Environment: integrated product policy, life-cycle and sustainable development

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The Commission presents its report on the State of Implementation of Integrated Product Policy. The concept of Integrated Product Policy (IPP) aims at coherent action towards "greener" products that combine lower environmental impacts with enhanced service to consumers. It calls for continuous improvement in product manufacturing and design, and for promoting their uptake by consumers. The Communication on IPP of 2003 sets out the principles on which IPP is based and highlighted possible areas of action and suggested responsibilities for the main groups of stakeholders.

State of implementation: today, the IPP principles are embedded in many initiatives, and the research done and tools developed as outlined in the Communication are being widely used. However, explicit references to IPP in these initiatives are not common. The uptake of the IPP approach therefore needs to be assessed from the contents of policies rather than on the basis of explicit references. Also, ambitions towards better coherence of product-related policies have since its inception significantly increased, forming part of the "Better Regulation" agenda. Indeed, the IPP principles have been successfully subsumed into the over-arching **Sustainable Consumption and Production/Sustainable Industrial Policy (SCP/SIP) framework with the 2008 SCP/SIP Action Plan** (see COM/2008/0397), effectively embracing and taking forward the process started with IPP Communication. Going forward, it seems appropriate to further integrate the two processes and consider IPP as a significant component of the SCP /SIP agenda.

The report gives several examples of **implementing IPP at Community level**, citing the above-mentioned Action Plan on SCP/SIP, Directive 2009/125/EC on the Eco-design for energy-using products, and the new Waste Framework Directive (Directive 2008/98/EC) which makes several IPP elements legally binding, to name a few. The report also gives examples of implementing IPP at Member State level, and at business and stakeholder level. It notes that Member States have taken action to strengthen the demand for better products notably in the area of Green Public Procurement. Action by the seven best performing Member States has brought the EU average to 45% green public procurement in terms of value, resulting, for example, in 25% less CO2 emissions and yet lowering the life-time costs by 1%.

Room for further action: altogether significant progress has been made in the EU towards environmentally driven product policies, there continues to be ample room for further activities. Some evident options would include:

- further enhancing the role of IPP in national policies. Some Member States have exemplary measures in place but many are still lagging behind. As IPP is an ongoing process, different degrees of progress can also be seen due to wider developments during the reporting period, such as the enlargement of the EU. However, several new Member States have made good progress while several of the EU-15 Member States could step up their efforts;
- for environmental NGOs, consumer organizations and SMEs participation in IPP processes and application of its instruments could be further encouraged and facilitated. As a general observation, it seems that more support and dialogue is needed to strengthen awareness of the environmental benefits that life-cycle thinking can bring to reducing the overall negative impacts of products. Many product panels and the pilot projects have demonstrated that this can be achieved particularly well by co-operation on concrete cases;
- as already indicated in the IPP Communication, the concept can also be applied to the environmental improvement of non-industrial products and to services. Initiatives in this direction

have been launched in the context of the SCP/SIP Action Plan, such as the already mentioned Retail Forum and European Food SCP Round Table;

- the 'IPP instruments' of taxation and subsidies have not yet been applied at Community level.

Conclusions: IPP requires a high level of awareness among policy makers and other stakeholders, and the will to translate awareness into concrete action on a daily basis. The IPP approach has contributed significantly to the development of several environmental policies in the areas of product design, use of natural resources and management of waste. Member States, industry and other stakeholders have actively advanced its implementation by direct involvement at Community level, transposition of Community legislation, economically motivated actions and other own initiatives. The implementation of IPP in terms of policy integration is difficult to document as new policies seldom make explicit reference to IPP. However, overall significant progress has been made in the uptake of **life-cycle thinking** by key industries and policy makers, and the availability of life-cycle data and consensus on methodology have greatly advanced. Good

progress has also been made in identifying products with the greatest potential for improvement and possible measures for improvement. Consumer information, eco-design legislation, clean production and "green" public procurement/purchasing are now at the core of the SCP/SIP Action Plan. The SCP/SIP Action

Plan is carrying forward the process initiated with the IPP Communication with the aim of further unlocking market potentials for more sustainable products and promoting smarter consumption. The review of the Action Plan foreseen in 2012 will provide an excellent opportunity to further assess the development of IPP.