Building the Single Market for Green Products

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Eco-innovation and circular economy
European Commission - DG Environment

European Commission

EU institutions

European
Commission

**Right of
initiative**

European
Parliament

**Citizen
representation
Decision-
making**

Council
of the EU

**Setting broad
priorities
Decision-
making**

Europe 2020 is the European Union's ten-year growth strategy. It is about addressing the shortcomings of our growth model and creating the conditions for a <u>different type of growth</u> that is smarter, more sustainable and more inclusive.

5 key targets: employment; education; research and innovation; social inclusion and poverty reduction; and <u>climate/energy</u>.

7 flagship initiatives: providing a framework through which the EU and national authorities mutually reinforce their efforts in areas supporting the Europe 2020 priorities such as innovation, the digital economy, employment, youth, industrial policy, poverty, and <u>resource efficiency</u>

Sustainable Consumption and Production - Broad Challenges

- Transfer environmental challenges into economic opportunities: "**green/circular economy**"

- Towards an energy and **resource efficient** economy

- Reduce environmental stress
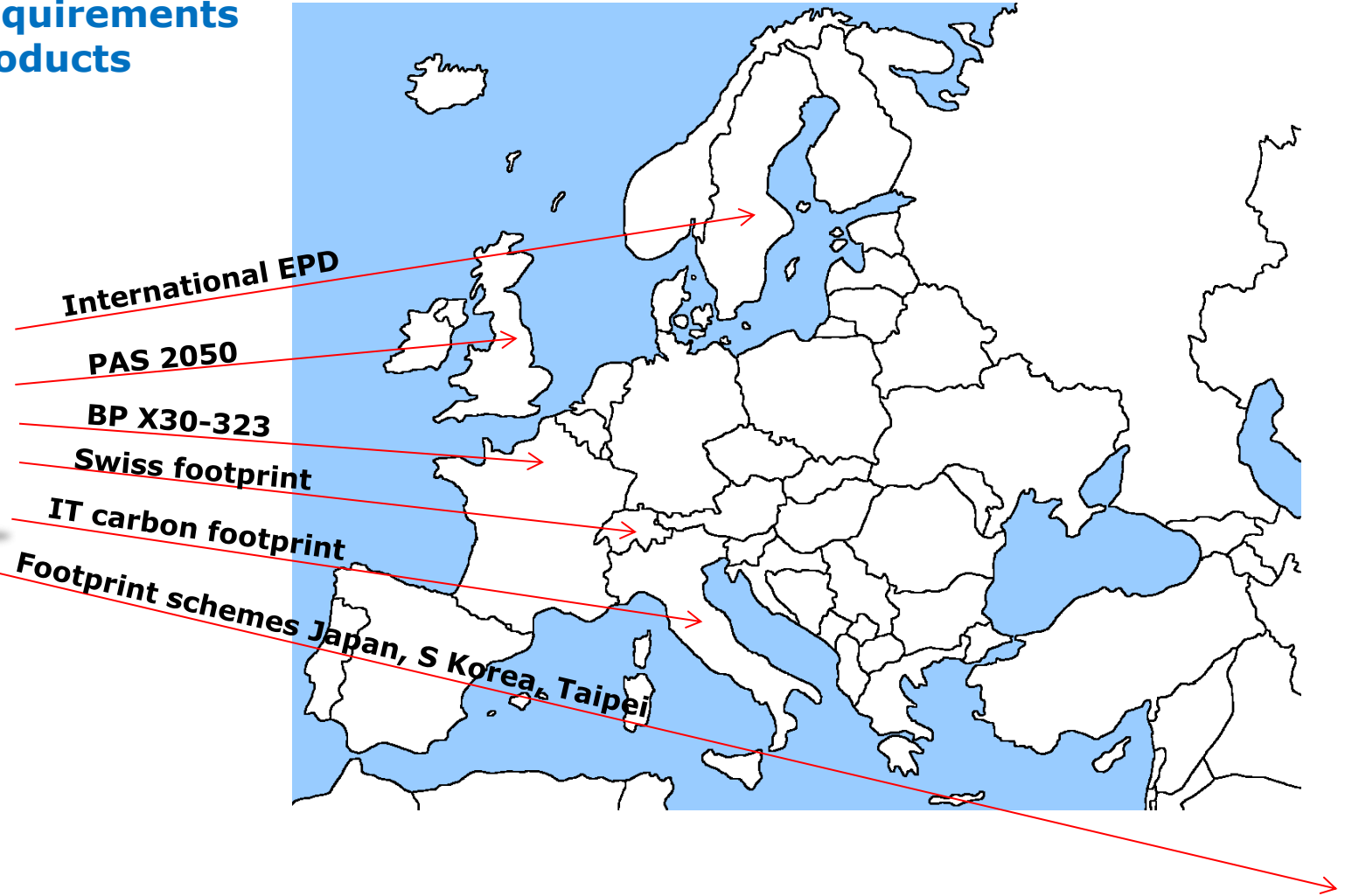
- Changing patterns of consumption

Policy mandates

Council Conclusions 20 December 2010

The Council invites the Commission to "*develop a common methodology on the quantitative assessment of environmental impacts of products, throughout their life-cycle, in order to support the assessment and labelling of products*"

Resource Efficiency Roadmap – 20 September 2011

- ✓ Establish a common methodological approach to enable **Member States and the private sector** to assess, display and benchmark the environmental performance of products, services and companies based on a comprehensive assessment of environmental impacts over the life-cycle ('environmental footprint') (in 2012)

- ✓ Ensure better understanding of consumer behaviour and **provide better information** on the environmental footprints of products, including preventing the use of misleading claims, and refining **eco-labelling schemes** (in 2012)

A world of *"similar-but—different"* requirements for green products

International EPD

PAS 2050

BP X30-323

Swiss footprint

IT carbon footprint

Footprint schemes Japan, S Korea, Taipei

Reality check

- More than 400 environmental labels in the world
- Only for GHGs, 80 leading reporting methods and initiatives

- **Issues**:

  - What is green?
  - How do I prove that my product or company is green?
  - If I choose one approach, will it be accepted by everyone?
  - Do I have to prove I'm green in different ways to different clients?
  - Will consumers and business partners understand my claim?
  - Does green mean more expensive?

Confusion, mistrust
Free-riders win
Costs

The case of Belgian eco-cheques

In 2009 Belgium introduced the concept of eco-cheque (green cheque). This is an extra-legal benefit that employers can give to their employees. This means that the green cheque is not considered salary. In other words, it is not eligible for taxes or social contributions. Employees can buy **ecological** products or services.

The question soon became: which are "ecological" products and services?
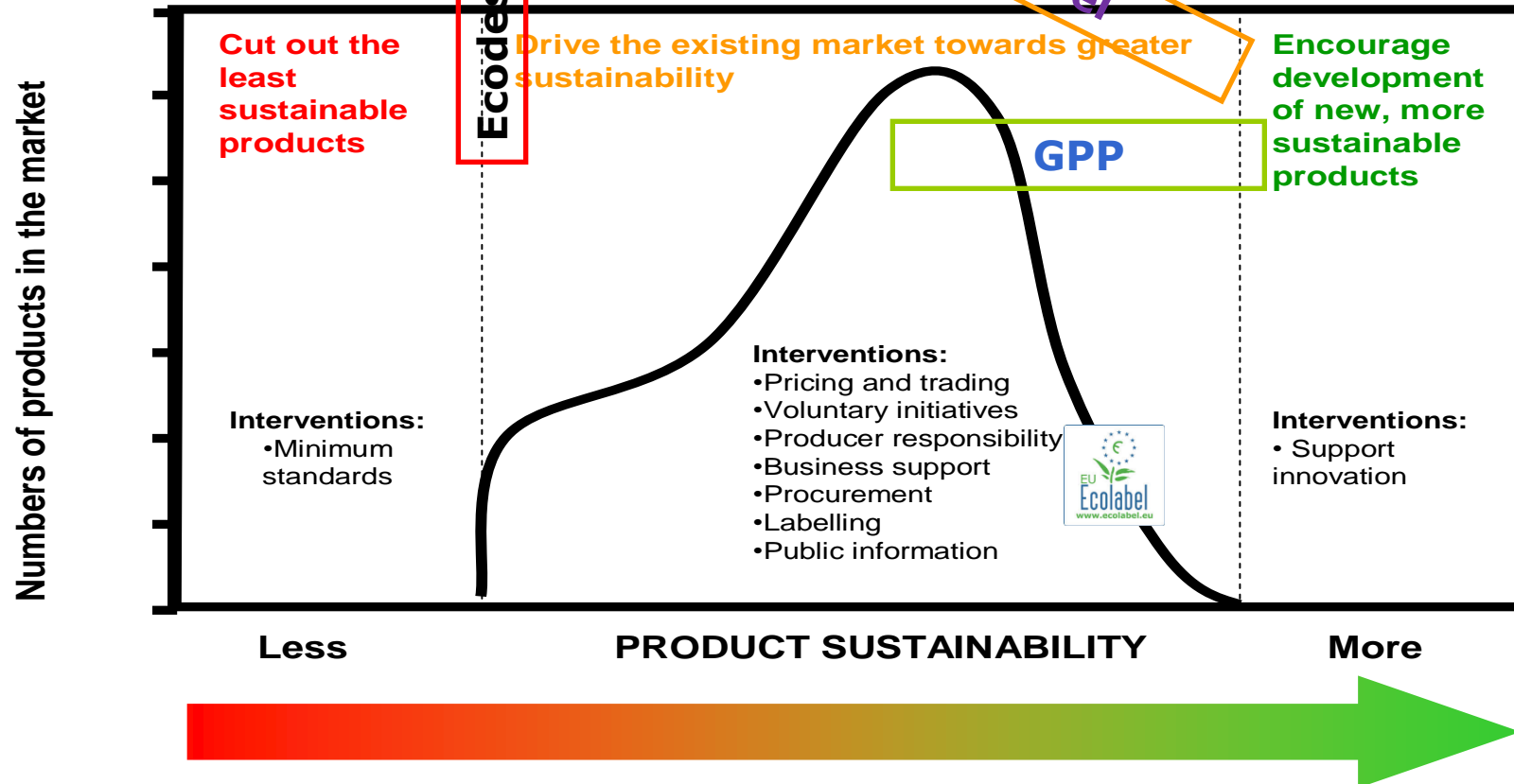
European Commission

- **Lack of consistency**: a principle barrier for displaying environmental performance (**72.5%** stakeholders in agreement)

- **Market potential** is high: **80%** of EU consumers buy green products at least sometimes – 26% buy them regularly

- 89% of EU citizens believes that buying green products makes a difference for the environment

- Only **half** of consumers find it easy to **differentiate** green products from other products

- Only **half** of EU citizens **trust** producers' claims about the environmental performance of their products

- Most important considerations when buying: quality (97%), price (87%), **environment** (**84%**)

- **69%** of citizens **support obliging** companies to publish reports on their environmental performance

These figures are taken from the 2013 Eurobarometer on "Attitudes of Europeans towards Building the Single Market for Green Products"

- Boost competitiveness of EU industries

- Costs reduction

- Ensuring level playing field

- Guarantee citizens' right to receive accurate information

- Clearer definition of what a green product/organisation is

PRODUCT INTERVENTIONS – Overall approach

Energy Label

Ecodesign

Numbers of products in the market

Cut out the least sustainable products

Drive the existing market towards greater sustainability

Encourage development of new, more sustainable products

GPP

Interventions:
•Minimum standards

Interventions:
•Pricing and trading
•Voluntary initiatives
•Producer responsibility
•Business support
•Procurement
•Labelling
•Public information

Interventions:
• Support innovation

EU Ecolabel
www.ecolabel.eu

Less   **PRODUCT SUSTAINABILITY**   **More**

European Commission

Product group: XYZ
Attribute: Single attributes or weighted average

Number of products

Information freely accessible

GPP

>100%ref   ref   <90%ref*
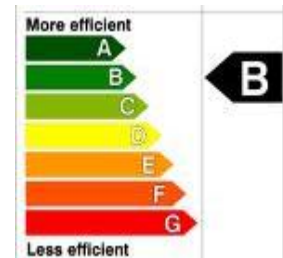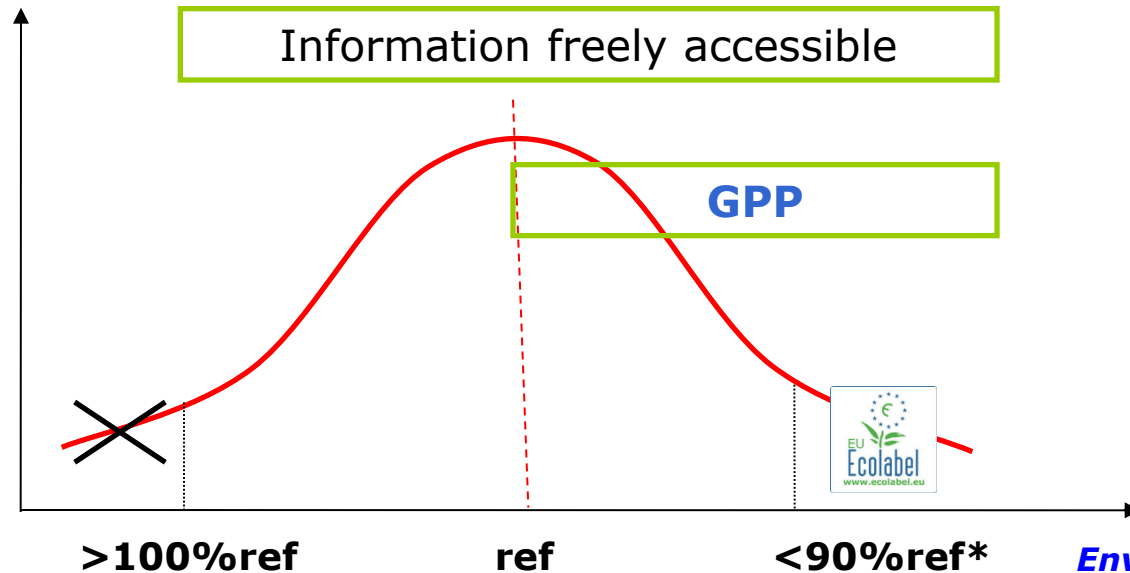
Environmental performance of products

* Plus additional requirements non captured by LCA

Definition of <u>policy</u>:

A definite course or method of action <u>selected from among alternatives</u> and in light of given conditions to guide and determine <u>present and future</u> decisions

The set of basic principles and <u>associated guidelines</u>, formulated and enforced by the governing body of an organization, to direct and limit its actions in pursuit of <u>long-term goals</u>
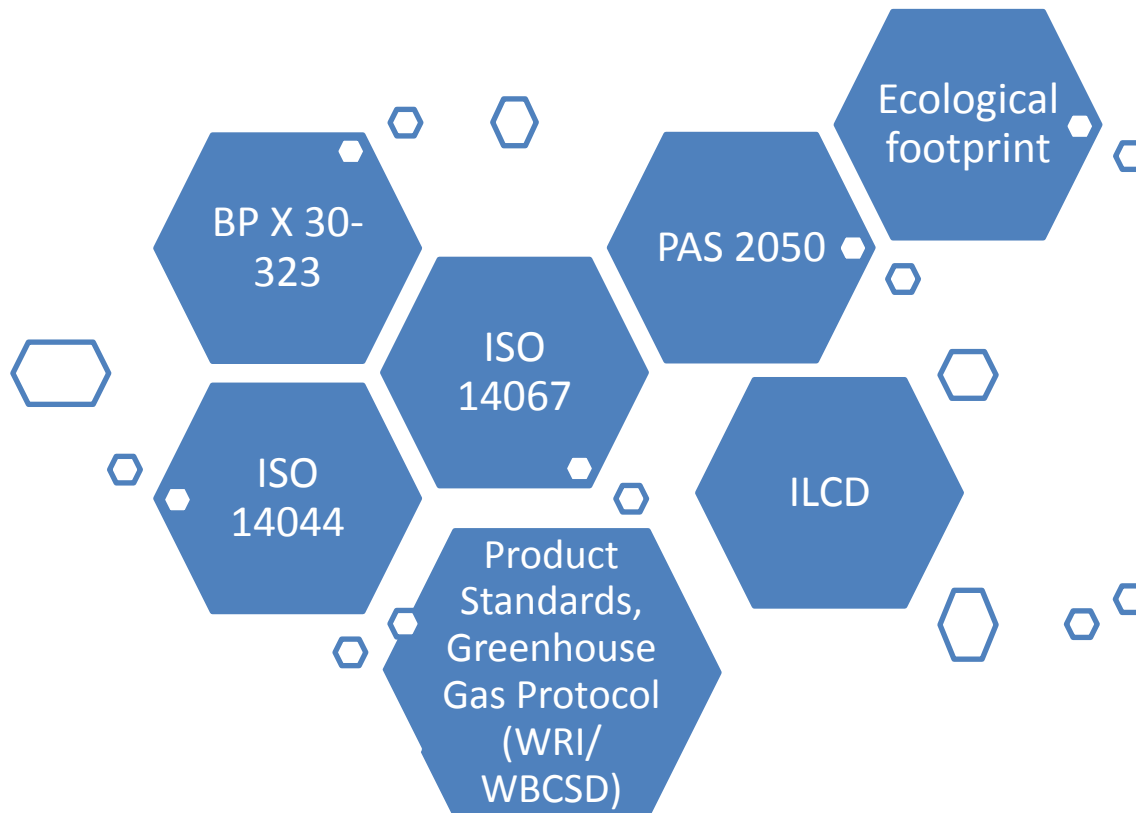
Definition of <u>standard</u>:

A standard is a document that provides requirements, specifications, guidelines or characteristics that can be used consistently to ensure that materials, products, processes and services are fit for their purpose
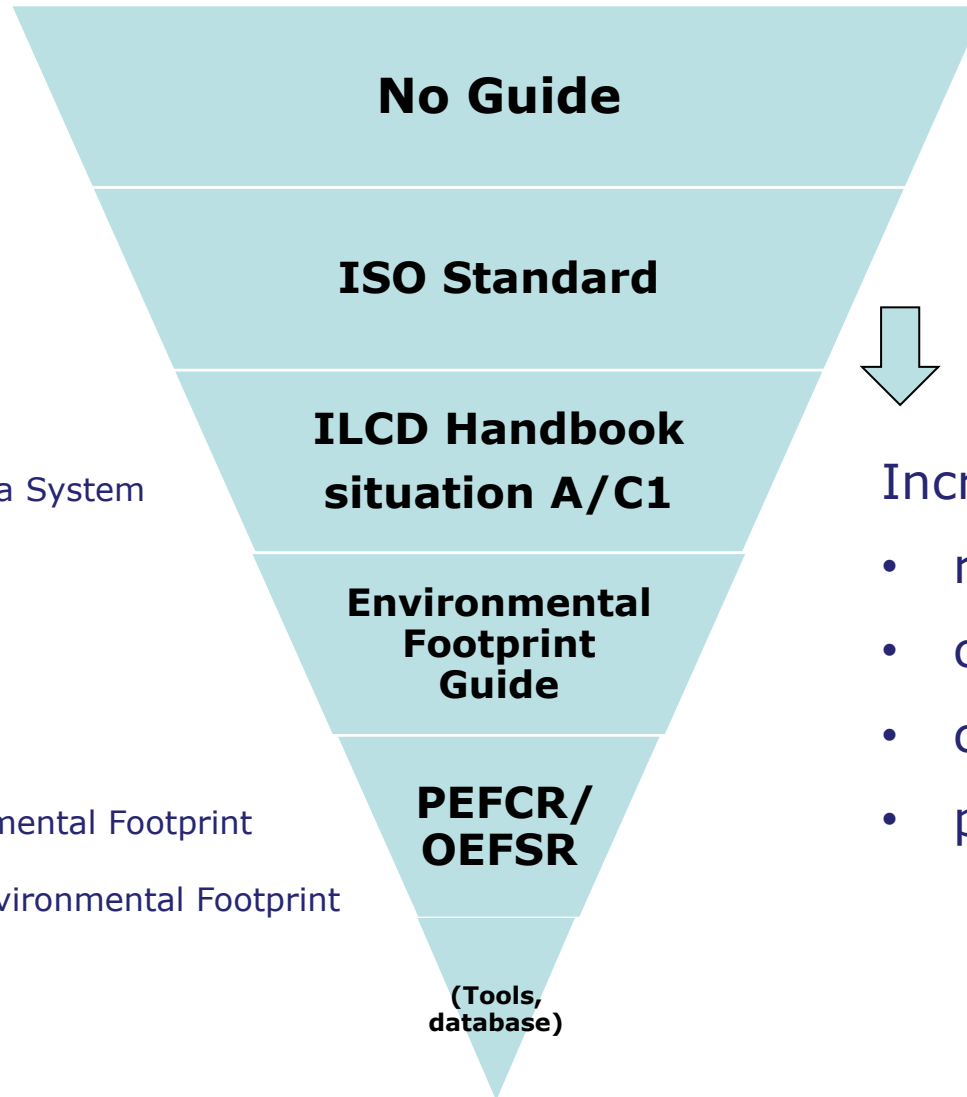
Standards and services are needed

STANDARDS

SERVICES

How was the PEF Guide Developed?

Environmental assessment documents analysed:

Criterion	PEF	PAS 2050	ISO 14040/44	ISO 14067	WRI GHG	BPX 30-323
Allocation formula	Single formula (50/50 like in France)	0/100 or 100/0	No specific rule	Substitution of primary production of avoided product. Annex C (with formulas) is only IINFORMATIVE	0/100 or 100/0	Three possibilities: 0/100 100/0 50/50
Biogenic carbon	Reported separately	Included (exception for food and feed)	No provisions	Reported separately	Reported separately	Reported separately
Carbon storage and delayed emissions	Reported separately	Included, but to be reported also separately	No specific rule	Reported separately	Reported separately	Time-weighted average for storage/delay for up to 100 years
Quality of data	Quantitative thresholds are introduced	No minimum data quality requirements	Quality of data should only be "reported"	Quality of data should only be "reported"	No minimum data quality requirements	No minimum data quality requirements

No Guide

ISO Standard

ILCD Handbook
situation A/C1

Environmental
Footprint
Guide

PEFCR/
OEFSR

(Tools,
database)

ILCD: International
Reference Life Cycle Data System

PEFCR: Product Environmental Footprint
Category Rule
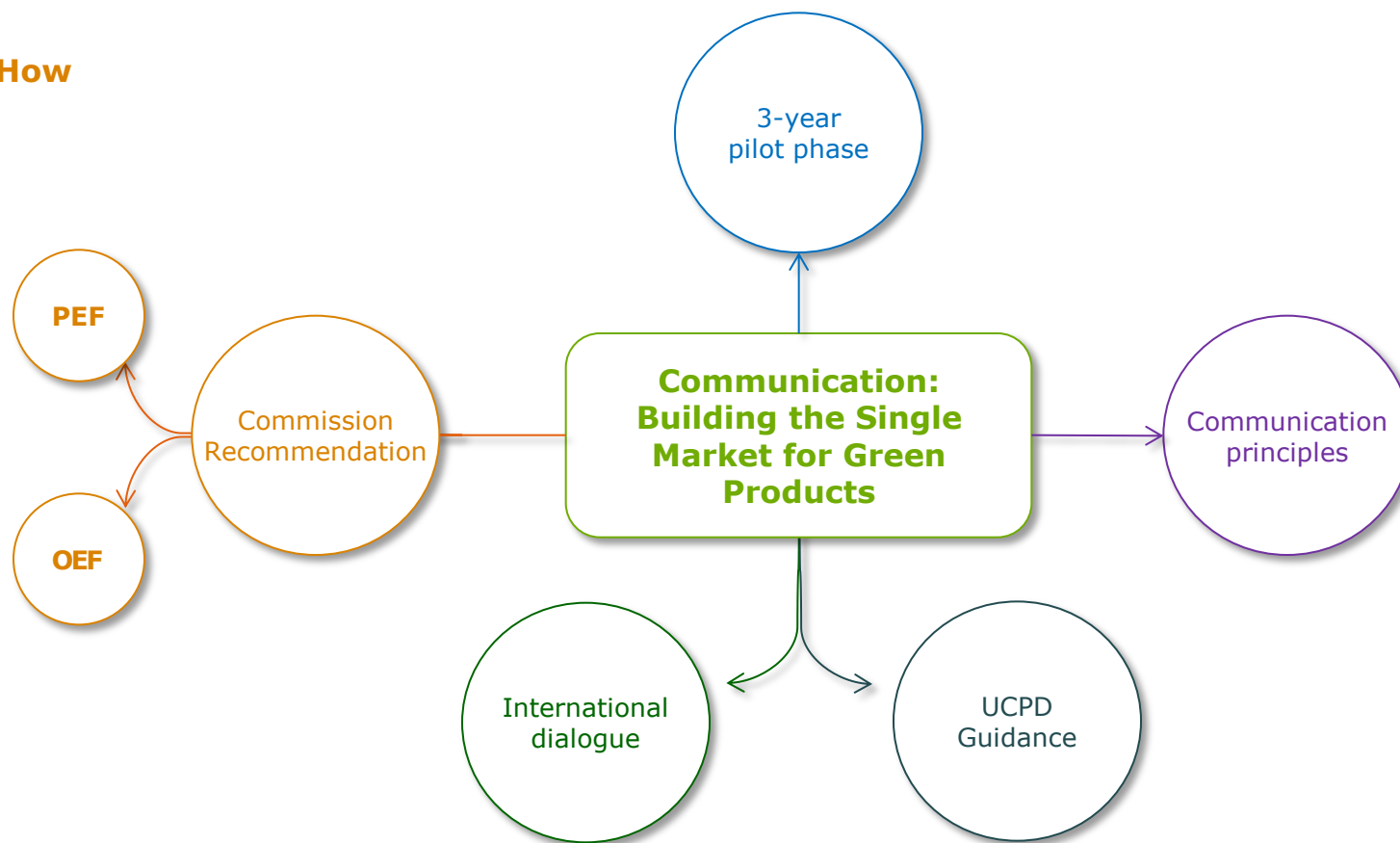OEFSR: Organisation Environmental Footprint
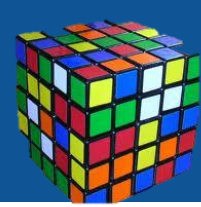Sector Rule

Increasing

- reproducibility

- consistency

- comparability

- practicality

SMGP

Objective

To improve the availability of clear, reliable and comparable information on the environmental performance of products and organisations

How

Pilot objectives/ features:

1. Test the process for the development of PEFCRs and OEFSRs

2. Test different approaches for verification systems (embedded impacts, traceability)

3. Communication vehicles

- Engagement of key stakeholders, including from outside EU

- Focus on simplification and applicability

Simplification / challenges:

- Few simple and clear rules for specific products and sectors
- Focusing on the most relevant environmental impacts and life cycle stages

- Find a good balance between reliability, cost of verification and feasibility of verification

- Provide useful information to help business and consumer choices
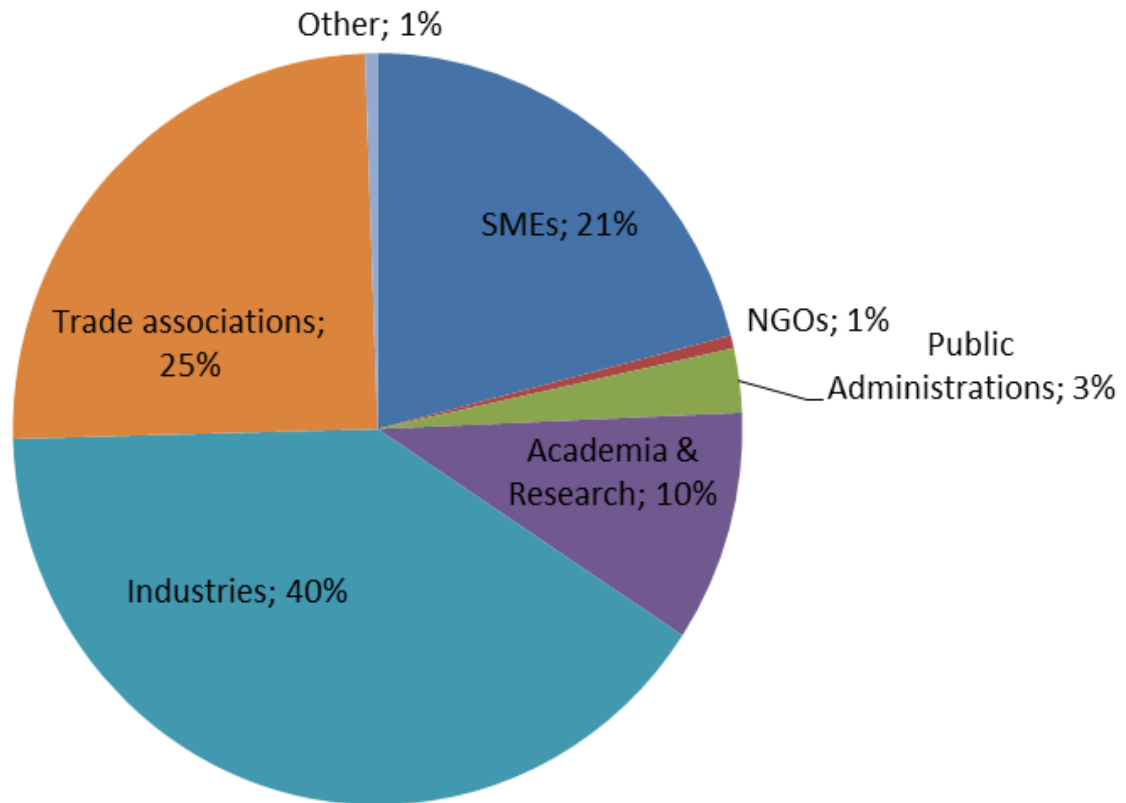
- Multi-stakeholder process, representative participation, need for international co-operation

- Simplification enabling easier use by SMEs

Pilot proposals (1st call)

European
Commission

- The second call focuses on Food, feed, and drinks. It includes packaging, fertilisers, and catering services.

- For sake of consistency and fairness towards the sectors involved in the first call, the <u>objectives</u>, selection criteria, the rules and procedures to be used for the call and then the implementation of the 2nd wave of pilots remain the same as used for the first call.

- The timing of the 2nd call is consistent with the overall timing of the European EF pilot phase (meant to be completed by end of 2016)

- If no further resources are made available, the second call for proposals will be able to support no more than **10** pilots, **7** led by industry and **3** led by JRC.

European Commission

- Deadline for applications: **28 march 2014**

- Selection of pilots: **April 2014**

- Start of work: **1st June 2014**

- End of work: **31st December 2016**

Flexibility and **transparency** are keywords for the Commission during this pilot phase.

The stakeholder who will eventually not be retained among the selected pilots will still have the possibility to contribute to the work, either as stakeholders during the different consultation phases or asking to become members of one of the selected Technical Secretariats.

Timeline

- Start of the 1ˢᵗ wave of pilots (**Done**)

- https://webgate.ec.europa.eu/fpfis/wikis/display/EUENVFP/ (e-commenting) pages (**Done**)

- 2ⁿᵈ call for pilots (**Done**)

- Start of the 2ⁿᵈ wave of pilots (**June 2014**)

- End of the pilots (**end 2016**)

- Evaluation, peer review (**2017**)

- Implementation in policy/ policies?

Thank you for your attention

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http://ec.europa.eu/environment/eussd/smgp/product_footprint.htm