Opinion of the European Economic and Social Committee on the 'Communication from the Commission to the Council and the European Parliament — Integrated Product Policy, Building on Environmental Life-Cycle Thinking'

(COM(2003) 302 final)

(2004/C 80/11)

On 18 June 2003 the Commission decided to consult the European Economic and Social Committee, under Article 262 of the Treaty establishing the European Community on the above-mentioned communication.

The Section for Agriculture, Rural Development and the Environment, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 13 November 2003. The rapporteur was Mr Adams.

At its 404th plenary session held on 10 and 11 December 2003 (meeting of 10 December) the European Economic and Social Committee adopted the following opinion by 81 votes for, one against and three abstentions.

1. **Introduction**

1.1. The Communication on Integrated Product Policy (IPP) is one of the coordinated initiatives from the Commission which begins to tackle sustainability in production and consumption — in this instance with particular reference to product life-cycle planning and the minimising of waste and negative environmental impact. It is part of a larger strategy in which the European Union recognises that unsustainable production and consumption are contributory factors to environmental degradation and global inequity.

1.2. The European Union is strongly committed to sustainable development. This has been increasingly evident in numerous statements and strategies preceding and supporting the Johannesburg Declaration resulting from the 2002 World Summit on Sustainable Development. This defined a collective responsibility to achieve the objectives of poverty eradication, changing consumption and production patterns and protecting and managing the natural resource base for economic and social development. The Commission has also adopted a report presented in March 2002, on Environmental Technology for Sustainable Development ([1]) and a Communication on Developing an Action Plan for Environmental Technology ([2]), as well as most recently, a Communication Towards a Thematic Strategy on the Sustainable Use of Natural Resources ([3]).

1.3. The Commission's Communication on Integrated Product Policy (IPP) has been prompted by its commitment to sustainable development and a recognition that IPP represents an important element of the future strategy on the sustainable use of natural resources and the prevention and recycling of waste, and, more generally, that it has a role to play in contributing to sustainable development and as such relates both to fulfilling the aims of environmental protection and helping eradicate poverty in the world.

1.4. The Communication takes note that an environmental dimension to product policy is needed because greater disposable income in Europe means that the overall quantity of products in the EU is increasing. At the same time, the global reality of poverty must also be born in mind as IPP is an important aspect for helping to fulfil the EU's commitment to global sustainable development. The poorest 40 % of the world's people account for only 11 % of world consumption; the top 15 % account for 56 %. Increasing imports of resources are also helping shift the environmental burden from the consuming to the exporting countries. Imports currently constitute almost 40 % of the total material requirement of the EU and they have grown particularly rapidly in the 1990s ([4]).

1.4.1. Poverty, environmental degradation and the despair that they breed are not only morally unacceptable, they provide the ingredients for the destabilisation of countries and even entire regions. Amongst the diverse causes and effects of poverty, unsustainable production and consumption are highly relevant to the issues and problems that the EU's sustainable development strategy are trying to address.

1.5. The EU has pressed for sustainable consumption and production to be tackled earlier in the Johannesburg Implementation Plan and the decision that it will only be discussed in 2010/2011 indicates a fundamental problem.

([1]) COM(2002) 122 final.
([2]) COM(2003) 131 final.
([3]) COM(2003) 572 final.

([4]) See *Third Environmental Assessment*, European Environmental Agency, May 2003.

Countries with newly developing economies have reservations that sustainability may mean restrictions to economic growth whilst many developed economies have production and consumption patterns that require significant adjustment to become sustainable. If the goal of sustainable growth is to be achieved in a way that satisfies the differing needs of the developing and developed world, economic activities will have to take closer account of sustainable development criteria and indicators. This may involve encouraging economic development to take a more explicit direction towards positive human values such as personal development and quality of life, participation in society, democracy, and justice, and the monitoring of economic performance according to these goals, while at the same avoiding unnecessary costs that might hamper economic development and prosperity.

1.6. The EESC has consistently and energetically sought to apply principles leading to sustainable development wherever appropriate in its opinions. In particular, the EESC has supported the aims of Sustainable Development in its opinions on the Commission's Packaging Waste Proposal [1]; on the Directive on Waste from Electrical and Electronic Equipment (WEEE) [2]; on the Commission Communication regarding the restructuring of the EU fishing industry [3]; on the Commission Communication on a strategy for the sustainable development of European aquaculture [3]; and, in its own-initiative opinion on the EU's Lisbon Strategy and Sustainable Development [4].

1.7. There is an urgent need to reduce negative environmental impacts of products and services across their life cycles because the Earth does not have an unlimited capacity to absorb pollution and supply natural resources. This is the main focus of the Commission's Communication on Integrated Product Policy (IPP). The whole life cycle of products and services must be taken into consideration in order to prevent their negative environmental impact merely being moved from one part of their life cycle to another. Such an approach will require a change in business perceptions and consumer behaviour in Europe and all developed economies.

1.7.1. The principal challenge is to protect the environment and at the same time to allow economic and social development, which are heavily influenced by the production and consumption of goods. By adding market-based instruments to traditional ones of command and control, the Integrated Product Policy (IPP) provides new solutions and opportunities for achieving sustainable development.

1.8. Experience has shown that in European countries some achievements have been made in the efficient use of natural resources which has contributed to a stabilisation of the overall quantity of raw materials used relative to economic growth. However these flows are not reducing in absolute terms [5]. This implies that the environmental burden related to resource use remains constantly high and in specific countries an absolute decline indicates that a 'business-as-usual' approach does not lead to reduced resource use. Furthermore with the accession of ten new member states to the EU the likely trend is to increase the flows as they seek to achieve the same material and product wealth [6].

1.9. In spite of improvements in minimising environmental impacts and efforts at reducing wealth discrepancies between rich and poor countries the net effect of the present patterns of production and consumption in the developed world contributes to an increase in global environmental impact and is one of the factors hampering the capacity of poorer countries to close the development gap economically. If industrialised countries are to significantly reduce their environmental impacts, contribute to sustainable development and play their part in implementing the UN's Millennium Development Goals — there is a need for a strategy on sustainable development which can be consistently applied across all economic areas and supported by governments and other institutional actors.

1.10. This is recognised in the IPP Communication where it is stated that 'The challenge is to combine improving life styles and well being — which are often directly influenced by products — with environmental protection'. The IPP is therefore a fundamental part of the strategy for sustainability. Also underdevelopment is a strategy on the sustainable use of natural resources, a thematic waste strategy with increased emphasis on waste prevention [7], promoting green procurement and fostering environmentally sound technologies [8]. What remains to be adequately covered in the Commission's portfolio of strategic initiatives on sustainable development is the most complex issue — how we modify our behaviour in order to achieve more sustainable production and consumption patterns.

[1] OJ C 221, 17.9.2002, pp. 31-36.
[2] OJ C 367, 20.12.2000, p. 33.
[3] OJ C 208, 3.9.2003.
[4] OJ C 95, 23.4.2003, p. 54.

[5] *Resource use in European countries — an estimate of materials and waste streams in the Community, including imports and exports using the instrument of material flow analysis*, March 2003 — ETCWMF and EEA.
[6] The EEA's Third Environment Report (op. cit) shows that new EU member states will find it difficult to avoid moving towards unsustainably high levels of direct material input.
[7] COM(2003) 301 final.
[8] COM(2003) 131 final.

1.11. This opinion therefore, whilst dealing directly with the Commission's Communication on IPP, also suggests a way forward must be found on an essential counterpart without which such a strategy cannot be effective. This will involve active cooperation between the different stakeholders — industry, trade, the service sector, environmental NGOs, consumers and governments. The EESC, from its position of representing civil society, believes that it is necessary also to identify key elements in encouraging a positive response to sustainability.

1.12. The involvement of businesses and the other relevant actors mentioned implies, on the one hand, a coherent information policy, particularly on measures to improve the protection of the environment along the whole chain of production and throughout the life cycle of products and, on the other, a strategy for introducing innovation, identifying win-win options and adopting best practice, and for taking advantage of the opportunities that these offer.

2. **Gist of the communication**

2.1. The IPP aims to support sustainable development by reducing the negative environmental impacts of products throughout their life-cycle 'from cradle to grave'. The life cycle of a product is often long and complicated. It covers all the areas from the extraction of natural resources, through their design, manufacture, assembly, marketing, distribution, sale and use to their eventual disposal as waste. At the same time it also involves many different actors such as designers, industry, wholesalers, importers, retailers, the service sector, marketing people and consumers. IPP attempts to stimulate each part of these individual phases to improve their environmental performance.

2.2. It is suggested that with many different products and actors there cannot be one simple policy measure for everything. Instead, a whole variety of tools — both voluntary and mandatory — are proposed to achieve this objective. These include measures such as economic instruments, substance bans, voluntary agreements, environmental labelling and product design guidelines.

2.3. Two actions are focused on as being able to stimulate a continuous improvement in the environmental performance of products:

— establishing the framework conditions for the continuous environmental improvement of all products throughout the production, use and disposal phases of their life-cycle;

— developing a focus on products with the greatest potential for environmental improvement.

2.4. These actions should be carried out along the lines of IPP principles such as life-cycle thinking, stakeholder involvement and continuous improvement.

3. **General comments**

3.1. The IPP Communication follows the Commission's Green Paper of February 2001, which launched a broad stakeholder consultation on the topic. The EESC adopted its opinion on this Green Paper in July 2001 ([1]).

3.2. In its Opinion on the Green Paper the EESC, whilst welcoming the intentions of IPP, highlighted a number of concerns with the approach being advocated. These were:

a) dependence on broad tax instruments which have consistently generated controversy in an environmental context and have proved ineffective in substantially curbing the environmental impact of production activities;

b) over-reliance on various forms of eco-labelling process as a generator of consumer and business buy-in ([2]);

c) lack of recognition of consumer education campaigns;

d) underplaying the fact that the adoption of such vitally important measures as Life-Cycle Analysis (LCAs) and eco-design necessitates major financial, managerial and legislative efforts;

e) the need for stronger action in promoting policies to support research and innovation tailored to SMEs, particularly focusing on disseminating information and on framing innovative processes to develop greener products.

3.3. On the positive side, the Communication, resulting from the Green Paper, does now put some resources behind product selection methodology and product pilot projects. It proposes setting up Commission-run working groups and some steering mechanisms. It also commits to:

a) developing IPP indicators to assess environmental improvements;

([1]) OJ C 260, 17.9.2001 p. 35-38.
([2]) Point 3.2.4, CES 776/97, OJ C 296, 29.9.1997, p. 77.

b) a framework for continuous environmental improvement including examining the effectiveness of existing policy tools;

c) promoting the application of lifecycle thinking through encouraging EU level voluntary pilot projects, on individual products, aimed at demonstrating and gaining experience on how IPP can work, as well as other research and development;

d) requiring Member States to report on IPP implementation;

e) stressing the importance of information to consumers through labelling etc, bearing in mind that consumers have become more used to production information as a way of assisting them to be able to make a more informed choice when purchasing products;

f) working with the positive aspects of the market in establishing supply and innovation incentives;

g) calling on Member States to draw up action plans on greening Public Procurement and clarifying the scope of public authorities, especially where they also act as service providers, to apply sustainability criteria.

3.4. In essence, the IPP Communication is describing an extended process which will run in conjunction with a portfolio of other initiatives designed to achieve sustainable development in general and the reduction of resource use and environmental impact of waste in particular. Nevertheless, there could be greater recognition of the need for a clearer knowledge based societal consensus and market 'pull' — by both consumers and manufacturers — and for the ultimate need for coordinated political leadership through comprehensive policy to make effective use of the positive actions noted in point 3.3.

4. **Specific comments**

4.1. The EESC welcomes the proposal to establish pilot projects to explore operational thinking which will form a basis for further suggestions on which sustainable development measures can be chosen, but also notes that as these are voluntary it will not always be the case that areas essential to the success of IPP will be covered. Making further progress over time on the practical implementation of aspects of IPP should not be dependent only on the outcomes of voluntary pilot projects.

4.1.1. At the same time social cost-benefit analyses and environmental impact assessments of alternative policy choices should form the basis for ensuring that the most efficient policies are agreed upon and applied. Such analyses should also include assessments of the consequences for the free circulation of goods in the Internal Market.

4.2. While the EESC understands that the Commission Communication cannot be rewritten or changed, it urges the Commission to consider the following points for any subsequent policy strategy or action aimed at developing IPP: (future IPP strategy) provides:

a) more comprehensive introduction about the role of IPP in fulfilling the specific commitments made in the Sixth Environmental Action Programme and other related policy programmes, in particular recognition of existing Community environmental and health-related targets from existing policy frameworks;

b) a clear indication of the direction and scale of the future innovations necessary;

c) a commitment to developing the most appropriate and effective policy option from the diverse mix of policy instruments mentioned in the EU's Sixth Environmental Action Programme. This should include:

i) laying down clear environmental objectives and ambitions, based on existing policies and strategies such as Kyoto, the European Community Air Quality Framework, future Waste Prevention, Recycling and Resource Strategies and Chemical Substance Restriction Lists (such as OSPAR or the Convention on Persistent Organic Pollutants);

ii) laying down a timeframe, the scope (which product or function areas), indicators, evaluation and reporting;

iii) establishing an IPP steering committee and subsequent working groups on specific IPP tools;

iv) laying down rules and structures for balanced stakeholder participation at both steering level, in working groups and on any product specific initiatives;

v) integrating IPP aims and objectives into public tendering processes for goods and services;

vi) building on existing scientific knowledge of harmful substances and commitments to product prioritisation when deciding on the creation of specific product legislation in setting minimum requirements on those products which have the greatest environmental impacts and engaging with the related issues of analysis and definition;

vii) driving the integration of product lifecycle thinking and eco-design across the board for all producers via continuous improvement with externally and independently set goals and benchmarks to be compared to;

viii) setting up the necessary resources to be able to provide producers, policy makers and standard setters with vital and independent technical information such as product lifecycle data and product benchmarks (best available technique [BAT] etc);

ix) overseeing potential future 'daughter' initiatives such as the Eco-design Framework on Energy Using Products [1] in order not to have widely diverging methodologies;

x) a commitment to increase the availability of comprehensive product lifecycle data on priority products and work towards a standardisation of data formats;

xi) concrete support of economic tools;

xii) notwithstanding the need for a balance between economic impact assessment and protection of the environment as well as between producers' and consumers' responsibility, a clear route map is needed in order to encourage producers and consumers to support a more sustainable products process across their entire life cycle, from cradle to grave;

xiii) recognition of the necessity to create efficient, tailor-made resources such as an IPP or Benchmarking Institute and setting up of important 'consumer information tools' such as EU Eco-test networks;

xiv) acknowledgement that effective use of IPP to minimise environmental impact and resource use will require a clearer framework linking all current initiatives and a capacity to introduce new general policy themes such as stimulating consumer awareness and building an active consensus in society for sustainable development;

xv) recognition that in the long term further action may be required to progressively adjust economic activity in accordance with agreed sustainability intentions;

xvi) recognition that SMEs face particular problems in research and the cost of implementation of IPP initiatives and the need to provide practical support for smaller companies in manufacturing and the service industries who make a commitment to sustainable methodologies;

xvii) promoting interdisciplinary research to identify the opportunities and challenges of sustainable production and consumption;

xviii) promoting the role of research in implementing scientific knowledge about the environmental impact of various products and creating a sound basis for developing green technologies, products and services.

5. **Summary**

5.1. It is the view of the EESC that civil society recognises the need for an environmentally proactive and balanced policy towards creating a more sustainable production and consumption. The EESC regards this communication as a starting point. IPP can make an important contribution to sustainable development and in implementing the EU's priorities regarding environmental protection, but could be enhanced by a clearer and more detailed policy approach as outlined above.

[1] Commission Proposal for a Directive the European Parliament and of the Council on establishing a framework for the setting of Eco-design requirements for Energy-Using Products and amending Council Directive 92/42/EEC, COM(2003) 453 final.

5.2. It is the view of the EESC that civil society is gradually coming to recognise the need for a paradigm shift towards genuinely sustainable production and consumption, even if there is not yet an equivalent willingness to make the appropriate lifestyle and behavioural changes on a personal level. Supporting this awareness requires advocating new priorities in the market — a partnership between consumers and producers. Consumers are seeking a lead from industry and government, industry needs the assurance of consumer support and targeted market incentives, government looks to civil society for its mandate on new sustainability initiatives. The EESC urges the Commission to increase its efforts on achieving a sustainability strategy in a world where unsustainable production and consumption may prove to be two of the most toxic elements in the environment [1] [2].

[1] The conclusion of *Green Choice: what choice?*, a research programme by the UK National Consumer Council published July 2003.

[2] *Policies for Sustainable Consumption* September 2003, UK Sustainable Development Commission.

Brussels, 10 December 2003.

The President

of the European Economic and Social Committee

Roger BRIESCH