Thursday, 5 November 2009

Representation of the State of Baden-Württemberg to the European Union, Brussels

# Green Transformation towards a Sustainable Industrial Policy for Europe

#### Workshop IV

Sustainable Consumption & Production (SCP) The customer is king – even in sustainable industrial policy?



#### Sustainable Consumption & Production (SCP) The Consumer is king – even in sustainable industrial policy?

#### **Herbert Aichinger**

Advisor to Timo Makela, Director for Sustainable Development and Integration, European Commission, DG Environment

#### **Doreen Fedrigo**

Policy Unit Coordinator, Sustainable Consumption and Production, Natural Resources, European Environmental Bureau

### Sylvia Maurer

Project Coordinator, ANEC/BEUC

#### Dr Christoph Wendker

Officer for energy and performance related issues, Miele

#### Dr Thomas Müller-Kirschbaum

Corp. Senior Vice President Laundry & Home Care, Henkel

#### **Dr Bettina Brohmann**

Deputy Head of Energy & Climate Division, Öko-Institut

#### Chair: Dr Dietlinde Quack

Researcher, Sustainable Products & Material Flows Division, Öko-Institut



#### Sustainable Consumption & Production (SCP) The Consumer is king – even in sustainable industrial policy?

Program

(1) Two Introductory presentations by Herbert Aichinger (EU DG Env) and Doreen Fedrigo (EEB)

SCP – two views on EU level

(2) Panel discussion with Sylvia Maurer (ANEC/BEUC), Dr Christoph Wendker (Miele) and Dr Thomas Müller-Kirschbaum (Henkel)

The role and contributions of consumers and businesses in promoting SCP – views from the practice

(3) Presentation by Dr Bettina Brohmann (Öko-Institut)

**Research on SCP: strategic findings** 

(4) Summary & Ranking => most important steps towards SCP?

Chair: Dr Dietlinde Quack (Öko-Institut)



### Sustainable Production and Consumption Aims and Gains of EU policy

Herbert AICHINGER

DG Environment, European Commission



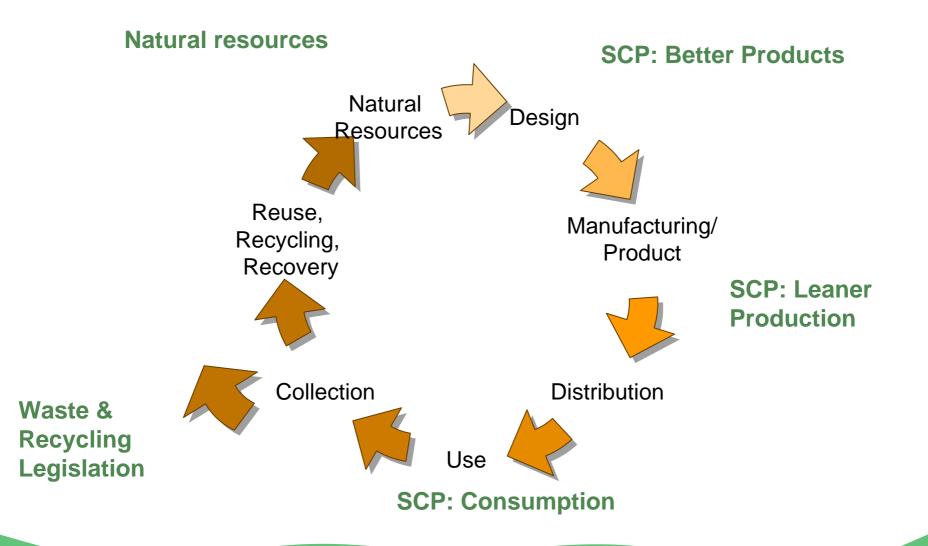


# **Broad Challenges**

- Towards an energy and resource efficient economy
- Reduce environmental stress
- Changing patterns of consumption
  - Transfer environmental challenges into economic opportunities, green growth











# Action Plan on Sustainable Consumption and Production

- A package adopted by the Commission in July 2008
- Broad support by Council December 2008
- All legislation passed the Institutions (excl.EELD)
- Implementation to start now





# Better Products and Smarter Consumption





### **SCP/SIP – Action Plan: Integrating instruments**

### **Better products:**

- → Exclude "bad" performance
- → Promote "good" Performance
- → Continuous Improvement

# **Key Legislation:**

- → Ecodesign
- → Energy Labelling
- → Ecolabel







### 'Better products':

**Recast of the Ecodesign Directive –** 

### Wider Scope from <u>energy-using</u> to <u>energy-</u> <u>related</u> products,

Implementing measures:

- Minimum requirements
- Benchmarks of environmental performance
- Periodic update of requirements and benchmarks





# **Effective Labelling**

#### **Revised Energy Labelling Directive**

- mandatory
- → energy-related products

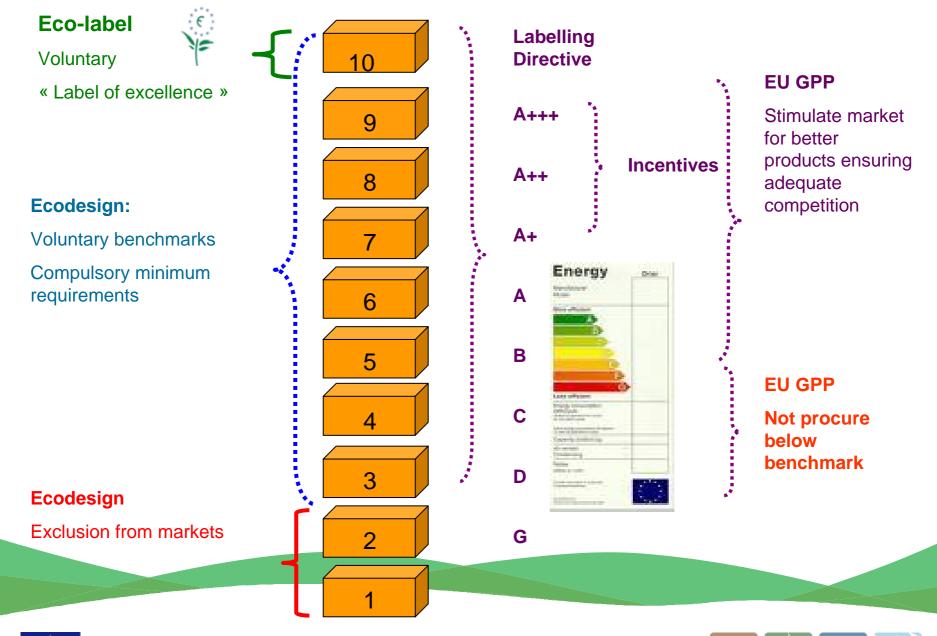
#### **Revised Ecolabel Regulation:**

- → voluntary
- → 'Front runner' label (top 10%)
- Broader scope incl.Food









E U R O P E A N COMMISSION **Product Category** 



# Incentives



Performance levels identified under the revised Energy Labelling Directive will set baseline:

- for Member State's incentives and
- for Public Procurement, no purchase below this baseline
- Demand for high quality products





# **Working with Retailers**

### **Retail Forum**

- → Promote sustainable products
- → Reduce environmental footprint of retail sector
- → Green supply chains
- → Share best practice

Wide stakeholder participation and involvement



### Working with retailers II

- Code of Conduct, set of common principles
- Greening by competition
- Yearly award for the best retailer
- Driving performance through dialogue
- Objective Monitoring of achievements





# Outlook



# Review of Actions: 2012/13

- Further Extended Ecodesign & Labelling directives
- → Applicable to all manufactured products
- → .....The Consumer is King ☺





European Commission DG Environment -Directorate of Sustainable Production and Consumption

Thank you

http://ec.europa.eu/environment/eussd/escp\_en.htm

# The customer is king – even in sustainable industrial policy?

## Doreen Fedrigo EU Policy Unit Coordinator



# Outline

- EEB who we are
- SCP/SIP action plan comments
- Blueprint for European Sustainable Consumption and Production
- EU Energy Label
- Ecodesign Directive

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# EEB – who we are

- Created in 1974 to represent its members' interests to the EU institutions, and to help them monitor and respond to EU policies
- Largest European federation of environmental citizens' organisations
- > 145 member organisations in > 30 countries .
- Aim to protect and improve the environment of • Europe and to enable the citizens of Europe to play their role in achieving this goal
- Topical policy work: e.g. Air, Biodiversity, • Chemicals, Noise, Products, Waste, Water, etc.
- 'Horizontal issues': Sustainable Development, 6th • Environmental Action Programme, SCP
- Governance (democracy and public participation): ٠ Aarhus Convention
- Enforcement (= implementation and application of EU legislation)







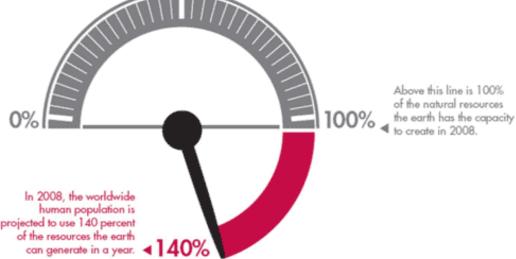






# SCP / SIP Action Plan

- Welcome the long-awaited Action Plan – delayed many times
- Very good to link different mechanisms to create or strengthen synergies and to help build more of a 'critical mass'
- Very good to include in sectoral activities one of the key actors in shaping consumption patterns: retailers



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# SCP / SIP Action Plan

- Long on process, short on vision, clarity and ambition where are we going? How do we get to One Planet Living?
- Strong energy/climate focus is misguided this is not the only ecological challenge we are facing
- Action Plan is a small first step towards sustainable consumption and production, but it makes more contribution to sustainable products than anything else
- Sustainable consumption (EU does consumer protection) where are the studies? Not just about information, very active research agenda
- How do we incorporate transportation, food and drink and housing (75-80% of households' environmental impacts) into SCP? Systems approach needed
- SCP is meant to bring about accelerated shifts towards SCP the action plan is 'the strategy of the Commission to support an integrated approach in the EU, and internationally, to further sustainable consumption and production and promote its sustainable industrial policy'
- Take SCP to a higher political level within DG ENV/Commission? Stronger link to sustainable development strategy? Relationship to Lisbon Strategy?

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# Why the Blueprint?

- SCP mentioned in the political agenda since Rio (1992) and Johannesburg (2002) summits, but with little political attention
- The formal SCP agendas developed in EU countries so far often suggest "convenient truths"
- Focus on marginal changes and/or technical progress
- Collaboration between environmental and social NGOs and the research community (products, sustainable consumption)





BLUEPRINT FOR EUROPEAN SUSTAINABLE CONSUMPTION





# Goals for change – no more room for expansion

- Despite talking about sustainable development since 1987, the indicators show overall we're heading in the wrong direction
- Social, environmental and economic crises illustrate problems of the concept of limitless growth on a finite planet
- 20th century "expansion" approach is no longer acceptable or possible
- SCP policies have not yet addressed this reality







# Goals for change – transition to living better, equally, within limits

- From "expansion" to "contraction and simplification"
- Peak Oil, climate change, finite resources ... "Peak Everything"
- Will societies contract and simplify intelligently or in an uncontrolled, chaotic fashion ?
- Planned, intelligent change requires a <u>sustainability</u> <u>transition approach</u>











# Goals for change – A sustainability transition approach

- One Planet Living
- From "lower" to "low" or "no" environmental impact
- Focus on well-being, dignity and equality, enabling engagement in shaping society
- Quality not quantity, especially in economics
- Serious need for political leadership
- Societal, collective action
- Development of a sustainable consumption agenda
- Innovation is social too, not just technological









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# A vision on change – Type of change

- Living within limits
  - Food & drink/agriculture
  - Transportation and tourism
  - Housing (including energyusing products)
- Shaping a sustainable society, not a sustainable consumer
- Addressing the public as citizens in society, not simply as consumers
- Addressing production and consumption
- Creating the systems that lead to sustainable behaviour



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# Energy Label

- Success with the public recognition, purchasing decision influence
- Strong support including from environmental and consumer organisation for retaining closed A-G layout
- Clear approach on category revisions needed – strong leadership from policymakers (downgrading/upscaling)
- Coherence needed between Energy Label, Ecodesign Directive, Ecolabel and green public procurement – critical mass, synergies
- Coherent messages to the public on combating climate change – label helps guide more sustainable purchases, drives improvements in industry



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# **Ecodesign Directive**

- EEB formally a member of the Consultation Forum ('coalition' of 5 ENGOs)
- Concept of the Directive is a very good one – eliminate poor performing products from the market, drive performance improvements more continually
- Ecodesign is more than energy consumption in the use phase – toxic substances, natural resources, end-of-life management (RoHS and WEEE link) – implementation reduced to weak measures on E in use
- Called for full extension to potentially all types of products (not just energy-related)
- IPP was more than just ecodesign what about the gaps?





# Questions for the discussion

- Will Sustainable Industrial Policy be elaborated beyond "low carbon, resource-efficient economy"? How? When?
- How does innovation (policy, initiatives, funding, etc) fit into SIP? How do we elaborate to ensure useful, sustainable (including societally acceptable) developments?
- Is "efficiency" enough?
- Do we focus on housing, transportation and food/drink?
- How do we develop sustainable consumption (not just more consumption of greener products – rebound effect)
- Do we have the political strength and conviction to achieve coherence between mechanisms – policies, legislation, fiscal?



# Thank you for your attention

**Contact details:** 

Doreen Fedrigo EU Policy Unit Coordinator

Email: doreen.fedrigo@eeb.org Tel: +32 2 289 13 04



### Research on SCP: Where we are, where to go?

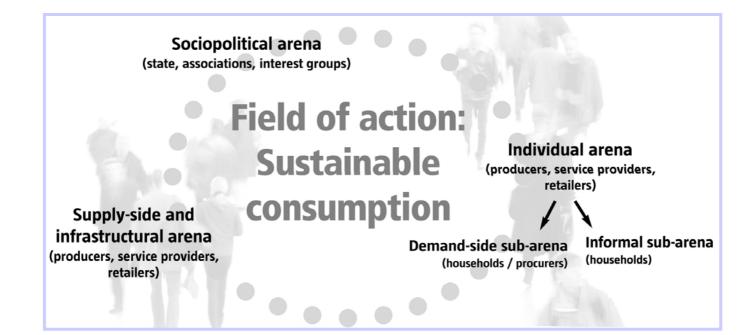


Workshop IV of the Conference "Green Transformation towards a Sustainable Industrial Policy for Europe" Brussels, 05 November 2009

> Dr. Bettina Brohmann (b.brohmann@oeko.de) Öko-Institut e.V. Freiburg/Darmstadt/Berlin

### **SCP: Field of action**





- The three arenas are mostly separated only few elements are coherent
- Contradictory strategies and impulses between and within the single arenas hamper SCP
- A common vision on change including adequate strategies + activities is still missing



#### - Investment / purchase behavior:

- product and service availability (purchasing routines)
- Use phase (curtailment behavior):
  - user friendliness
- Waste treatment / end-of-life phase
  - lifestyle
- Public procurement
  - food, public housing

### Supply Side + Infrastructural Arena

#### Product development

- design for the longer-term environmental performance of products
- user involvement
- mass customisation of niches
- Product and service availability
  - products, technology appliances (cooperation retailer)
  - systems of provision
- Use phase
  - user friendliness lifestyle
  - rental markets => car2go Houston, Ulm/www.car2go.com
  - Waste treatment / end-of-life phase
    - cradle-to-cradle





#### - Societal Context

- Norms and habits (imitation, social learning)
- Social practices (comparison)
- Life style; life events
- Size and income of households

#### - Political Framework

- national level: SCP programmes, labeling systems, subsidies, tax, grants
- 10-Year Framework of Programmes on SCP (Marrakech Process)
- Lisbon Strategy
- EU: SCP / SIP Action Plan

### Areas of action identified by the EU



Smarter Consumption: agreements with retailers, consumer information, tackle misleading advertising

*Better Products:* labeling, eco-design, standardisation

*Innovation:* lead market initiative, networking of innovation actors

Leaner and Cleaner Production: resource/material efficiency, environmental technologies

*Global Markets:* sectoral agreements, cooperation on SCP, foster energy/resource efficiency

### **Barriers and Gaps**



Individual Barriers Transaction costs, limited budget, lack of information and awareness, contradictory impulses Supply-side Barriers Inadequate provision of services / products and infrastructure unbalanced markets, distortion of markets, advertisement of ,bad' products

Barriers to Sustainable Consumption/Production

Systemic Barriers Lock in problems: lack of alternatives weakness of instruments, resistance of actors, subsidies for non sustainable products



#### **Smarter Consumption**

Communicative instruments to complement (e.g. campaigns, ads)

Procedural + societal self-regulation to involve civil society (e.g. GAP, Local Agenda 21)

#### **Better Products**

Greening the supply chain => Regulatory instruments (e.g. Ecodesign, labeling) and Incentives (e.g. lower VAT)

Front Runner (e.g. EUTopTen)

#### Innovation

Coherent vision building (e.g. Transition Towns)

Economic instruments (e.g. white certificates, premiums)

'unlock' lock-in situation (e.g. Retail Forum)



- Interventions (programmes) should address different phases of behaviour and take into account different context components (Transpose 2009) => need of vertical strategies (Linden, Carlsson-Kanyama et al. 2006)
- Mix of interventions is successful (Changing Behaviour 2008): combine economic + regulatory instruments complemented by voluntary + information tools (EEA 1/2008) => packaging of instruments is most effective (UNEP 2006)
- Social and technological context has to be considered analytically <u>and</u> strategically (eupopp 2008); Align framework conditions + context factors => sustain approach (SCOPE<sup>2</sup>, Tukker et al. 2008)

crisis



- Interventions to promote sustainable consumption should be developed through *participation* => avoid single top-down strategies (Heiskanen/Schönherr, eupopp 2009)
- Endorsement by the social environment (neighbors, colleagues) can promote efficiency instruments => behavioural changes need to be accepted (Changing Behaviour 2008)
- Role models are seen powerful in getting people to change their behaviour (Changing Behaviour 2008) - new collaborative platforms promote education and information exchange => knowledge and evidence building (EEA 2008)

www.utopia.de www.bynothingday.org www.adbusters.org



- Information does not lead directly to awareness and behaviour change – likewise it is the basis for every conscious decision => Influencing factors: quality, frequency, duration + way of presentation (Fischer 2008)
- Credibility of information source is important for the acceptance of instruments (Stern 1984) => Today consumers trust in the economy is at the same low level as in 1985 (Economic Sentiment Indicator of EU Commission 2009)
- Transparency by Social Media: In Communities like Facebook consumers exchange their experiences => media should be used more effectively and in co-operation among stakeholders (OECD, DST/CP 2009)

78 % trust the recommendation of other consumers in their purchase decision

- Institute for Applied Ecolo Consumers are willing to pay more for environmentally
- sound and fair products (Sammer & Wüstenhagen 2006) => higher income is positively related with energy-saving expenditures (Mills / Schleich 2008)
- Targeted instruments instead of general messages => Interventions have to follow the '4 Es': enable; engage; exemplify; encourage (HM Govt 2005)
- Level of knowledge is diverse and shows evidence regarding efficiency => younger households prefer/have better knowledge on efficient technology (Karlsson-Kanyama et al 2005)
- Adequate communication channel is key => word-to-mouth is most trustful source (EST 2007, Cha 25% of Google information on the top 20 brands is user-

generated (Nielsen 2008)



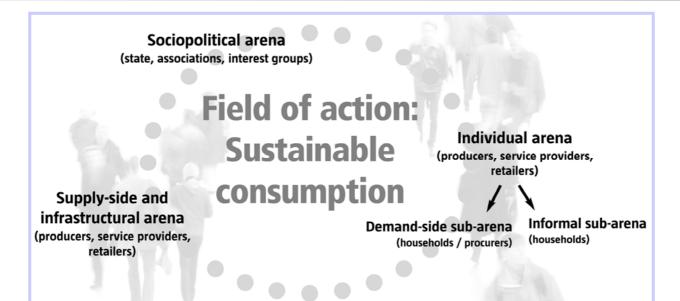
Most urgent action items, identified by researchers and other key stakeholders (Time for action, EEA 2008)

- Marrakech Process: encourage national SCP programmes (and integration of SCP into other policies), provide communication strategy to promote SCP concept, involve the public and private financial community
- EU Action: Green Public Procurement (directive), economic instruments "to get the prices right", sustainability targets
- National Level: long-term SCP frameworks, environmental fiscal reforms, communicate role models

www.responsiblecare.org/ www.dialogprozesskonsum.de www.initiative2grad.de/

### **SCP/SIP: Holistic view needed**





Societal discourse on the objectives: challenge 'common' types of values (Happy Planet Index)

Cross-sectoral collaboration (greening the supply chain), package + harmonise instruments

Alignment of framework conditions + context factors => sustainability transition approach