

Governance and Sustainability - From Government to Governance

The Case of Integrated Product Policy

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IPP: Implementation and future issues

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Sustainable consumption and production

World Summit on Sustainable Development (WSSD) recommendation:

"encourage and promote the development of a ten year framework of programmes in support of regional and national initiatives to accelerate the shift towards sustainable consumption and production to promote social and economic development within the carrying capacity of ecosystems by addressing and, where appropriate, delinking economic growth and environmental degradation through improving efficiency and sustainability in the use of resources and production processes, and reducing resource degradation, pollution and waste".

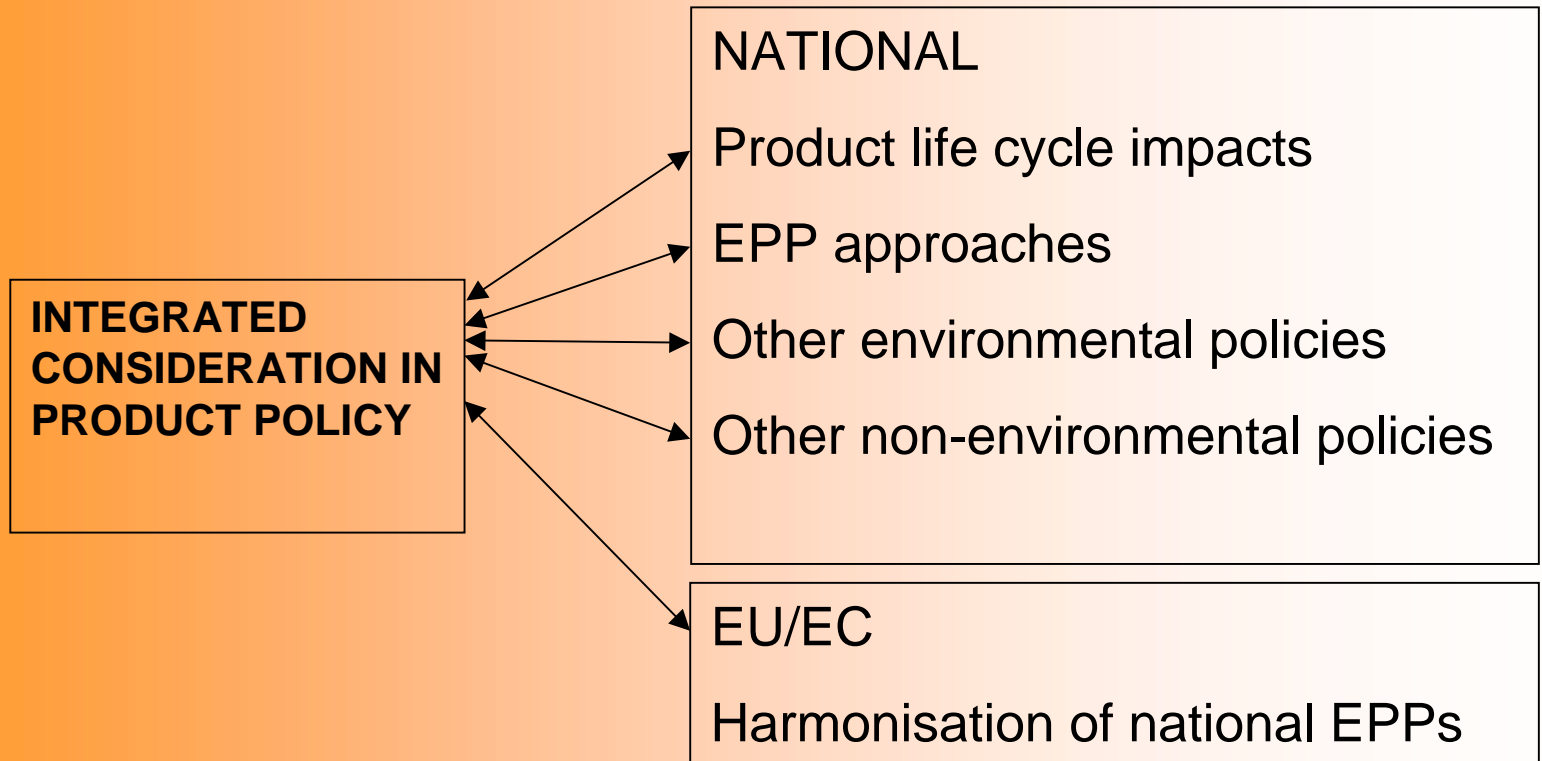
Environmental product policy (EPP)

‘Any product-oriented governmental policy or measure (normally at national level) aimed at reducing the environmental impacts of products’

Integrated Product Policy

An EC initiative, IPP is a governmental approach to reducing the environmental impact of products by using an appropriate mix of supply-side and demand side EPP instruments

Levels of Integration



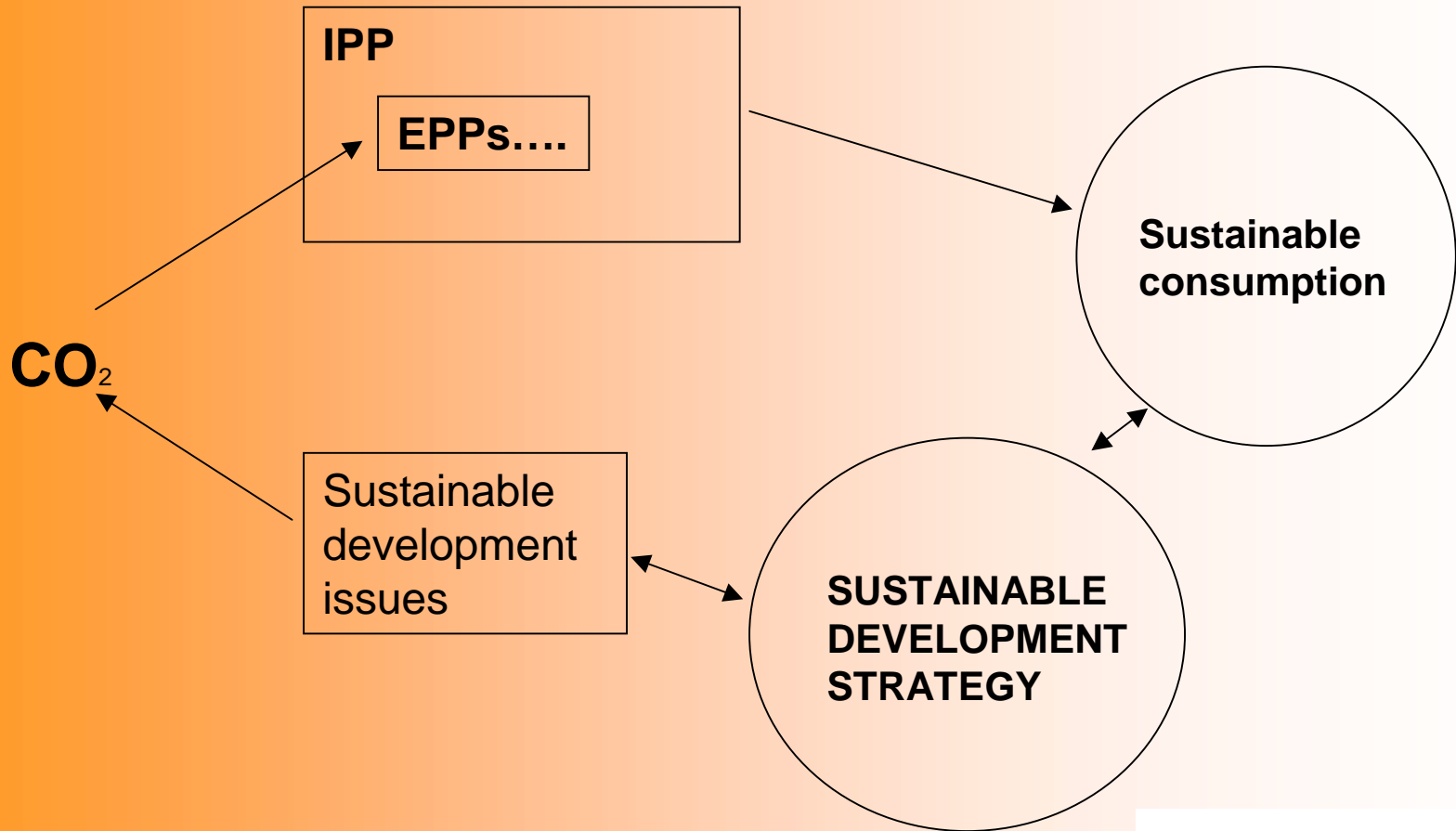
EPP developments

- Main application in northern European countries – most instruments applied
- Wide disparities in progress
- Emphasis on waste, toxic materials and emissions.
- Eco-labels most common
- Energy efficiency included and some energy labeling
- Focus has been on consumer products
- Some EC initiatives but mostly implemented by Member States

IPP developments

- EC took lead (1998)
- Ongoing discussion rather than application – progress slow
- Green Paper - February 2001
- EC Communication - June 2003
- Emerging consensus on pragmatic approach (focus on key products/impacts)
- Some countries taking a lead

EPP, IPP and CO2 reduction



IPP Communication: Background

- Products (and services)
- LCT
- Characteristics
 - ↑ quantities
 - ↑ variety
 - ↑ new types (innovation)
 - global trade
 - ↑ complexity
 - use/disposal (mis-use)
 - ↑ stakeholders (supply chains)

IPP: five principles

- LCT
- Working with market
- Stakeholder involvement
- Continuous improvement
- Variety of policy instruments

IPP Communication: Aims

- Broad goals: reduce environmental impact of products throughout lifecycle, harnessing, where possible, a market driven approach, within which competitors concerns are integrated.
- Product focus
- ***No specific objectives***

IPP Strategy 1

- TBL (*not social?*)
- Contribute:
 - Sustainable Development strategy
 - 6th Environmental Action Plan
 - Environmental Technologies Action Plan
 - 10 year programme on sustainable consumption and production
- Supplement
 - existing product-related policies

IPP Strategy 2

- Co-ordinate and coherence
 - product focus
 - existing and future policy instruments
 - framework for continuous environmental improvement
 - focus on product with greatest potential for environmental improvement
 - stakeholder co-operation

IPP Framework 1

Tools

- Taxes and subsidies
 - 'getting prices' right
 - *no VAT charges*
- Voluntary agreements
- Public procurement
- Other legislation e.g. RoHS, EuP

IPP Framework 2

Tools

- Lifecycle Thinking (LCT)
 - data
 - directory of LCA databases
 - LCA handbooks
- EMS
 - 2004: EMAS + products guidelines
- Product design
 - stimulate front-runners (lifecycle information + EMS)
 - 2005: discussion document (IPP + companies)
 - New Approach e.g. EuP

IPP Framework 3

Consumer information 1

- Greening public procurement
 - end 2003: survey
 - 2006: MS: action plans
 - 2006: EC: action plans
 - mid-2003: practical handbook
 - mid-2003: product group database
 - end 2004: website

IPP Framework 4

Consumer information 2

- Greener corporate purchasing
- Environmental labelling
 - EU eco-label
 - EU energy label
 - Labelling scheme
 - Green claims
 - European Car
 - Environmental Product declarations

IPP Framework 5

Focus on particular products

- Voluntary pilot projects (12 months)
 - demonstrators
 - 12 months
 - stakeholders
- Potential for environmental improvement
 - no analytically based consensus
 - methodology development

IPP Framework 6

Co-ordination and integration

- Indicators
- Report
- IPP Informal networks
- International

Greening Japan

- Basic framework laws
 - Basic Law on the Environment and Basic Plan for the Environment
 - Basic Law for Promoting the Creation of a Recycling-Oriented Society. This puts forward the basic philosophy and principles for building a recycling-oriented society
- Laws for proper waste management and recycling
 - Waste Management Law: establishes regulations for ensuring proper treatment of wastes
 - *Law for the Promotion of the Effective Utilisation of Resources (LPEUR)*: promotes 3Rs (*reduce, reuse and recycle*)

Legislative framework

- Laws for promoting specific waste recycling
 - Containers and Packaging Recycling Law
 - *Home Appliances Recycling Law (HARL)*
 - Construction Materials Recycling Law
 - Food Recycling Law
 - Automotive Recycling Law
- Law for promoting greater utilisation of recycled materials
 - *Green Purchasing Law (GPL)*: requires government bodies to take the lead in procuring environmentally friendly products and material

Implementation

- Green market (B2G)
- Green procurement (B2B)
 - centralised v decentralised
 - Sony: Green Partnership
- Suppliers
- Information
 - Materials
 - Energy
 - Toxicity
- Greener products

IPP: Implementation and future issues



IPP Instruments

Supply-side

- Prohibitions/phase outs (regulatory/voluntary)
- Product performance requirements
- Producer responsibility
- Funding of R&D (grants, subsidies for eco-product development)
- Eco-design competitions/awards
- EMS and product-oriented EMS (POEMS)
- Standardisation
- Information and reporting
- Voluntary agreements

Demand-side

- Consumer information
- Eco-labels
- Product profiles
- Product guidelines
- Information centres
- Indirect taxation (eg lower VAT for eco-labelled goods)
- Public purchasing
- Deposit/refund schemes

Implementation: eco-design

- Business case
- Changing business model
- Head office v Business Units
- Lack of marketing 'buy-in'
- Lack of demand
- Lack of awareness amongst SMEs (worldwide)
- Appropriate tools?
- Lack of education and training
- Lack of good data
- Perceived costs
- Link to management systems

Future 1

- Discussion Strategy Formula: 1998 - 2003
- Research: 2003 - 2006
- Implementation: ???

Future 2

- C(S)R
- Blurring: product/services
- Regulations: MET
- EC: LCT
- Supply chain or network management
- *Green* Japan
- SE Asia (e.g. China)

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