

COM-4/049

Brussels, 26 June 2001

OPINION

of the

Committee of the Regions

of 13 June 2001

on the

Green Paper on Integrated Product Policy

COM(2001) 68 final

The Committee of the Regions

HAVING REGARD TO the Commission Communication on the Green Paper on integrated product policy (COM(2001) 68 final);

HAVING REGARD TO the decision taken by the Commission on 13 February 2001, under Article 265, first paragraph of the Treaty establishing the European Community, to consult the Committee of the Regions on the matter;

HAVING REGARD TO the decision of its Bureau of 13 June 2000 to instruct Commission 4 - Spatial Planning, Urban Issues, Energy, Environment - to draw up the relevant opinion;

HAVING REGARD TO its opinion on the Proposal for a Directive of the European Parliament and of the Council on the co-ordination of procedures for the award of public supply contracts, public service contracts and public works contracts and the Proposal for a Directive of the European Parliament and of the Council co-ordinating the procurement procedures of entities operating in the water, energy and transport sectors (CdR 312/2000 fin)¹;

HAVING REGARD TO its opinion on the Communication from the Commission to the Council and the European Parliament on the review of the Community strategy for waste management (CdR 339/96 fin)²;

HAVING REGARD TO its opinion on the Communication from the Commission: The Global

Assessment of the European Community Programme of Policy and Action in relation to the environment and sustainable development (Fifth Environment Action Programme) (CdR 12/2000 fin)³;

HAVING REGARD TO the draft opinion (CdR 98/2001 rev. 1) adopted by Commission 4 on 3 May 2001 for which the rapporteur was **Mr Kramer Mikkelsen** (DK, PES);

adopted the following opinion unanimously at its 39th plenary session on 13 and 14 June 2001 (meeting of 13 June)

1. Position of the Committee of the Regions on the Green Paper on an integrated product policy

1. The Committee agrees with the Commission that integrated product policy (IPP) must be based on a mix of instruments. Voluntary and market-driven instruments such as eco-labelling, eco-declarations, environment-friendly public procurement, environmental management and eco-design guidelines all have a part to play.
2. However, the Committee would point out that IPP incorporating the facets discussed in the Green Paper must be viewed as an adjunct to traditional forms of legislation, such as minimum directives, which it cannot replace.
3. Legislative initiatives are needed to establish priorities, objectives and criteria for assessing target attainment. In particular legislation must provide for measures to be triggered in the event of failure to meet the fixed objectives. In the Committee's view, IPP must be framed on the basis of the fundamental principles underpinning EU environmental policy; viz. the precautionary and substitution principles.
4. In particular, directives to establish minimum standards for waste treatment and use of chemicals need to be further developed. IPP can provide valuable back-up for purposes of waste prevention and substitution of undesirable chemical substances in specific products but voluntary measures in these areas must not impede attempts to achieve basic environmental protection legislation.
5. To ensure that voluntary measures such as those mentioned in the Green Paper are consistent with and reinforce further legislative work, the Committee would suggest that the Commission address this interaction in the future Communication.
6. The Committee also feels that IPP's linkage to, and interrelationship with, traditional regulation of the business environment and the existing measures in this sphere (IPPC and BAT) need to be explained.
7. The Commission's IPP Green Paper does not live up to the Committee's expectations regarding long-term objectives and priorities for waste prevention following the adoption of the Commission's Sixth Environment Action Programme, which specifies that waste prevention is a key IPP component.
8. The Committee of the Regions has on earlier occasions and most recently in its opinion on the global assessment of the Fifth Environment Action Plan (COM(1999) 543 final), drawn attention to the need for a determined waste prevention drive. The Committee reiterates this demand in the present context.
9. The Committee would therefore urge the Commission in its future Communication to

identify objectives and priorities so that action to prevent waste receives the high priority necessary to limit the volume of waste. The local and regional authorities are largely responsible in Europe for waste disposal and have considerable expertise in the problems caused by the types and quantity of existing waste production. These authorities are willing to make this expertise available to the Commission and call on the Commission to involve the Committee of the Regions closely in its future work.

10. The Committee is pleased to learn that the Commission wishes to involve all actors at all levels and that it is keen for IPP to be founded on open dialogue and incentives for the incorporation of a life cycle approach into all relevant decisionmaking.
11. The Committee particularly wishes to impress on the Commission that heed should be given when drafting the future Communication to the potential role of local and regional authorities by virtue of the part they play in monitoring businesses etc.
12. The Committee regrets that the Green Paper does not address the possibilities for local and regional environment authorities to influence actual product development through dialogue with companies. This is unfortunate as the local and regional environment authorities are well placed to persuade companies, through dialogue, to take a life cycle-driven approach to products' environmental properties.
13. Currently the scope for local and regional authorities to promote environment-friendly products through their procurement policies, in the case of large contracts, depends on Community procurement rules making provision for the inclusion of relevant environmental conditions. As regards such contracts, the Committee regrets that the Green Paper allows the success or failure of IPP to be dictated by these authorities' capacity to boost demand for less pollutant products, in view of their restricted scope for action in this field.
14. Unless the procurement rules include exemptions allowing them to exercise this role properly, local and regional authorities will be unable to meet the stated expectations. In view of the key role the Commission ascribes to an environment-driven public procurement policy, it must therefore be stressed that interpretations and amendments of procurement rules are a prerequisite for effective implementation of IPP.

2. The Committee's recommendations on specific chapters of the Green Paper

The price mechanism

1. The Committee of the Regions fully supports the "polluter pays" principle which is a pillar of the Community's environmental protection action. Similarly the Committee endorses the Commission's view that the real environmental costs of a product's total life cycle should be factored into the product's price. In implementing the "polluter pays" principle, practical difficulties have sometimes arisen in incorporating environmental costs in product prices. The Committee finds it unlikely that the proposed measures will suffice to make an immediate impact.
2. The Committee proposes that the future IPP Communication should place emphasis on identifying a broader range of measures to promote the factoring of environmental costs into product prices. The Communication should highlight the advisability of levying a special charge on certain raw materials, chemicals, etc. It should also draw attention to the possibility of withdrawing existing subsidies, state support etc. for the

development of agricultural, energy and other products and processes which are incompatible with sustainable development. Lastly, the Communication should specify how determined application of environmental responsibility, such as mandatory guarantees against environmental damage, can further the inclusion of environmental costs in product prices.

3. Producer liability can be one way of factoring the costs of waste treatment of discarded products, sewage etc. into the prices of new products and could possibly serve as incentive to prevent waste as early as in the design phase. The Committee views producer liability as a means of implementing the polluter pays principle. In many cases waste systems should be structured on the basis of individual producer responsibility, so that the producer has sole financial responsibility for the collection of the product in question and the handling of it as waste. In practice it is possible, and often desirable, for waste to be treated by waste systems established by local and regional authorities, provided that producers meet the costs. The Committee has on an earlier occasion, in connection with its opinion on the review of the Community strategy for waste management (COM(1996) 399 final) stressed the need when determining producer liability to take account of the principle of dividing the responsibility in a financial and a practical part.
4. In the Committee's view, an individual assessment should be made for each product category as to whether it is appropriate for producer liability to require the producer to take back products. Producer liability as a component of IPP is especially suitable in the case of products whose size and value also allow for individual treatment of the waste product (e.g. scrap cars).

Green consumer demand

5. The Committee agrees with the Commission on the importance of promoting the dissemination of understandable, relevant and credible information on products' environmental properties. Here the Committee would stress that the dissemination of environmental information should largely be covered by producer liability.
6. The Committee would point to the great need to educate both consumers and small and medium-sized businesses in environmental matters; such education should form part of IPP.
7. The EU's voluntary environmental labelling system (eco-label) has existed for many years and is a household name. The Committee generally considers this system an excellent one since it is an easy guide to consumers when making purchases while the criteria for granting this label are differentiated and allow for ongoing adjustment to development within the product category concerned. The Committee feels that in practice a greater effort is needed - as recognised in the Commission Green Paper, which states that the system needs to be extended to cover more product categories besides requiring more public funding to promote it. For different product categories, the EU's eco-label programme should be able to base itself on and coordinate with, environmental labelling schemes (e.g. the Nordic "swan label") which already operate smoothly, rather than starting from scratch and competing with these labels.
8. In the Committee's view, the Green Paper's proposals for a broader labelling strategy in the shape of product environmental declarations (ISO Type III) can be valuable for both producers who are not "pioneers" in the development of less pollutant products

and therefore do not qualify for environmental labels. More detailed environmental declarations will seldom be of use for individual private consumers but can be of considerable relevance for larger public or private purchasers and for customers in the supply chain. Environmental declarations can also facilitate better consumer advice from the responsible organisations. Priority should be given to pragmatic action to improve communication rather than making environmental declarations more comprehensive and detailed.

9. The Committee supports the prioritisation of mandatory environmental declaration systems which, like the European energy label, can be applicable to all products on each market.
10. Information in the form of green claims and self-declarations (ISO Type II) should, in the Committee's view, be a lesser priority since they are felt to inspire little confidence in consumers and a confusing proliferation of labels could result. Claims such as "does not contain..." should only be acceptable in exceptional cases. It is preferable instead to indicate the substances used in the product; it should also be established that the stated environmental properties are relevant to the product category.

Public procurement policy

11. The Committee is pleased to observe that the Commission recognises the major potential of promoting environmentally friendly products through a deliberately green public procurement policy. The Committee would also point out that, in many areas of the EU, local and regional authorities have already given practical expression to their determination to pursue a green procurement policy. In this way they have made a substantial contribution towards promoting new technologies (electric cars, windmills etc.).
12. Against this background it is most regrettable that the rules on public calls for tender are interpreted in ways that seriously impede the pursuit of a green procurement policy. In drawing attention to Treaty Article 6, the Committee would stress that there should be no conflict between the free market for goods and services and the "greening" of public calls for tender. The current heavy constraints are reflected by the fact that legal action has already been taken against a number of towns which have shown their determination to make allowance for environmental factors in their procurement policy.
13. The Committee has on earlier occasions - most recently in its opinion of 13 December 2000 concerning public procurement procedures (COM(2000) 275 final - 2000/0115 (COD) and COM(2000) 276 final - 2000/0117(COD)) - pointed out that the Commission seems to place greater emphasis on tightening up procurement rules than on facilitating the inclusion of environmental requirements in public calls for tender.
14. The local and regional authorities would reiterate that the rules governing calls for tender are merely intended to ensure that purchasing methods are consistent with single market aims. It is vital that such rules should not affect the product to be procured (e.g. whether a contracting authority is to purchase bio-vegetables or meat which does not contain hormones), i.e. it must also be possible to impose environmental conditions on the production process. In this connection, the Committee would again draw attention to its opinion on the global assessment of the Fifth Environment Action Programme (COM(1999) 543 final), which highlights the need to promote an EU agricultural policy focusing on sustainable development.

15. The Committee is aware that minimising resource and energy consumption etc. in the production of products can entail substantial savings for producers. However, it would stress that the local and regional authorities' experience has been that green procurement usually means higher prices as a result, for instance, of development costs.
16. The Committee takes the view that it must be made possible to require suppliers and their products to hold the European eco-label, and that it should be possible to require other national or trans-national green labels, (e.g. the Nordic "Svanemærke"), provided that open access is also provided for goods with certification showing that they meet corresponding requirements in the same areas.
17. The Committee feels that it must be made possible to require suppliers of public goods and services to have introduced environment management systems, such as the European EMAS system or the international ISO 14000.
18. It also considers that provision should be made for excluding suppliers which fail to meet local, regional, national or European environmental standards from being eligible to supply public goods or services.
19. In the Committee's view, it is most important that the planned Commission Communication should stress that the above measures are necessary in order to exploit the full potential of large public procurement contracts.
20. Bearing in mind the uncertainty accompanying, as mentioned above, the applicability of the projected measures to incorporate environmental costs in product prices, and bearing in mind the key role green public procurement plays in the Green Paper, it is most regrettable that there seem to be no immediate signs of resolve to facilitate a genuine "greening" of public procurement.

Generation of product information

21. The Committee supports the Commission's proposal that producers should be required to supply key data regarding the product's environmental properties to all players in the supply chain and to the end consumer. In the Committee's view, it is important to frame binding guidelines guaranteeing the supply chain and consumers access to relevant information in a form which does not infringe the company's right to business secrecy.

Guidelines for product design

22. The Committee backs the Commission's drive to speed up the preparation and dissemination of guidelines to incorporate environmental considerations into the design process. In this way IPP can be a major means of promoting waste prevention and sustainable development, and of securing substitutes for dangerous substances. The guidelines should focus on reducing both the volume and hazards of waste. A scheme to collect experiences of local and regional authorities' waste management could help in providing feedback which can be of valuable assistance in preventing waste, in the design and consumer phases.

Standardisation and the new approach

23. The Committee agrees that the framing of product standards is very important for the product's actual environmental impact and that a potential therefore exists for integrating environmental considerations into standardisation work as has been done in the case of consumer safety. However, safety is a far less complex matter than environmental factors, where the long-term impact etc. has to be anticipated. The Committee would point out that environmental issues, to a far greater extent than safety, also involve political prioritisation in view of the multitude of different and often mutually contradictory parameters which have to be taken into consideration.
24. In the Committee's view, major democratic problems arise in making the European Committee for Standardisation (CEN) and other bodies which are not under direct democratic supervision responsible for decisions on environmental protection standards. Environmental priorities must be determined by political bodies and it is therefore difficult to apply the new approach as a basis in environmental matters. The Committee also feels that it is questionable whether the Treaty authorises the transfer of political competence to bodies which are not politically controlled, as is possible under the new approach. It should be noted that decisions taken, for instance, by CEN are not subject to the European Court of Justice's jurisdiction.
25. The Committee would also point out that even if standardisation is a consensus-driven process, such consensus is influenced by the partners' capacity to earmark resources for such work and not by any form of democratic process.
26. The Committee would also draw attention to past experiences in applying new approaches in connection with the Packaging Directive. Despite the allocation of substantial funding for that purpose, it did not prove possible to frame the recommended standards to govern key requirements regarding e.g. reduced consumption of materials etc. in the production of packaging.
27. Accordingly, the Committee does not feel that "new approach" directives can replace traditional regulation. When considering the application of new approaches in the environment sphere, in future care should be taken only to do so if a satisfactory solution has been found to the above problems.

Product panels

28. In the Committee's view, the setting up of product panels can be of assistance in implementing IPP. However, it should be noted that the success of such panels will depend on reciprocal commitments between producers on the panel, and their interest in building a constructive network. This creates special demands when setting up product panels at European level. The Committee calls for a regular evaluation of the work of the future European product panels.

Environmental management and audit systems

29. The Committee considers environmental management systems to be a good means of boosting companies' internal environmental prioritisation and work and that such systems can be of assistance in upgrading their communication of environmental

information to authorities etc. The Committee therefore considers that the EMAS Regulation should be integrated into IPP rather than being merely viewed as a support measure.

Next steps

30. The Committee calls for the Commission, in its next IPP initiative, to indicate objectives and deadlines, as well as indicators for assessing IPP impact.

Brussels, 13 June 2001.

The President

The Secretary-General

of the

of the

Committee of the Regions

Committee of the Regions

Jos Chabert

Vincenzo Falcone

¹ OJ C 144, 16.5.2001, p. 23

² OJ C 116, 14.4.1997, p. 74

³ OJ C 317, 6.11.2000, p. 1

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