



An Environmental NGO vision paper towards a European Integrated Product Policy

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Preamble

This discussion paper serves as an outline of 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 Commission Green Paper on Integrated Product Policy, April 2001, not forsaking the recommendations contained therein.

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Acronyms

6EAP	Sixth Community Environmental Action Program
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
PEO	Priority Environmental Objectives
POP	Persistent Organic Pollutant
SEO	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 effecting significant change in product design towards creating **sustainable production**. This is production that is promoting 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

In order to prevent a European IPP from remaining a purely philosophical concept, **vision and objective setting is needed**. 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 mere guidance 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 at its base, founded on environmental objectives and setting the overall framework, but should, at the same time foresee legislation to set binding objectives and establish the appropriate pressures on producers via product responsibility and product information obligations.

A European IPP should not only be targeted at product or product group level. The process of rethinking products from the **perspective of the function** they deliver and the needs they address, must be the starting point for all IPP mechanisms.

Finally, while 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 to create a dedicated discussion and forum for this discussion on a **European Sustainable Consumption Policy** in the European Commission.

These are some issues this paper aims to develop.

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 of the European Integrated Product Policy. It should clearly define its scope, set up the operational framework for and oversee the creation of clear product responsibility and specific function or product group related regulative initiatives. It should also anticipate the provision of the necessary resources to carry the IPP vision forward.

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

<p>Key tasks for a European IPP Framework Directive:</p>
<p>The Framework legislation should</p> <ol style="list-style-type: none"> 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, and 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 whereby all relevant stakeholders may be engaged in the daughter legislative procedures and also other non-regulative mechanisms such as working groups, projects, studies and standardisation including providing them with the necessary resources to do so, 7. Foresee the creation of necessary IPP institutions and the allocation of necessary funding and resources
<p>8. Foresee the creation of further implementing legislation through daughter directives on:</p> <p>8.1 Environmental product responsibility creating the legal incentive for ALL producers to take product policy objectives on board and establishing a citizen ‘right to know’ on product information</p> <p>8.2 Function area/product-group specific legislative initiatives, setting quantified specific environmental objectives (SEOs), intermediate timeframes and identifying specific mechanisms to achieve them</p>

2.1 SCOPE, EVALUATION, REPORTING AND TIMEFRAME

Scope

The IPP framework directive should be based on the **function focus over the end product focus**, and foster in this way the shift in the production paradigm from specific products and services to environmentally sound and sustainable function provision. The scope of the IPP legal framework should therefore be defined by its

coverage of certain need areas or functions². The consumption to meet those functions and the (purchase and use of) products and services that satisfy them and which have the greatest environmental impacts should be those given priority focus in an IPP. The basic function areas 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 extendable and revisable. However, such a broad approach should be complimented by clear-cut guidance on the definitive selection of products, including procedure of selection.

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.

Evaluation and Reporting

The evaluation and reporting functions would best be served by the creation of EC lead working group charged with the monitoring of the European IPP, based on indicators which are in their turn based on the priority environmental objectives. The group should be responsible for co-ordinating member state's capacities around obligatory national reporting and evaluation required by the IPP FWD and accompanying the EC in this evaluation. In addition to the evaluation of performance towards the environmental objectives it would be useful to develop indicators and asses other objectives such as market penetration of ecological products, impact of economic tools such as environmental fiscal reform and progress with other economic and market tools (use of VAT etc).

Other stakeholder sectors such as individual industrial sectors, environmental and consumer organisations should be encouraged to directly submit evaluation reports and financial resources should be made available to NGOs do this properly. It would also be useful to evaluate the quality and accessibility of product information, benchmarking information, overall national IPP capacities, relevant research etc. The Commission should compile all information and report it to Parliament and Council at regular intervals.

In all of the above the involvement of the EEA, possibly via a dedicate IPP Research and Reporting Bureau is key (see Necessary Resources below).

Timeframe

The initial timeframe set for the first cycle of IPP should be present to 2012, in line with the 10 year 6EAP published in September 2002. This also respects the intentions agreed upon in the action plan of the World Summit on Sustainable Development in August 2002³, 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 For example the need areas identified by the Eco Top Ten project from Oko Institut (www.oeko.de/bereiche/produkte/documents/ecotopten_en.pdf) or the function classes identified under the Belgian Federal Product and Environmental policy study – Identifying Key Products For Federal Product and Environmental Policy, draft final report, November 2002 (www.iwallon.be/iw/index.html)

³ Ch 14. Advanced Unedited Text of Action Plan, WSSD, August 2002.

2.2 LAYING DOWN THE ENVIRONMENTAL OBJECTIVES

The Priority Environmental Objectives should be laid down in explicit terms in the IPP FWD. Their purpose being 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 subsequent function/product-group-specific legislative initiatives,
 - 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 areas or product groupings and over all product groups covered by the IPP
4. To provide guidance to be able to **identify** and compare the environmentally **best performing products through benchmarking** initiatives thus providing orientation on best available technology examples - the eco-leaders
5. To provide the **environmental focus for other IPP tools** such as ecological procurement initiatives, Type I Ecolabels, LC inventories and targeted LCA, Business to Business information flows (such as EPDs) etc

The Priority Environmental Objectives (PEO) should target the key environmental issues or priorities of the 6EAP and the European and International ‘sustainable production and consumption’ commitments. The four key environmental priorities, as defined by 6EAP, are:

1. Climate Change
2. Loss of bio-diversity and of functioning of natural ecosystems
3. Health and Eco-toxic impacts of chemical pollutants
4. Waste Production and Excessive Resource Use
5. Overseeing these environmental priorities should be added a concrete focus on, Sustainable Consumption⁴. This dimension is essential to keep the concept of REAL IMPACT in the equation, whereby an individual product may appear to have an apparently negligible impact, however the pattern of consumption of that product may mean far greater impacts in reality.

The Priority Environmental Objectives serve as a binding political commitment to

- a) evaluate these aspects for every function area and product group, and
- b) lay down relative or absolute targets ie Specific Environmental Objectives, and time frames on ALL of these aspects for each product group in consequential initiatives committed to under the IPP FWD activities

⁴ 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 thematic strategies, such as those on natural resources, waste and recycling should be co-ordinated with and oversee future revisions of the IPP and Priority Environmental Objectives.

2.3 PRIORITISING SOME PRODUCT POLICY TOOLS

Product Policy Tools Working Groups

It is essential to have concrete projects and measures to actively drive the other IPP tools. Priority tools should be those focusing on creating market for ecological products, product information use and concretely reducing the impacts 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. Thus working groups should be established on:

- economic instruments such as taxation, EFR⁵ and low VAT on environmentally friendly products,
- ecological procurement
- product information and
- sustainable consumption

The work on each tool should be specified with concrete objectives and timeframes.

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 greening state aid
- Taxation of virgin resource use.

The Product Information Working Group

This working group's task is to facilitate and co-ordinate the demands placed on producers by a variety of other IPP tools including B2B Environmental Product Declarations (EPDs), Environmental Management Systems (eg EMAS), LCAs and end consumer type I Ecolabel as well as the public at large. This includes how to respond to the necessity of 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 the product data files that are made available under product responsibility and information provision obligations and transmitted to 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 regulative initiative foreseen under the IPP FWD. This directive will provide the necessary motivation for ALL product designers and manufacturers to make eco-design a natural part of the design cycle and approach subsequent IPP initiatives with the appropriate degree of consideration.

The directive should contain the following essential ingredients:

- ◆ A clear purpose to make producers responsible for the environmental ‘soundness’ of their products in circulation.
- ◆ Environmental ‘soundness’ can be defined by national or European minimum performance requirements or standards. If those don’t exist environmental soundness should also be linked to the Specific Environmental Objectives which apply to a product as reflecting societies expectations regarding a product. The European Commission should be awarded the mandate to advance with these standards where necessary.
- ◆ The obligation for the producer to take responsibility of any subsequent observed interactions of his products and resort to product recall if necessary.
- ◆ Lay down sanctions and obligations for Member States to nominate competent authorities to monitor compliance.
- ◆ Establish the principle of citizen’s ‘right to know’ on products and their performance and impacts. This should cover the right to product information, the right to go to court if the information is not satisfactory, and reinforce the obligation of producer to make public information on his products as a matter of course.

2.4.2 SPECIFIC FUNCTION OR PRODUCT-GROUP LEGISLATIVE INITIATIVES

The specific function or product-group legislative initiatives should cover

- 1 - obligatory setting of quantitative or relative specific environmental objectives for a defined product group,
- 2 - modelling exercises of how best to achieve these objectives and,
- 3 - formulation of standardised product data/information requirements (product data files) to be able to evaluate individual product performance and progress towards the objectives.

Specific Environmental Objectives (SEOs)

The establishment of Specific function area or product group Environmental Objectives (SEOs) should follow the lines and timeframe of the general framework of Priority Environmental Objectives (PEOs) set in the IPP FWD. The SEOs being tailor made for each product group, can , as far as possible be set with relative (to benchmark⁶) or absolute target levels. From these SEOs specific data reporting requirements can be set and clear

⁶ Benchmark is used here in the sense of the Best Available environmental Technology to suite a specific function or need

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

The IPP Institutions

The IPP FWD directive should foresee the necessity for the creation of some key institutions which will be essential to provide 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 to make well informed choices. This support is critical for the specific legislative initiatives mechanisms, in particular the modelling and to support the global and function area/product group specific evaluation process.
2. A **European Product Benchmarking Institution** and benchmark product information databases - product benchmarking is one of the key means to provide the aspirational goals for industry. The product information databases will provide valuable information for target setting and should also facilitate the access to information on products and benchmark products that civil society is asking for when exercising its 'right to know' (as laid down in the Product Responsibility directive above). In this way such an Institution responds directly to the requirements of article 5.8 of the Aarhus convention⁷ to which the European Community are signatory. 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 the European and National Ecolabels and Consumer Eco-testing organisations.
3. The **Eco-test Network** - next to labelling, independent quality assessments by independent testing organisations orientated to the consumer have a strong awareness raising function. As part of the implementation of IPP the establishment of a European network of national Eco-test organisations and magazines, providing and disseminating comparative quality testing should be foreseen. This is vital as part of the consumer tools providing the 'pull' for eco-products. Financial support to such a network is essential for greening consumer demand.

The IPP support fund

An IPP support fund in the range of 100 Million Euro annually should be put at the disposal of the Commission. Such funds are indispensable in order to enable the creation of the necessary 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.

⁷ 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 "Each party shall develop mechanisms with a view to ensuring that sufficient product information is made available to the public in a manner which enables the consumers to make informed environmental choices."

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 orientated to increase consumption. The underlying philosophy of product policy implies increasing markets for eco-products and will be in conflict to 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, for example. To achieve this it is probably preferable to create a dedicated forum for discussion of a *Sustainable Consumption Policy*. Such a forum should have a clearly defined agenda and EC and national member State responsibilities, aiming at, among other objectives, the evaluation of the level of consumption of resources and ecological (ecosystem) services and rationalisation of that consumption. This policy should eventually integrate the conclusions on resource efficiency and dematerialization objectives to be developed under the 6EAP thematic strategy on sustainable use of natural resources.

Annexes

Annex 1

Example⁸ of Priority Environmental objectives (PEOs) for IPP

1. Reduction in emissions of Greenhouse, Eutrophying and acidifying gases
2. Reduction in Energy intensity – quantity and type of energy (renewable/non renewable)
3. Reduction in toxic chemical use – of all chemicals on certain restriction lists (OSPAR, Swedish sunset chemicals, Danish list of unwanted chemicals , POPs etc)
4. Reduction in intensity of virgin material resource use, waste production and increase in renewable materials use,
5. Reduction in water use,
6. All of the above per unit of service and/or per capita (Consumption adjusted target)

From this a framework the Specific Environmental Objectives (SEOs) can be developed. We include here a preliminary worked example of objectives from a recent EEB position paper on Eco-design of EuE⁹ :

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 2008¹⁰*
- ◆ *Reduction in Energy intensity, quantity and type of energy (renewable/non renewable) - increase of energy efficiency 2-5%/ year¹¹ with 22% renewable energy¹² 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% for VOC compared to 1990 levels by 2010¹³.*
- ◆ *Reduction in toxic chemical use – [50%] reduction in the presence of the OSPAR chemicals by 2010 compared to 1995 levels¹⁴*

Waste Production and Excessive Resource Use¹⁵.

- ◆ *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.*

⁸ 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.

⁹ 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

¹⁰ KYOTO targets

¹¹ 5% increases in energy efficiency has been deemed achievable in a Study done by Steger, U., et al: Nachhaltige Entwicklung und Innovation im Energiebereich, Springer, Berlin, 2002.

¹² 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

¹³ Air quality indicator based on national emission ceilings - EEB Position paper *Sustainable development: Making it happen*, March 2002

¹⁴ Chemicals indicator - EEB Position paper *Sustainable development: Making it happen*, March 2002

¹⁵ 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

- ◆ *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 a 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, none 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