

# TECHNICAL ANNEX

## Development of Indicators for Integrated Product Policy

### 1. INTRODUCTION

During the last three years the European Commission has driven the development of Integrated Product Policy within the European Union. It published a Green Paper on IPP in 2001 and a follow-up Communication, which sets out its strategy for putting IPP into practice, in June 2003.<sup>1</sup> It believes that the development of indicators for IPP would support this work and facilitate an assessment of IPP's progress when it is reviewed in the years to come.

Ideally, indicators for IPP need to monitor the environmental characteristics of products across their whole life-cycle. Given the diversity of different impacts and the need to reduce the information to simplified indicators, it may be necessary to concentrate on the most significant environmental impacts. In addition, the indicators developed should, ideally, be able to attribute any improvement in the environmental characteristics of products specifically to IPP and hence attempt to ignore "noise" from other policy instruments and factors.

The development of indicators for IPP is not starting from zero. Certain resource and product-related indicators do exist – such as on Material Resource Intensity or the uptake of the different eco-labelling schemes. As an initial step, this project will summarise their suitability for the purposes of IPP.

First discussions in the framework of the Integrated Product Policy Informal Network<sup>2</sup> showed that these existing possibilities are likely to be of only limited use when developing IPP. There is, however, a considerable amount of information that already exists on the environmental attributes of particular products and on the market situation for these products. This includes, for example, information collected in the context of eco-labelling schemes, information from other types of product labelling, information from consumer testing magazines and life-cycle data. It may be possible, depending on its quality and availability, to use this information to develop indicators for the environmental attributes of particular products across their life-cycles. As a result the second step in this study will look at information on at least thirty of these products, covering ideally the whole economy. It will, where possible, attempt an historical analysis of the development of these products over the last twenty years or so.

Building on this, the third part of the study should constitute an assessment of whether and how such product-specific indicators could be used and further developed for those products where information already exists. It will also consider which areas of the economy are not covered by these product-specific indicators.

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<sup>1</sup> COM(2001) 68 final, 07.02.2001, COM(2003) 302 final, 18.03.2003

<sup>2</sup> The IPP Informal Network is composed of representatives of EU Member States, Norway and Switzerland. It meets on an informal basis roughly twice a year to discuss IPP-related issues and exchange information on ongoing activities at the national and EU level.

The fourth part of the study will analyse the possibilities for developing additional product-specific indicators for these areas of the economy in order to work towards the overall aim of covering the whole economy. It should also identify which of these indicators should be developed first.

The final part of the study will attempt to bring together parts two to four to propose a path for the future development of IPP indicators. It will, at the same time, also consider whether it is possible to develop a basket containing products for which there is a product-specific indicator which could then be used to measure the overall progress of IPP in the economy. If it is considered possible, a detailed description of how this could be done should be given. If it isn't possible, then a detailed description of the reasons why should be given.

## 2. OBJECTIVE

The aim of this study is therefore to:

- (1) Summarise existing IPP-related indicators, assessing their usefulness for monitoring the environmental impacts of a European IPP;
- (2) Analyse possible ways to measure the change in environmental impacts of existing products over time, including charting this development for some products;
- (3) Suggest how these ways could be improved in order to create future indicators for IPP;
- (4) Suggest other possible indicators to measure the change in the environmental impacts of products over time, including an assessment of their data collection and information needs;
- (5) Develop a “basket of products”, representative of as much of the market and as large an environmental impact as possible, whose environmental attributes could be tracked over time as a potential indicator for the effectiveness of IPP

## 3. TASKS

**Task (1)** Various indicators already exist that deal with matters such as resource use and energy consumption, both in terms of the environmental state and environmental pressures. These should be summarised, along with ways of assessing the uptake of IPP-based instruments, such as the number of products bearing eco-labels. For each of these a brief assessment should be made of their advantages and drawbacks in assessing the effectiveness of IPP. This assessment should enable the Commission to understand clearly the relative merits of these indicators.

**Task (2)** Using existing information it should be possible to consider the development over the recent past – up to 20 years - of certain products. Existing information from Life-Cycle Assessment work, the development of eco-labelling criteria or consumer testing magazines may, for example, be suitable. The

consultant will be expected to assess this information for products covering, as far as possible, the whole economy and a large environmental impact. It is envisaged that this will require the assessment of a balanced combination of at least thirty products. Products that have undergone particularly great improvements or which have a particularly high environmental impact should not be over-represented within this group. The development of services should not be considered, except where they have replaced products.

**Task (3)** On the basis of this assessment, it should be considered whether these products and the information available on them are suitable for continuing to monitor the evolution of the product using this information.

**Task (4)** If efforts to collect information and monitor products were to begin now it may be possible to develop other possible indicators that do not have a historical perspective. Possibilities should be examined and reviewed considering their feasibility. This assessment and review should enable the Commission to have a clear idea of the benefits and drawbacks of these possibilities.

**Task (5)** Finally, the consultant should consider whether it is possible to put together a “basket of products”, similar to the idea of using a basket of products for measuring the retail price index in some countries, which can be used as a surrogate for measuring the development across the whole economy. Suggestions should be made on the exact products that could be used and how these should be assessed – including in which Member States they could be sampled. Whether it is appropriate, given differences in factors such as lifestyles, consumption patterns and environmental conditions, to use the same “basket” for all regions of the EU, or whether “regional” ones are necessary, should also be considered.

Throughout the different stages of the study cost estimates for obtaining, assessing and updating the necessary information should be given.

#### **4. SCOPE OF STUDY**

The study should limit itself to considering products available legally on the European (EU 15) market. Where there are regional differences in the nature and environmental impacts of products these factors also need to be taken into account.