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

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PURPOSE : to present a Communication on integrated product policy (IPP). CONTENT : the European Commission has adopted a Communication on Integrated Product Policy (IPP), outlining its strategy for reducing the environmental impact caused by products. The Commission will take a number of actions to stimulate continuous improvement in the environmental performance of products throughout their whole life-cycle. The Commission will also initiate work towards identifying those products with the greatest potential for environmental improvement, working with industry, business and consumers to green those products. The IPP Communication builds on the stakeholder consultation exercise following adoption of the Commission Green Paper on IPP in February 2001. Existing environmental product-related policies have tended to focus on large point sources of pollution, such as industrial emissions and waste management issues, rather than the products themselves and how they contribute to environmental degradation at other points in their life cycles. Measures have also tended to look at the chosen phases in isolation. The IPP approach, which has been developed gradually over the last decade, is now generally recognised as being a potentially very effective way to address the environmental dimension of products. This approach is based on five key principles: 1) Life-Cycle Thinking - it considers a product's life-cycle and aims for a reduction of its cumulative environmental impacts - from the "cradle to the grave". In so doing it also aims to prevent individual parts of the life-cycle from being addressed in a way that just results in the environmental burden being shifted to another part. By looking at the whole of a product's life-cycle in an integrated way, IPP also promotes policy coherence. It encourages measures to reduce environmental impacts at the point in the life-cycle where they are likely to be most effective in reducing environmental impact and saving costs for business and society. 2) Working with the market - setting incentives so that the market moves in a more sustainable direction by encouraging the supply and demand of greener products. This will reward those companies that are innovative, forward-thinking and committed to sustainable development. 3) Stakeholder Involvement - it aims to encourage all those who come into contact with the product (i.e. industry, consumers and government) to act on their sphere of influence and to encourage co-operation between the different stakeholders. Industry can look at how to better integrate environmental aspects in the design of products while consumers can assess how they can purchase greener products and how they can better use and dispose of them. Governments can set the economic and legal framework conditions for entire national economies and also act directly on markets, for instance by purchasing greener products. 4) Continuous Improvement - improvements can often be made to decrease a product's environmental impacts across its life-cycle, whether in design, manufacture, use or disposal, taking into account the parameters set by the market. IPP aims for a continuous improvement in these rather than setting a precise threshold to be attained. As a result, companies can settheir own pace and can focus on the most cost efficient improvements. 5) A Variety of Policy Instruments - the IPP approach requires a number of different instruments because there are such a variety of products available and different stakeholders involved. These instruments range from voluntary initiatives to regulations and from the local to the international scale. Within IPP, the tendency is clearly to work with voluntary approaches, although mandatory measures might also be required. The determining factor is the effectiveness of the tool to achieve the desired result with regard to sustainable development. The Communication sets out what the Commission will do to implement IPP. It will adopt a two-pronged approach: - Improving the tools that already exist to make them more product-focused. These tools, known as the IPP toolbox, can be used on many different products. They include environmental management systems (such as the EU Eco-Management and Audit Scheme EMAS), environmental labelling and the provision of life-cycle information. IPP will also improve co-ordination between the different instruments to better exploit their synergies. - Taking action to improve the

environmental performance of products that have the greatest potential for environmental improvement. FINANCIAL IMPLICATIONS : - Budget line : B4-3040 A; - Total allocation for action (Part B): EUR 1.605 million for commitment; - Period of application: 2003 - 2007.