



An Environmental NGO vision paper towards a European Integrated Product Policy

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Preamble

This discussion paper outlines the vision that several Environmental NGOs, members of the European Environmental Bureau, share on a useful and credible approach towards IPP. The intention is to build on and elaborate some key demands that were previously put forward in the EEB response to the European Commission's April 2001 Green Paper on Integrated Product Policy, without going back on the recommendations contained therein.

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Acronyms

6EAP	Sixth Community Environmental Action Program
B2B	Business-to-Business (as opposed to business to individual consumer)
EEA	European Environment Agency
EC	European Commission
EFR	Environmental Fiscal Reform
ENGOS	Environmental Non-Governmental Organisations
EPD	Environmental Product Declarations
FWD	Framework Directive
IPP	Integrated Product Policy
LCA	Life Cycle Analysis
OSPAR	Oslo Paris Convention
PEOs	Priority Environmental Objectives
POP	Persistent Organic Pollutant
SEOs	Specific Environmental Objectives
WG	Working Group
WSSD	World Summit on Sustainable Development

1. INTRODUCTION

A European IPP should use instruments and take measures that are capable of effectively integrating ecological aspects into product policy and delivering significant change in product design, towards creating **sustainable production**. This is production that promotes the *“creation of goods and services using processes and systems that are non-polluting; conserving of energy and natural resources, economically viable; safe and healthful for employees, communities and consumers; and socially and creatively rewarding for all working people.”*¹

To prevent a European IPP from remaining a purely philosophical concept, **an operational vision and objectives must be set**. Guidance on priority objectives can be drawn from the Sixth Community Environmental Action Program (6th EAP), which puts climate protection, bio-diversity, health and eco-toxic impacts, and resource efficiency at the forefront. However guidance alone is not sufficient; **a concrete framework of environmental and consumption-related objectives should be legally established to orientate the European IPP**.

Policy should be more than facilitation. Any serious product policy therefore, must not only have legislation as its base, founded on environmental objectives and setting the overall framework, but should at the same time, foresee legislation to set binding objectives and put the appropriate pressures on producers via product responsibility and product information requirements.

A European IPP should not just be targeted at individual products or groups of products with the assumption that current format provides the most sensible solution. Rather, the starting point for all IPP mechanisms must be a total rethink about products from the **perspective of ‘function’ - the way they are used - and the needs they address**.

Finally, whilst the development of tools and indicators which incorporate and track the level of consumption should also be included in a European IPP. It is generally felt that it is necessary in addition to create a dedicated discussion on a **European Sustainable Consumption Policy**, and a forum for this discussion, in the European Commission.

These are some of the issues that this paper aims to develop.

¹ Taken from "Sustainable Production: a working definition", in informal meeting of the Committee of Members. Lowell Centre for Sustainable Production (1998).

2. THE IPP FRAMEWORK DIRECTIVE

The foundation of the European Integrated Product Policy (IPP) should be the Integrated Product Policy framework directive (FWD). This directive should lay down the vision, the environmental objectives and the tools for European Integrated Product Policy. It should clearly define the policy's scope, foresee the creation of product environmental responsibility as well as overseeing and defining the operational framework for any regulatory initiatives for specific function areas or product groups. It should also anticipate the provision of the necessary resources to carry the IPP vision forward.

Key tasks for a European IPP Framework Directive:

1. Specify the purpose, the scope, the timeframe, reporting and evaluation obligations and links with other policy initiatives;
2. Lay down a blueprint of priority environmental objectives (PEOs) that will guide and oversee all function areas and product groups addressed by the policy;
3. Commit to establishing environmental product responsibility and the right information on products (see 8.1 below);
4. Commit to the development of specific environmental objectives (SEOs) based on the PEOs which include criteria and indicators for improving the environmental performance of all products addressed (see 8.2 below);
5. Set up working groups on priority product policy tools to drive aspects such as increased market share for green products, co-ordinating and providing access to product information and commencing work on a Sustainable Consumption Policy;
6. Lay down the procedures and provide the resources for all relevant stakeholders to take part in the drafting and implementation procedures for daughter legislation and other mechanisms such as working groups; projects, studies and standardisation
7. Foresee the creation of necessary IPP institutions and the allocation of required funding and resources;
8. Foresee the creation of further implementing legislation through *daughter* directives on:
 - 8.1 Environmental product responsibility creating the legal incentive for producers to take product policy objectives on board and establishing a citizen's 'right to know' on product information.
 - 8.2 (Where necessary) function area/product-group specific legislative initiatives, setting quantified specific environmental objectives (SEOs), intermediate timeframes and identifying specific mechanisms to achieve them.

2.1 Scope, Evaluation, Reporting and Timeframe

2.1.1 Scope

The IPP framework directive should ultimately **focus on the end function (or need) satisfied rather than the end product**, and so foster a shift in emphasis in production from specific pre-existing product designs and services to providing the most environmentally sound and sustainable ways of satisfying needs or functions. The scope of the IPP legal framework should therefore be defined by its coverage of certain 'function-areas' or 'need areas', such as the areas (or sub-areas) of housing or transport

The basic functions to be covered by IPP should be laid down in the IPP framework directive and listed in its annexes (see example in annex 2). This list should be open to revision and not exhaustive. However, such a broad approach should be complemented by clear-cut guidance on any individual product focus, including selection procedures.

Mechanisms for evaluating alternatives to a product should be continually assessed and policies to promote alternatives should be used if those alternatives have a better environmental performance and will result in reduced consumption of current resources.

2.1.2 Evaluation and Reporting

Evaluation and reporting would best be done through the creation of a European Commission-led working group charged with monitoring European IPP, based on indicators based upon the priority environmental objectives. The working groups should be responsible for co-ordinating member states' activities in compliance with mandatory national reporting and evaluation requirements as well as helping the EC with its assessments. In addition to measuring performance against environmental goals, the working group should help develop indicators and assess other objectives such as market penetration of ecological products and the impact and progress of economic and market tools; for example, environmental fiscal reform or specific tools such as reduced VAT.

Other stakeholders such as individual industrial sectors, or environmental and consumer organisations should be encouraged to submit evaluation reports directly, and financial resources should be made available to NGOs to do this properly. It would also be useful to assess the quality and accessibility of product environmental impact information, product benchmarking information overall national IPP measures and relevant research, amongst other things. The Commission should compile all the information and report on it to the European Parliament and Council at regular intervals.

In all of the above the European Environment Agency's involvement, possibly through a dedicated IPP Research and Reporting Bureau, is key (see Necessary Resources below).

2.1.3 Timeframe

The initial timeframe set for the first cycle of IPP should be from the present day to 2012, in line with the EU's 10-year-long 6EAP published in September 2002. This also respects the action plan agreed at the World Summit on Sustainable Development in August 2002², namely that of *encouraging and promoting the development of a 10-year framework in support of regional and national initiatives to accelerate the shift towards sustainable production and consumption.*

2.2 Laying down the environmental objectives

The Priority Environmental Objectives should be laid down in explicit terms in the IPP FWD. Their purpose should be five-fold:

1. To provide a **common vision** and goals for all stakeholders.
2. To orientate and facilitate the development of:
 - a) **Specific Environmental Objectives** set in legislative initiatives specific to function areas/ product group;
 - b) **Minimum performance levels / standards** aimed at reducing or halting the production of the worst performing products;
 - c) **Standardised data requirements** for products.
3. To enable environmental **indicators** to be set and environmental performance to be **evaluated** within function or product groupings and across all product groups covered by the IPP.
4. To provide guidance for **identification** and comparison of the environmentally **best performing products through benchmarking** initiatives thereby providing guidance on selecting examples of best available technology
5. To provide the **environmental focus for other IPP tools** such as ecological procurement initiatives, Type I Ecolabels, Life Cycle inventories and targeted LCA, Business to Business information flows (such as EPDs) etc.

The Priority Environmental Objectives (PEOs) should target the key environmental issues or priorities of the 6EAP as well as European and international commitments on 'sustainable production and consumption'. The four key environmental priorities, as defined by the 6EAP, are:

- Climate change,
- Loss of bio-diversity and of functioning of natural ecosystems,

² Ch 14. Advanced Unedited Text of Action Plan, WSSD, August 2002.

- Health and eco-toxic impacts of chemical pollutants,
- Waste production and excessive resource use.

Governing these environmental priorities should be a concrete focus on **Sustainable Consumption**³ - a dimension essential to keep the concept of Real or Absolute impact in the equation. While an individual product may appear to have a negligible impact, its pattern of consumption may mean in reality a far greater impact.

The Priority Environmental Objectives (see annex 1 for examples) serve as a binding political commitment to evaluate these aspects for every function area or product group, if necessary monitor and subsequently, lay down relative or absolute targets - i.e. Specific Environmental Objectives - and deadlines for ALL factors for each product group in initiatives committed to under the IPP FWD.

The thematic strategies, such as those on natural resources, waste and recycling should be co-ordinated with and can oversee future revisions of the IPP and Priority Environmental Objectives. Note that without a strong and ambitious execution of IPP both strategies will be lacking one of their main tools and hopes for implementation.

2.3 Prioritising some product policy tools

2.3.1 Product Policy Tools Working Groups

It is essential to have concrete projects and processes to actively drive other IPP tools. Priority tools should be those focusing on creating markets for ecological products, product information use and reducing the impact of product consumption in the EU. Policy Tools Working Groups are appropriate vehicles for these projects and measures and the EC should make full use of its institutional powers and take leadership of the process. Therefore Commission managed working groups should be established on:

- Economic instruments such as taxation, Environmental Fiscal Reform and low VAT on environmentally friendly products,
- ecological procurement,
- product impacts information, and
- sustainable consumption.

The work of each group should be specified with concrete objectives and deadlines.

³ Note: The necessity for "sustainable consumption patterns" is at the core of the 6EAP. The objective is clear - "decoupling the use of resources and the generation of waste from the rate of economic growth and aiming to ensure that the consumption of renewable and non-renewable resources does not exceed the carrying capacity of the environment".

The Economic Instruments Working Group

The focus of this group should be on the economic instruments that form the core of EFR, namely:

- Tax Reductions for greener products
- Eradication of perverse subsidies so greening state aid
- Taxation of virgin resource use.

The Product Impacts Information Working Group

This working group's job is to facilitate and co-ordinate response to the demands placed on producers by a variety of other IPP tools relating to quantification and communication of the Products Lifecycle Environmental Impacts. Including B2B Environmental Product Declarations (EPDs), Environmental Management Systems (e.g. EMAS), LCAs and ecolabelling (consumer type I Ecolabels), as well as the needs of individual social groups and the public at large. This includes how to respond to the necessity of independent third party certification on tools such as EPDs. The product information would probably best be made available by creating databases fed by the quantitative information obtained from product data files or data compiled thereof. However this would require that such data files are supplied by manufacturers, for example under legally binding requirements for product information provision, and transmitted to a central resource such as a European Product Benchmarking Institute (see Necessary Resources below).

Sustainable Consumption Working Group

Sustainable Consumption is a vital dimension of product policy. Without taking into account this dimension, there is a considerable risk that potential environmental benefits resulting from improvements in products' environmental performance be outweighed by the rise in overall consumption (the so called '*rebound effect*'). The task of the Sustainable Consumption Working Group should be the creation of and monitoring of consumption, per capita focused criteria and indicators within the general framework of environmental objectives and in the specific function area or product group environmental objectives. In addition to this task the working group should also commence the task of developing the framework of a *Sustainable Consumption Policy*, and propose the structure of an appropriate forum that should develop this independent policy in parallel to the IPP (see below).

2.4 Further Legislative tools

2.4.1 The environmental product responsibility directive

The environmental product responsibility directive should be the first concrete IPP regulatory initiative fostered by the FWD. This *daughter* directive should provide a strong motivation for ALL product designers and manufacturers to make eco-design a natural part of the design cycle and to approach subsequent IPP initiatives with the appropriate degree of consideration.

The directive should contain the following essential components:

- A clear ‘responsibilisation’ of producers for the environmental ‘soundness’ of their products and market restriction for ‘unsound’ products
- Definition of Environmental ‘soundness’ by means of national or European minimum environmental performance requirements or standards, which should be linked to the Specific Environmental Objectives which apply to a product (ie a pre-defined level of ambition). The European Commission should be awarded the mandate to advance with these standards where necessary.
- The requirement for the producer to take responsibility for any observed post market environmental impacts, and resort to product recall where necessary.
- Lay down sanctions and requirements for Member States to nominate competent authorities to monitor compliance.
- Establish the principle of a public ‘right to know’. This should cover the right to product environmental impact information and to go to court if the information is not satisfactory, as well as reinforcing the requirement for producers to make information on their products public as a matter of course.

2.4.2 Legislative initiatives for specific function areas or product groups

The legislative initiatives for specific functions or product groups should include the following mechanisms:

1. Mandatory quantitative or relative specific environmental objectives for the defined product group as a whole (the level of ambition),
2. Systematic modelling of how best to achieve these objectives, and
3. Standardised product data / information requirements (product data files) to evaluate individual product performance and progress towards the objectives.

Specific Environmental Objectives (SEOs)

The establishment of SEOs for function areas or product groups should follow the lines and timeframe of the general Priority Environmental Objectives framework laid down in

the IPP FWD. The SEOs being tailor made for each product group, can, as far as possible, be set with relative (to benchmark⁴) or absolute targets. From these SEOs specific data reporting requirements can be set and clear mandates for any product standards can be developed aimed at reducing or halting the production of the worst performing products.

2.5 The Necessary Resources

2.5.1 The IPP Institutions

The IPP directive should provide for the creation of some key institutions, which are essential to securing the necessary technical resources. Most critical are:

1. A separate applied **IPP Research & Report Bureau** created specifically to address and support the IPP process. To achieve this the EC should invest in an applied bureau created specifically to provide an independent knowledge base as an essential tool to validate stakeholder arguments and make well-informed choices. This support is critical for the mechanisms set up under specific legislative initiatives, in particular the modelling and to support the IPP evaluation processes both globally and for individual function areas /product groups.
2. A **European Product Benchmarking Institution** and benchmark product information databases - product benchmarking is one of the key means to provide aspirational goals for industry. The product information databases will provide valuable information for target setting and should facilitate access to product information as well (not just for B2B use but for other IPP tools and the public at large). The public availability of such information can be the facilitator of a powerful driving pressure from civil society and can be used for consumer choice tools such as European and national Ecolabel and consumer eco-testing organisations. Furthermore, an institution such as this also responds directly to the requirements of article 5.8 of the Aarhus Convention⁵ to which the European Community is a signatory.
3. The **Eco-test Network** - next to labelling, independent quality assessments by independent testing organisations geared towards the consumer have a strong awareness raising function. As part of IPP implementation the establishment of a European network of national eco-test organisations and magazines, providing and

⁴ Benchmark is used here in the sense of Best Available Environmental Technology, to suit a specific function or need.

⁵ In the 1998 Aarhus Convention on Access to Information, Public Participation in Decision Making and Access to Justice in Environmental Matters under Article 5 on Collection and Dissemination of environmental information. Article 5.8 reads that: "Each party shall develop mechanisms with a view to ensuring that sufficient production information is made available to the public in a manner which enables the consumer to make informed environmental choices."

disseminating comparative quality testing data, should be foreseen. This is vital as part of the consumer tools providing the 'pull' for eco-products. Financial support for such a network is essential for greening consumer demand.

2.5.2 The IPP support fund

An IPP support fund in the range of €100 million annually should be put at the Commission's disposal. Such funds are indispensable for the creation of the required European institutions, the IPP working groups, initiatives such as a European network of consumer orientated eco-testing organisations, pilot projects and programmes, research and publicity.

2.6 A Sustainable Consumption Policy

Whilst it is true that many of the IPP tools mentioned in the Green Paper are in fact consumption orientated tools, they are intrinsically disposed to increasing consumption.

The underlying philosophy of product policy implies increasing markets for eco-products and will be in conflict with basic principles such as reducing the absolute consumption of current virgin resource use or the reduction of use of certain chemicals and the impacts these imply. To achieve this it is probably preferable to create a dedicated forum for discussion of a *Sustainable Consumption Policy*, with a clearly defined agenda. Commission and national responsibilities under the forum would be set out and, among other objectives, aim at the evaluation of consumption levels for resources and ecological (ecosystem) services as well as rationalisation of that consumption.

This policy should eventually integrate the conclusions on resource efficiency and the dematerialization objectives due to be developed under the 6EAP thematic strategy on sustainable use of natural resources.

ANNEXES

Annex 1

Example⁶ of Priority Environmental objectives (PEOs) for IPP:

- Reduction in emissions of greenhouse, eutrophying and acidifying gases
- Reduction in energy intensity - quantity and type of energy (renewable/non renewable)
- Reduction in toxic chemical use - of all chemicals on certain restriction lists (OSPAR, Swedish sunset chemicals, Danish list of unwanted chemicals , POPs etc)
- Reduction in intensity of virgin material resource use, waste production and increase in renewable materials use,
- Reduction in water use,
- All of the above per unit of service and/or per capita (consumption adjusted target)

From this framework the Specific Environmental Objectives (SEOs) can be developed. Below is a preliminary worked example of objectives from a recent EEB position paper on Eco-design of EuE⁷:

Climate Change:

- *Reduction in emission of Greenhouse gases (Total CO₂ and five other greenhouse gas emissions - CH₄, N₂O, HFCs, CFCs, SF₆) - 8% compared to 1990 levels by 2008⁸*
- *Reduction in energy intensity, quantity and type of energy (renewable/non renewable) - increase of energy efficiency 2-5%/ year with 22% renewable energy⁹ sources by 2010.*

Loss of bio-diversity and of functioning of natural ecosystems & Health and Eco-toxic impacts of chemical pollutants:

- *Reduction in air pollutants - 84% for SO₂, 55% for NO_x, 29% for NH₃ and 60%*

⁶ Note that these examples are not intended to be exhaustive or definitive, but merely serve to illustrate the level of definition that is necessary to make a European IPP a credible exercise.

⁷ See www.eeb.org/activities/product_policy/main.htm EEB position on a Commission proposal for a draft directive on establishing a framework for Eco-design of End use equipment, January 2003.

⁸ KYOTO targets

⁹ Under the 6EAP and the Directive on the promotion of electricity produced from renewable energy sources in the internal electricity market (COM/2000/0884 final) the target agreed was 22% of all electricity consumed

for VOCs compared to 1990 levels by 2010¹⁰;

- Reduction in toxic chemical use - [50%] reduction in the presence of the OSPAR chemicals by 2010 compared to 1995 levels¹¹;

Waste Production and Excessive Resource Use¹²;

- Reduction in intensity of primary material resource use, quantity and type of material - reduction by a factor of [4] of non-recycled plastics and wood, virgin ferrous and non-ferrous-metals [steel, aluminium, zinc and copper] by 2010;
- Reduction in waste production - [90%] recyclability by 2010, zero product waste to landfill and adoption of Extended Producer Responsibility modelled on the Waste from Electrical and Electronic Equipment directive.

Annex 2

Function or need areas to be covered by European IPP, with indication of corresponding product groups:

- Transport and mobility - cars & public transport vehicles, freight vehicles,
- Housing, structural - basic structure, building materials, fittings,
- Housing, non-structural - furniture, textiles, cleaning, drying, heating, cooling, kitchen equipment, home improvement equipment and lighting,
- Clothing - textiles and clothes,
- Nutrition - food products,
- Domestic cleaning and decoration - chemical products,
- Data processing, storage and transmission - computers, telecommunications and entertainment.

¹⁰ Air quality indicator based on national emission ceilings - EEB Position paper *Sustainable development: Making it happen*, March 2002

¹¹ Chemicals indicator - EEB Position paper *Sustainable development: Making it happen*, March 2002

¹² Material use indicator – "...factor 10 reduction within 30 years of primary, non-renewable material use, with material recycling and re-use above 95% resulting in zero landfill of untreated waste..." - EEB Position paper *Sustainable development: Making it happen*, March 2002