.

*Table 4 Scores assigned during the Second Level Assessment*

<i>Second level assessment of Estonia</i>			
<i>7 Good practices identified</i>	<i>Ranking position</i>	<i>Points given by the stakeholders</i>	<i>Score assigned according to the ranking position</i>
6. Companies that have environmental permit and EMAS do not have to pay pollution tax or get tax breaks.	1	40	10
2. EMAS or ISO14001 can be used as criteria or validation in GPP	2	32	9
3. Financial support is given for first time implementation and registration of EMAS	3	28	8
4. Estonian Ministry of the Environment implements measure "improving resource efficiency in SMEs" during EU budget period 2014 - 2020 with the help of EU Structural Funds.	4/5	12	6,5
7. Companies that have EMAS do not have to report 4 times a year but only once a year. No need for double reporting	4/5	12	6,5
1. Frequency of environmental inspections related to environmental permits is lower for EMAS registered companies	6	4	5
5. The program "Better implementation of environmental management principles in the public sector" during 2009-2013 for municipalities and public authorities.	7	3	4

All participants were given three small round stickers, with which they had to mark in their opinion the three most favourable measures. The partners provided a description of each of the seven measures and explained the methodology, how the measures were going to be assessed. Then a time

was given for stakeholders to decide and mark the favourable measures with stickers. The number of stickers at each measure were counted and inserted as points in Table 4. Then the measures were ranked based on the points they received and score from 10-4 (where 10 is the highest and 4 is the lowest) were assigned to the measures based on their ranking position. Those measures that received the equal number of points, shared the ranking positions and the score they received according to the ranking position was assigned as average between the two scores. For example, the measures 4 and 7 received the equal number of points from the stakeholders, which resulted in ranking position 4 and 5. This finally gave an average score of 6 and 7, which is 6,5.

The results of the Second Level Assessment are presented in Table 4 and are used as input of the last phase, which is the final selection of five best practices.

## 5 Results of the final selection and identification of five best practices

In the final selection and identification of five best practices the scores received from the first and second level assessment are summarized and the five measures with the highest score are selected as best practices. The results of the are presented in table 5.

*Table 5 Results of the final selection and identification of five best practices*

<i>Final assessment of Estonia</i>			
<i>Regulatory relief/promotional incentive</i>	<i>Score obtained in the first level assessment</i>	<i>Score obtained in the second level assessment</i>	<i>Final Score</i>
4. Estonian Ministry of the Environment implements measure "improving resource efficiency in SMEs" during EU budget period 2014 - 2020 with the help of EU Structural Funds.	10	6,5	16,5
3. Financial support is given for first time implementation and registration of EMAS	8	8	16
2. EMAS or ISO14001 can be used as criteria or validation in GPP	6,5	9	15,5
6. Companies that have environmental permit and EMAS do not have to pay pollution tax or get tax breaks.	6,5	10	14,5
5. The program "Better implementation of environmental management principles in the public sector" during 2009-2013.	9	4	13
1. Frequency of environmental inspections related to environmental permits is lower for EMAS registered companies.	6,5	5	11,5
7. Companies that have EMAS do not have to report 4 times a year but only once a year. No need for double reporting.	6,5	6,5	11

## 6 Conclusions

The main aim of this activity in the project was the identification of regulatory measures and promotional incentives that incorporate EMAS in Estonia. The methodology used was provided by the Italian partner. It was a long process of search all possible regulatory reliefs and incentives but not many was found. There has not been much support from the government to support EMAS. Therefore seven regulatory relief and promotional incentive measures were found.

The goal of first level assessment was to select ten best practices. As only seven were identified the measure were assessed by importance and relevance according to the methodology. In the second level assessment, the opinion of the stakeholders was used in order to select five best practices. In this phase, the stakeholders assessed the importance of seven measures based on their opinion. Their evaluation has become part of the overall assessment. As a result of the assessment five best measures were selected, which should be the inspiration for the other states to follow up to choose the suitable instruments to transfer and use in their action plan.

As two of the identified good practices in Estonia were in the process, the final selection of best practices include the practices that are or have been in actual use. These are:

1. Frequency of environmental inspections related to environmental permits is lower for EMAS registered companies.
2. EMAS or ISO14001 can be used as criteria or validation in GPP
3. Financial support is given for first time implementation and registration of EMAS
4. Estonian Ministry of the Environment implements measure "improving resource efficiency in SMEs" during EU budget period 2014 - 2020 with the help of EU Structural Funds.
5. The program "Better implementation of environmental management principles in the public sector" during 2009-2013.

The next part of the project will be crucial for Estonia, because there is a need for the stronger and more useful instruments, which will convince and motivate companies to strive for EMAS registration.