A case study on value chain cooperation and constructive, committed dialogue with authorities to address unintended regulatory consequences.

The Background
In the summer 2013, producers of lavender ran a very effective campaign against the requirement to register essential oils in the framework of the European chemical regulations, REACH and CLP. It was clear to the lavender farmers of France that such legislation was totally inappropriate for substances coming from agricultural activities. It would pose serious problems for their sector. Lavender essential oils would have to be classified as hazardous materials and labelled as such. Products renowned throughout the world for hundreds of years for their benefits to health would now be classified as toxic due to a legislative anomaly.

Growers in the south of France were initially incensed. They saw their traditional, artisanal sector being unfairly categorised by a complex pan-EU law designed for the multi-national chemicals industry. They protested!

By the end of 2013, the campaign had escalated very high up within the political community and the case was even being exploited by anti-European political leaders in France.

Early in 2014, the EU Commission called IFRA to facilitate a dialogue between the ‘supply’ chain (mainly farmers and essential oil producers) and EU institutions and to help in developing a pragmatic solution, avoiding an unacceptable compromise.

The value chain
Among the first to hear the farmers’ protests and to sympathise were the essential oils and fragrance sectors. Many livelihoods depended on the processing and use of a whole range of essential oils, not just lavender. There were clearly unintended consequences of the REACH requirements which would make it extremely difficult for many SMEs to comply.
From then, IFRA (the International Fragrance Industry Association) and EFEO (the European Federation of Essential Oils) engaged in a dialogue through the entire value chain and EU institutions. In addition, IFRA and EFEO offered dedicated ‘expert’ resources to help in identifying pragmatic solutions. They decided to reach out to the authorities to seek a solution.

The dialogue
In April 2014, a workshop was organised by the EU Commission with the participation of ECHA (the European Chemicals Agency), IFRA and EFEO. Producers and processors from France, Italy and Bulgaria explained the potential difficulties in complying with the REACH registration of their respective essential oils, lavender, citrus and rose.

The message was clear; the sector wished to comply, but nature is complex and the substances did not fit into the REACH requirements. There was confusion, which would get worse. Guidelines needed to be developed. All the stakeholders agreed that to move forward a constructive dialogue was needed. Over the following two years, a series of five round-tables and workshops were held to identify the needs, develop roadmaps of actions and deliver on sector-specific guidelines.

This process yielded agreed guidelines on the identification of essential oils, as natural complex substances (NCS). This was the prerequisite for registration. The industry and the authorities had to ensure that they were both talking about the same substances. This was not at all the case at the beginning.

It also yielded agreed guidelines for the environmental assessment of essential oils. The oils are not soluble in water and so the existing protocols to assess the eco-toxicity of substances used under REACH were not adequate.

The guidelines and protocols have been translated and are available on the ECHA website and the websites of the respective associations in 8 different languages. They have been designed specifically to help small and medium sized enterprises in the essential oils sector to comply with REACH registration.

A model for success
The key to the success of this process was the openness of the dialogue and the trust and commitment of the value chain members and the authorities. There was a real sense of willingness to work together for solutions. Actions were identified. Hard work was done. Solutions delivered.

The strong support of the French authorities and the continuous engagement of the European Commission from the beginning galvanised the group and helped create trust in the process. The openness and willingness to understand the problem and compromise to find solutions from ECHA was also key. The growers and processors could see the value of their efforts in the tangible results of the dialogue. This helped build momentum and a strong incentive to do the necessary hard work.

Such an approach to identifying unintended consequences of legislation on specific sectors and finding workable solutions could be adopted for other small business sectors. It is an example of civil society and its institutions acting in concert rather than discord for the benefit of society.

FranceAgriMer Board members were informed of results of the five round-tables, “Reach and essential oils”, which have been taking place since 2014, between representatives of the EU Commission, the European Chemicals Agency (ECHA), the French agriculture ministry and industry representatives. The work, completed in April 2016, was constructive and enables authorities to take better account of specific essential oils within Reach. Now the preparation of registration dossiers continues, taking into account the recommendations of the round-tables in order to meet the deadline of 31st May 2018.

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