

**GUIDING PRINCIPLES FOR AN INTEGRATED PRODUCT POLICY (IPP) FRAMEWORK**

**UNICE'S INITIAL CONTRIBUTION TO THE ONGOING STAKEHOLDER CONSULTATION ON THE GREEN PAPER**

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GENERAL REMARKS

Business and industry recognise the potential value of defining an integrated product-oriented policy approach at European level. The creation of an IPP framework offers the opportunity to foster harmonisation of national policies and improve consistency between existing product-oriented measures. If firmly embedded in a Sustainable Development framework that balances environmental, social and economic aspects and solidly linked to the Lisbon process, IPP could offer a holistic alternative, within a long-term scope, to what has so far often been a piecemeal approach to environmental policy-making. Such a framework would allow long-term business planning, favour innovation and increase the competitiveness of European industry. However, in order to contribute to Sustainable Development, i.e. be environmentally effective, economically efficient, and socially acceptable, any product policy has to be based on the following principles:

GUIDING PRINCIPLES FOR AN IPP FRAMEWORK

?? INDUSTRY'S OWNERSHIP

**Product Policy should be driven by industry and business.** The development, design, production and marketing of products are core activities for companies. Industry is committed to designing and producing products in an environmentally sound and sustainable manner and has the competence for continuous improvement of a whole set of product characteristics, including environmental performance. In fact, IPP is already being widely applied by industry since environmental considerations are commonly integrated into corporate product policy. Any framework for IPP must respect the fact that product policy is primarily a corporate affair and should take advantage of industry's competence and innovative capacity.

?? FACILITATION INSTEAD OF REGULATION

**IPP should not be seen by public authorities as a way to impose new regulation.** Rather, IPP should be a framework that outlines clear objectives and long-term goals within a Sustainable Development perspective. While business has to play the leading role in enhancing product performance, the principal role of public authorities – at both national and European levels – should be to create the right conditions for industry's voluntary approaches such as, for instance, Product-Oriented Environmental Management Systems (POEMS). Moreover, public authorities

should facilitate the development of environmentally sound products by stimulating research activities in this new management field and by disseminating knowledge in this area.

#### ?? FLEXIBILITY

The IPP framework **should set objectives but not prescribe the means for achieving them**. Companies should be able to decide which instruments are most suitable for them to improve their products. Therefore, the framework must not pre-empt the choice of the best instrument, but rather be flexible enough to allow companies to choose the appropriate tools according to the respective circumstances.

#### ?? RESPECT FOR MARKET

**Any IPP framework must respect market forces.** In every product market, there is continuous interaction between companies and consumers that results in complex, dynamic equilibriums. Authorities should not intervene in a way that creates market distortions. Nor should they try artificially to create markets for “greener products”. Consumers make their decisions taking into account a whole set of performance criteria, such as price, safety, quality, environmental performance, etc. They are not demanding “greener products”, but rather better developed products. Therefore, any attempt to focus on only one of those components disregards the reality of consumer behaviour. Instead, IPP should aim at continuous improvement of a whole set of performance criteria, including the environmental dimension, and leave industry the choice of environmental aspects/impacts which offer the best opportunity for environmental improvement.

#### ?? SHARED RESPONSIBILITY

**IPP must be based on the principle of shared responsibility.** The appropriate allocation of responsibility to every actor involved in the production, consumption and disposal of a product represents an essential incentive in contributing to improve the product's environmental performance throughout its lifecycle. Only if all stakeholders assume responsibility can progress be made in the long term. The producer should bear responsibility for the part of the lifecycle chain, which is under his management control, but not be made responsible for decisions over which he has had no influence. Moreover, it is of crucial importance that the IPP framework clearly defines the share of responsibility of each stakeholder.

#### ?? COMMUNICATION

IPP must be **built on improved co-operation and communication**. Industry is willing to promote the systematic flow of information along supply chains and to enhance the communication of environmental improvements already accomplished through existing management systems. It should be ensured that information is provided in accordance with broadly accepted standards. The identification and communication of success factors for IPP should be important elements of the strategy.

#### CONCLUDING REMARKS

European Industry and business remain committed to contributing to Sustainable Development by aiming at continuously reducing the environmental impact of products throughout their lifecycle. UNICE believes that a framework for IPP has to adhere strictly to the above-mentioned principles. Most importantly, however, the design of a policy framework for this complex and sensitive issue

necessitates a sufficient timeframe for extensive consultation of and discussion between the stakeholders concerned. European Industry is prepared to play a key role in this process.