

Manual of European Environmental Policy

The following pages are a section from the Manual of European Environmental Policy written by the Institute for European Environmental Policy.

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Integrated Product Policy

Formal references 18.6.2003 COM(2003)302	Communication from the Commission to the Council and the European Parliament – Integrated Product Policy, Building on the Environmental Life-Cycle Thinking
7.2.2001 COM(2001)68	Green Paper on Integrated Product Policy

Purpose of the policy

Integrated Product Policy (IPP) was envisaged as an integral part of the EU's [Sustainable Development Strategy](#). In line with the Sixth [Environmental Action Programme](#), the Communication on IPP aims to reduce resource use and the environmental impact of waste. This policy sets out a framework for the consideration of a product dimension within environmental policy. Its premise is two-fold: (1) that all products cause environmental degradation in some way, whether from their manufacturing, use or disposal; and (2) that sustained economic growth and prosperity is significantly influenced by the production and use of products. It should be noted that while IPP suggests a focus on products, ultimately it was the Commission's intention also to address services.

IPP seeks to achieve a balance between the need to provide products for consumption with environmental protection, resulting in a situation where environmental improvements and better product performance go hand in hand. The Communication COM(2003)302 on IPP specifically seeks to ensure environmental impacts are considered effectively throughout a product's life cycle.

It should be noted that the IPP Communication is not a legislative measure, but sets out the strategic direction for EU action in this field.

Summary of the policy

The Communication justifies the need for an expanded role for product based environmental policy and then explains the envisaged IPP approach and the tools that might be used to deliver this. The key elements of the IPP as conceived in COM(2003)302 are presented below.

Introducing a product dimension to EU environmental policy

The IPP Communication justifies the need for such a policy based on seven factors. These are considered to add up to require greater intervention in terms of products throughout their life cycle; greening their design, use and waste phases. The objective of

IPP is to take an integrated approach to enable environmental impacts to be addressed at the point in the life cycle where they can be most cost effectively managed while reducing overall impact and resource use. The seven factors used by the Commission to justify intervention are:

1. That the overall quantity of products being bought and used in Europe is increasing, with products used per household increasing and number of households also increasing.
2. The variety of products and services is increasing, as technologies rapidly evolve product policy must be flexible enough to deal with all the different product varieties.
3. Innovation is constantly creating new types of products, with innovation cycles for components also much shorter than in the past, this is particularly the case for computer systems.
4. Products are traded and produced globally.
5. Products are becoming more complex, meaning that the design phase is critical in ensuring a product is responsible both in terms of environmental and health impacts.
6. Well designed products can still lead to environmental impacts if inappropriately used or disposed of.
7. Products now involve a greater variety of actors throughout their life cycle.

The IPP approach and strategy

The IPP approach consists of five key principles these are:

1. Life-Cycle Thinking – aims for a reduction in cumulative environmental impacts in an integrated way.
2. Working with the market – setting incentives to deliver a more sustainable market place.
3. Stakeholder involvement.
4. Continuous improvement – rather than setting a specific threshold for attainment.
5. A variety of policy instruments – IPP requires a number of policy instruments due to the variety of products and stakeholders, instruments discussed in the context of IPP are set out below.

Building on these principles the Commission proposed to focus on two, interrelated, actions:

- 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 product with the greatest potential for environmental improvement.

Initially the Commission intends to focus on products, but services should not be considered excluded from the scope of IPP. The intention expressed in Communication COM(2003)302 was that IPP would continue to be developed in cooperation with stakeholders.

Policy instruments for delivering IPP

The Communication sets out that many different policy instruments and tools can be used at the different stages of a product’s development in order to reduce its life-cycle impacts. The policy tools, set out in Table 1, are discussed within the Communication, although it is noted that not all tools/instruments will be suitable for all products.

Table 1. The Objectives under Integrated Product Policy and the possible policy tools and instruments for delivery

Objective	Policy tools and instruments
Creating the right economic and legal framework	<p><i>Taxes and Subsidies</i> – getting the prices right through internalizing environmental externalities into the price of a product. This provides an incentive for continuous environmental improvement. Applying this type of regime can prove complex and the EU has limited competencies regarding taxation regimes. More often exemptions from taxes, etc., and positive subsidies, as for biofuels tax exemptions, are more commonly used as they do not require a fundamental shift in the taxation regime.</p> <p><i>Voluntary Agreements and Standardization</i> – The issue of environmental standards and voluntary agreements is increasingly being explored and used at an EU level as an alternative to command and control measures. However, such schemes, being voluntary in nature, require a significant driver which pushes industry to comply that is the threat of more concrete measures, improved market opportunities upon compliance.</p> <p><i>Public Procurement Legislation</i> – There are opportunities in terms of greening public procurement scheme, which do not contravene measures and that guide such procurement generally. There is however, an issue with communicating the possibilities to public purchasers.</p>
Promoting the application of life-cycle thinking	<p>Making Life-Cycle Information and Interpretation Tools Environmental Management Systems Product Design Obligations</p>
Giving consumers the information to decide	<p>Greening Public Procurement Greener Corporate Purchasing Environmental/Labelling</p>

A Focus on Particular Products

The most tangible actions in the IPP Communication focus on developing an approach to deal with particular products or product groups. Actions specified are divided into two categories – voluntary pilot projects and the identification of products that have the greatest potential for environmental improvement.

The voluntary pilot projects are intended to demonstrate the advantages offered by adopting a life-cycle approach and demonstrating its practical application. Within the Communication the Commission invites stakeholders to submit suggestions for pilot projects by the end of October 2003. The Commission envisaged that each project would last around 12 months. Each project would need to undertake the following:

- Document and analyse all the environmental impacts of the product throughout its life cycle.
- Analyse the potential environmental, social and economic effects of all possible options to reduce environmental impacts.
- Identify the most feasible options for improvement.
- Agree on implementation plans.
- Implement the actions identified.

The Commission envisaged the identification of products that have the greatest potential for environmental improvements as a priority, however, there was no agreed methodology for this. As a consequence it was proposed the Commission initiate the development of a methodology for identifying these products. Following the development of the approach a study would be completed to apply the methodology and identify key products. Further analysis would then be done to identify mechanisms for reducing their environmental impact.

Coordination and integration

Stakeholder engagement and coordination of policies and actors are key principles upon which the IPP Communication was developed. The Communication, therefore, sets out specific actions to be completed in order to deliver these twin objectives. These are as follows:

- To will encourage individual sectors to report more explicitly on how they intend to integrate IPP into their work.
- To develop suitable indicators to measure environmental improvements induced by IPP.
- To prepare a report on progress made implementing IPP and submit this to the European Parliament and Council. This will be based on reporting by Member States every three years, beginning at the end of 2006, detailing measures taken and progress towards implementing an IPP approach.
- To chair regular meetings with Member States and stakeholders in order to assist

- with the development and implementation of IPP.
- To promote the IPP approach at the international level.

Development of the policy

In the 1990s, while the EU adopted legislation to address many point sources of pollution, it had yet to consider the more disparate environmental impact of consumption habits. The need to deliver sustainable consumption and production was widely discussed, and the expanded consumption of products and increasing throw away nature of European societies was an increasing concern. As a consequence attention shifted to attempts to green products throughout their life cycles. The aim was (and remains) to reduce the environmental footprint associated with consumption. This desire had its origins in the efforts to deliver sustainable development, which emerged following the Brundtland Report in 1987, which established sustainability as a principle of environmental policy, and the Rio summit on environment and development in 1992. More generally there was a growing interest in greening product supply chains, the use of environmental management systems and tools such as eco-labelling.

A study completed in 1998 for the European Commission¹ examined the possibilities of developing a framework for environmentally responsible product policy in Europe, and reviewed Member State approaches in the field. This report framed the IPP concept within the EU context. Building on this in December 1998 the Commission organized a workshop on IPP intended to initiate discussion around definitions, objectives and priorities of a possible IPP approach in the EU. Among other things it was concluded that a life-cycle approach should be at the heart of IPP, that IPP should be flexible and instruments chosen on a case-by-case basis and that stakeholders would be key to determining a IPP approach. This represented three of the key principles later built into the IPP Communication.

In May 1999 IPP was discussed at an informal meeting of Environment Ministers under the German presidency. This meeting provided the political impetus for the development of a formal EU approach to IPP. The conclusions from the meeting endorsed the need for 'environmental policy, both in the Member States and at Community level [to]... concentrate more on developing and implementing an integrated approach that deals with the entire life-cycle of products'. Meanwhile several Member States (including Germany, Sweden and the United Kingdom) had been developing product-based policies and approaches.

In 2000 a second study reviewing developments in product-based approaches was completed at the request of the Commission². This looked specifically at developing an IPP approach in Europe and led to the Commission's adoption in 2001 of a Green Paper on IPP (COM(2001)68). The Green Paper was intended to launch a debate on the role and possible measures that could be taken forward at the EU level in relation to IPP. It examined in detail the tools that could be adopted under an IPP approach to: ensure market prices act to stimulate greener products; stimulate demand for greener products, including through the greening of public procurement arrangements; and strengthen the

emphasis on green production. The Green Paper posed questions to stakeholders regarding the future direction and content of IPP.

Both the European Council and Parliament commented in response to the Green Paper adopting Conclusions³ and a Resolution⁴ respectively. Both were supportive of the IPP approach and saw the need to address the environmental impacts as a priority. However, the Parliament felt that the Commission's Green Paper did not go far enough and failed to offer a coherent policy proposal. MEPs called for clear objectives and timetables for the implementation of an IPP approach, and for new proposals incorporating producer responsibility be brought forward in line with measures aimed [waste electrical and electronic equipment](#) and [end of life vehicles](#).

The EU's [Sustainable Development Strategy](#), adopted in 2001, explicitly stated that IPP should be developed at EU level, in cooperation with business, to reduce resource use and the environmental impacts of waste. By the time of the adoption of the 2002 EU's Sixth [Environmental Action Programme](#), IPP and the adoption of a life-cycle-based approach to products was considered to be key to both EU efforts on more sustainable consumption and production and waste and resource management. Moreover, two of the proposed Thematic Strategies focused on issues closely related to IPP, the [Thematic Strategy on sustainable use of natural resources](#) and the [Thematic Strategy on waste prevention and recycling](#).

In 2003, the Commission finally adopted a Communication on IPP, COM(2003)302. In response to the Communication the Council adopted conclusions⁵ welcoming the Communication but calling for a clearer timetable for actions and additional efforts at EU level in particular relating to greening public procurement and consumer information (in particular ecolabelling). The European Parliament in its resolution on the Communication⁶ again expressed its disappointment that there was not clear guidance being offered on IPP issues in order to guide society in a more sustainable direction. Feeling a non-binding Communication to be insufficient, MEPs explicitly called on the Commission to bring forward a proposal for a framework Directive on IPP.

Implementation of the policy

The Communication on IPP is not legally binding. However, despite this, a programme to take forward at least some of the elements set out in COM(2003)302 was put in place. Specifically this focused on the completion of pilot projects and the development of ideas regarding the most environmentally harmful products. Moreover, regular meetings were held to discuss the evolution of actions under the IPP heading.

Two pilot projects examining the application of IPP were undertaken focusing on mobile phones and tropical hardwood garden furniture. These were identified following a consultation process. In 2006 these projects were completed and hailed as a success by the Commission with industry groups committing to take voluntary action. In the case of mobile phones this focused on cutting energy consumption, reducing hazardous content and increasing consumer awareness regarding their recycling. On the second project, companies pledged to make design changes to garden chairs to limit their impact.

Following the completion of the initial pilot projects the Commission called on other industries to reduce the environmental impact of their products, however, no subsequent formal processes have been put in place for other sectors.

In addition to the work of the pilot projects the Commission also established two working groups under IPP. The first reviewed reporting formats necessary for generating information regarding improvements in product performance and IPP implementation. The second considered environmental product information, its adequacy for informing consumers and supporting a system that delivered more environmentally responsible products. Both working groups presented their final reports in 2006⁷, with the labelling report explicitly called for EU action in this field. The intention was that further action would be built into the eagerly awaited [Action Plan on Sustainable Consumption and Production \(COM\(2008\)397\)](#); however, this was repeatedly delayed emerging only in 2008 combined with efforts on delivering more sustainable industry policy. This somewhat muted document, when compared to earlier expectations, fails to mention IPP explicitly although it does discuss eco-design, product labelling and green public procurement.

In December 2009 the European Commission adopted a report reviewing the implementation of IPP in Europe ([COM\(2009\)693](#)). This commented that going forward, IPP will be considered as part of the efforts under the Sustainable Consumption and Production and Sustainable Industry Action Plan. It then discusses examples of EU, Member State and industry initiatives that take account of IPP principles. Despite IPP being adopted in 2003 there remains no coherent approach to products in EU law, with legislation focused on specific product groups including electrical equipment, cars, batteries, packaging, energy using products etc., but these operate in isolation requiring different actions and activities. There is no holistic framework, and this is not foreseen within the implementation report's conclusions.

Enforcement and court cases

As IPP is not a legislative measure requirements are non-binding, therefore, Court cases related to this measure can not be brought. Any Court cases related to the application of specific product focused EU legal requirements are dealt with under the relevant sections of the Manual listed.

Further developments

Building on the ideas set out in under IPP in 2005, the European Commission adopted its [Thematic Strategy on the sustainable use of natural resources](#). While the strategy was not accompanied by any legislative measures aimed at delivering IPP, it did cement the use of life-cycle-based assessments and the heart of resources policy. There continues to be a strong desire to better address Europe's consumption of products and the consequent environmental footprint (both within the EU and in third countries). In 2008 the Commission put forward proposals to expand the remit of Directive 92/75/EEC on [energy labelling for household appliances](#) and Directive 2005/32/EC on the design of [energy using products](#). This builds on two of the key principles of IPP informing consumers and improved design of products reducing their impact throughout the use and

disposal phases of the life cycle.

In addition the Commission has taken forward efforts in the field of greening public procurement. In 2008 the Commission adopted a Communication on this subject ([COM\(2008\)400](#)) – public procurement for a better environment. This followed the setting of a target for the level of green public procurement set within the renewed EU Sustainable Development Strategy, that by 2010 the EU average level of green public procurement should be equal to that of the best achieving Member States as of June 2006.

Related legislation

There are a number of other EU Directives which has a strong interaction with IPP. These include:

- Eco-management and auditing scheme – Regulation (EC) No [761/2001](#)
- EU Ecolabel – Regulation (EC) No [66/2010](#)
- Eco-design of energy using products – Directive [2005/32/EC](#)
- Waste Electrical and Electronic Equipment (WEEE) – Directive [2002/96/EC](#)
- Restriction of Hazardous substances in electrical/electronic equipment – Regulation (EC) No [2002/95](#)
- Batteries and accumulators and waste batteries and accumulators – Directive [2006/66/EC](#)
- Packaging and packaging waste – Directive [94/62/EC](#)
- End of life vehicles – Directive [2000/53/EC](#)
- Sustainable Consumption and Production and Sustainable Industry Policy, Action Plan ([COM\(2008\)397](#))

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7. For further details of the IPP working groups see, http://ec.europa.eu/environment/ipp/ipp_wg.htm