

return to sender

producer responsibility and
product policy

“green alliance...”

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Green Alliance

Green Alliance is one of the UK's foremost environmental groups. An independent charity, its mission is to promote sustainable development by ensuring that the environment is at the heart of decision-making. It works with senior people in government, parliament, business and the environmental movement to encourage new ideas, dialogue and constructive solutions.

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introduction

In 2002, Green Alliance published a report *Creative Policy Packages for Waste: Lessons for the UK*¹, which examined the waste strategies of some leading European countries and states in the USA. We concluded that high recycling rates (30-60 per cent plus) and avoidance of disposal to landfill were straightforward to achieve if the right instruments were put in place, and that the UK had these instruments at its disposal if it cared to use them. However, we also observed that while high recycling rates had been achieved, these countries' efforts at waste prevention had been much less successful, and their own commentators tended to conclude that more radical instruments were needed.

At the same time, we noted that producer responsibility measures were often part of the policy mix employed by these progressive countries, and, for some, formed the backbone of their strategy – for example, Sweden. These too had been good at delivering recycling, but less good at changing products in a way that either facilitated recycling or prevented waste at source. That made it particularly intriguing when the UK Government's Strategy Unit published its own report on waste strategy, shortly after ours, and recommended the addition of two new producer responsibility initiatives per year². What should these initiatives aim to deliver, and how would they fit with the UK's broader waste strategy? Under what conditions could producer responsibility deliver changed products and practices, in pursuit not just of greater recycling, but a broader sustainability agenda? These are the questions this project has sought to answer.

To further expand these questions, the agenda emerging from Europe over the last decade has introduced concepts of Integrated Product Policy (IPP), and legislation covering product design has been proposed in the shape of the energy using products Directive (EUP). In these the emphasis is on minimising impacts through the whole life of the product, not just the point at which it becomes waste. This report seeks to engage with the agenda and tease out what producer responsibility might mean against this background. Progress on both IPP and EUP has been slow, but the time is right for the UK to seize the political initiative and help shape the future in a way that we have signally failed to do with waste policy to date.

There have been some helpful political signals in this direction. In a speech in September 2004, Prime Minister Tony Blair said, 'I want to see the day when consumers can expect that environmental responsibility is as fundamental to the products they buy as health and safety is now'.³ On the same theme and in the same month, Environment Secretary Margaret Beckett said the Government would, 'Consider the creation of an Environment Direct service – to give clear, independent advice to consumers on the environmental impact of the choices they face'.⁴ We hope that this report will advance the debate and help to make these aspirations a reality.

“ I want to see the day when consumers can expect that environmental responsibility is as fundamental to the products they buy as health and safety is now ”

this report

This report is the output of *Sustainability Through Producer Responsibility* project funded through the DTI's Sustainable Technologies Initiative. It was compiled with the help of several project partners and advisors, listed in Annex I. We held a series of meetings with project partners and advisors; held a high level seminar; conducted individual interviews; and had extensive e-mail discussions with the project partners, as well as with other key players. Details of the seminar and working papers produced for the steering group are given in Annex II. Together with extensive literature reviews, these discussions have given us invaluable insight into the political and policy complexities of the concepts and practice of 'producer responsibility' – sufficient, we hope, to make our recommendations for the future comprehensive and compelling.

This report is in three sections. In the first we review the lessons to be drawn from existing producer responsibility initiatives and their implementation in Europe and, in particular, the UK. In the second we examine the broader agenda created by Integrated Product Policy, the European thematic strategies and what this means for producer responsibility. In the final section we make recommendations on how producer responsibility can be taken forward in the light of these agendas and with the objective of achieving ambitious waste, resource and environmental objectives. A summary of this report is also available in electronic and hardcopy formats.

what has producer responsibility done for us?

what has producer responsibility meant so far, in terms of European and national initiatives?

At present, European Directives are in place, or are shortly to be in place, to cover three large waste streams – packaging, electrical and electronic equipment and end-of-life vehicles. There is also a proposal for a Directive on batteries. At national level, a number of EU member states also have producer responsibility measures covering streams such as construction and demolition waste, tyres, pharmaceuticals, and pesticides.

The packaging Directive was not necessarily designed as a producer responsibility measure, but most member states have achieved its mandatory targets for recycling by imposing responsibilities on both producers and users of packaging for collection and recycling. The waste electrical and electronic (WEEE) and end-of-life vehicles (ELV) Directives both explicitly place responsibilities on producers.

The emphasis of these measures is on ‘end-of-life’ – the collection, management and recycling of waste – and the main point of giving producers responsibilities for managing the ‘end-of-life’ phase is to shift the costs of waste management from public authorities to the private sector. However, the aspiration is taken to be wider than simply getting someone else to pay for waste management. One commentator summed it up as, ‘Producer responsibility should reduce the environmental impact of waste management as producers change product design, substitute materials, extend product life and undertake other measures to reduce their costs in managing end-of-life products’.⁵ The OECD sets out a similar chain of events.⁶ It is clear that producer responsibility measures have had good outcomes, but not always as good as they could have been (see Box 1: *The producer responsibility balance sheet*).

Each of the Directives contains articles aimed at getting producers to re-think their products with a view to minimising waste from the point of design onwards, to address impacts throughout the life of the product as well as making re-use and recycling easier. Of these the ‘Essential Requirements’ of the packaging Directive were innovative and potentially ground-breaking, since they shift the onus to producers to both establish the impacts of their products and address them. Producers are not only responsible for being compliant with regulations, but for additionally working out what compliance actually is. However, here in particular, practice has not lived up to the aspiration.

what have we learned here in the UK?

The packaging Directive is the only producer responsibility directive fully implemented across all 15 pre-2004 EU member states, but the WEEE and ELV Directives are not far behind, and some lessons can already be learned from the debates around their implementation. The UK has also run initiatives on tyres. What is clear is that the packaging Directive has increased recovery and recycling of packaging materials (see Box 1: *The producer responsibility balance sheet*, page 8). However, there are some important lessons and shortcomings:

lesson 1: the UK has not adequately placed producer responsibility in the context of its wider waste strategy

A lack of clear objectives and lack of understanding of the issues across Whitehall are frequent criticisms of the UK's implementation of the 'producer responsibility' Directives, current and forthcoming. Although the 2002 Strategy Unit report viewed producer responsibility as almost a stand-alone solution to particular waste issues, it did not examine its relationship to wider objectives and tools.⁷

A report from the Better Regulation Task Force in July 2003 noted that, 'Greater clarity is needed on the links between specific actions in the proposed ELV and WEEE Regulations and the objectives and targets of the Government's waste strategy. Officials told the Task Force that, 'Waste Strategy 2000 sets out the UK's waste policy objectives and how these can be achieved, through producer responsibility and other approaches. The Task Force was unconvinced...'.⁸ A leading trade association put first on its list of difficulties, 'A clear lack of understanding by all parties (industry, government and other stakeholders) of the meaning and aims of producer responsibility as a tool for reducing environmental impact', and called for 'a shared vision for what producer responsibility should mean for the UK economy'.⁹

Doreen Fedrigo of Waste Watch, and a member of this project's advisory group, highlighted some broader problems, 'Producer responsibility is implemented like most other waste policy mechanisms, in isolation and according to low-cost compliance. The focus on targets completely ignores the wider environmental and sustainability objectives of Directives and other mechanisms. Even worse, sometimes the different mechanisms work against each others' targets, such as on packaging and the statutory recycling targets set for local authorities'. In addition, there are clearly sometimes differing understandings and objectives among different Whitehall departments as to what such regulations should achieve.

“ Producer responsibility is implemented like most other waste policy mechanisms, in isolation and according to low-cost compliance ”

lesson 2: the effect of the EU packaging Directive on recovery and recycling in the UK has been diluted by fragmented responsibility for delivery

The UK just about met its European target of 50 per cent recovery by 2001, but a year late. Meeting forward targets for 2008 of 60 per cent recovery and 55 per cent recycling will be challenging. One of the main reasons for poor performance is that the UK approach to implementing the packaging Directive has been fragmented.

The development of multiple compliance bodies (23 at the last count) and lack of overall management of these has led to the 'big picture' – a sense of what the Directive should deliver beyond the minimal meeting of targets – being lost. As a consequence, there has been a lack of certainty for those who might have invested in recycling facilities, and little of the revenue from the implementation of the Directive appears to have been invested directly in new collection or reprocessing facilities. There is a danger of this fragmentation, uncertainty and lack of capacity being repeated with the implementation of WEEE and ELV.

lesson 3: using tonnage as the basis of targets may not lead to environmentally optimum solutions

For packaging, there has been a ‘light-weighting’ effect, working to make packages of all kinds less material intensive, but in some cases this has meant a change from glass to plastic.¹⁰ How far these effects are due to the targets and how far due to economic advantage and consumer preference is disputed, but it highlights the complexity of the problem. Although in general ‘light-weighting’ gives advantages in terms of energy used for transport, if the substitute material is harder to recycle, this is not necessarily an environmental benefit. Much depends on how far goods are transported and what their prospects might be for recycling and disposal at the end of their life. For ELVs, the reverse may be true – the need to use recyclable materials to meet the targets may lead to heavier materials being used, which in the context of cars, really would lead to increased energy consumption.¹¹ These dilemmas emphasise the need to look at environmental impacts across the whole life of products, and to have the ability to trade off different effects.

lesson 4: re-use has received little emphasis

In the three producer responsibility Directives re-use is distinguished from recycling, which is effectively reprocessing and has energy implications, and all three Directives discussed here place it further up the waste hierarchy than recycling. In a whole-life context, re-use may not always be the environmentally optimal solution, and care must be taken not to perpetuate out of date products. However, little work has been done to understand the proper limits to re-use as well as the right incentives to promote, for example, the modularity, easy repair and upgrading of products. In particular, work is needed to understand and overcome instances of consumer resistance to re-use of products. The UK is one of the countries making least use of re-usable drinks containers, for instance.¹²

A draft final report of a study being conducted for the European Commission by Ecolas/PIRA suggests that, ‘Reusable packaging tends to be most environmentally and economically successful when it exists as part of a suitable product supply system’.¹³ This work, although it draws some general conclusions about the relative benefits of reusable/one-way packaging, highlights that assessments are very context specific and assumptions about logistical and societal features affect their outcome. This moves the debate on to systems of consumption and the desirability of locally produced goods versus imported ones and so on.

“ little work has been done to understand the proper limits to re-use ”

lesson 5: market development has not proceeded fast enough

WRAP has made considerable advances in stimulating markets for recyclates, delivering 3.7 million tonnes per annum of new recycling capacity in the UK between 2000 and 2004, and aiming for an additional 1.25 million tonnes of new capacity by 2006.¹⁴ However, without a package of specific central government interventions to help drive this, the new capacity has not been enough to keep pace with the supply of packaging material driven by the packaging Directive. This has two consequences. One is that where materials can find global markets they are going outside the UK, in some cases to countries where it may be uncertain that social or environmental controls on recycling practices are being enforced. There are also the energy implications of transporting

materials long distances (although see Box 4: Principles for a closed-loop economy for different arguments on this). A second is that in the absence of any market, UK or global, or in situations where markets fluctuate, some recycling is an essentially uneconomic activity, driven only by legislative targets. This is particularly the case for plastics, according to one contributor, 'the highest price plastics can ever achieve is parity with virgin materials. For domestic collection this is often not enough to pay for the collection and processing, and leaves a margin to make it interesting. The main issue is that disposal and recycling costs are not internalised in the initial sales price of the item'. Producer responsibility has been tacked onto an essentially linear model of resource flow through the economy, rather than being seen as one of the means to achieve a more cyclical one.

lesson 6: aspirations towards waste prevention have not been fulfilled

Responsibility for meeting recycling and recovery targets may work indirectly to change the nature of products and thereby reduce waste. However, those with responsibility for changing product designs have to be affected strongly enough to change behaviour. For packaging this has not been the case, or least the effect of producer responsibility in driving change has not been a major incentive compared to economic factors. Some of the mechanisms proposed for WEEE and ELV also dilute the incentives for changing products by creating shared rather than direct responsibility for end-of-life costs.

In addition, the general weaknesses of definition and lack of enforcement of the Essential Requirements for packaging means that these measures to help minimise packaging at source have been underused, and have not been able to make a dent in the overall growth of packaging (see Box 2: The packaging Directives' Essential Requirements: Have they worked? page 9). For ELV, the Better Regulation Task Force hopes that manufacturers' contracts with dismantlers should achieve economies of scale for disposal, which in turn should allow them to benefit from investment in re-design. However, it remains to be seen if this is the case given that a high proportion of ELVs will go back via un-contracted networks (so not paid for by the producer), as this may be more convenient to the end user. The great diversity of WEEE means that reaping eco-design benefits will be far more difficult, especially in the absence of clear individual product responsibility.¹⁵ Claire Wilton of Friends of the Earth is clear on the poor prospects for improved design as a result of the UK's implementation of WEEE, 'In the proposed UK WEEE regulations, the Government has taken its hands off the wheel and left the eco-design part of the law entirely in the hands of businesses to do as they like, or don't like. For example, the DTI has refused to intervene to stop printer manufacturers designing print cartridges which cannot be re-filled with ink, but must be constantly replaced'.¹⁶

“ Producer responsibility has been tacked onto an essentially linear model of resource flow through the economy, rather than being seen as one of the means to achieve a more cyclical one ”

lesson 7: lack of harmonisation of definitions and data collection mean that it is hard to make pan-European comparisons

Before we can make hard and fast judgements about the UK's degree of success compared with the rest of Europe, it is important to note how hard it is to properly monitor progress across the EU because of differing national implementation schemes and differing data collection systems. For instance, the UK definition of MSW refers just to household and a small amount of commercial waste; other European countries and the US include all commercial and some industrial wastes in their definition. In relation to data submitted to the European Commission on packaging a number of concerns have been raised.¹⁷ These include data collection systems on wood packaging – a significant part of transport packaging – not being in place in all member states; the variability and meaning of the term 'other packaging' in data returns; incomplete data on imports and exports; and problematic definitions around recycling and recovery. A 1998 PriceWaterhouseCoopers report concluded that national data on packaging could be 20 per cent overall in error, and specific parts of the data could be 50 per cent awry.¹⁸ How much these issues are still a problem, given the age of these studies, is not clear.

Although it is often argued that allowing Member States to find their own ways of meeting the targets allows them to find optimal solutions, some of the problems of comparison could be avoided if the EU were to provide tighter definitions and specified harmonised methods of data collection, monitoring and reporting. It would also help if there were a body to oversee, and indeed encourage, reporting – the EEA would be one candidate for this role.

So it is clear from these lessons and shortcomings that a more radical approach is needed. At issue is how much producer responsibility measures can achieve without other significant instruments, such as levies, taxes and waste prevention targets as back-up.

box 1: the producer responsibility balance sheet

some pros

UK implementation of the packaging Directive has resulted in an extra 2 million tonnes of paper, cardboard, glass and plastic being recycled – a 75% increase between 1997 and 2003. The overall recycling rate has risen from 38% in 1999 to 53% in 2003.¹⁹ The amount of packaging going to final disposal in the UK has dropped from 7.4m tonnes in 1997 to 5.0m tonnes in 2001.²⁰

Many companies have made their packaging smaller or lighter. Supermarket carrier bags are half as thick as they were twenty years ago.²²

Take-back requirements have encouraged manufacturers to focus on ‘design for disassembly’.²³

The packaging Directive contained some of the first legislation aimed at preventing waste at source. The UK is one of only two countries to have fully implemented these regulations, by appointing enforcers. Office World was recently fined £2,000 with £550 costs for over-packaging products.

The cost to the state/producers of the UK’s implementation of the packaging Directive has been between £70 –100 million per annum for all packaging compared to £1200 million in 2003 for household packaging alone in Germany.²⁴ This is considered cheap.

The Directive makes EU member states produce figures for their packaging and the amounts recycled.

some cons

Due to changes in lifestyles and overall increases in consumption, the amount of packaging placed on the market rose from 160kg per capita in 1997 to 172kg per capita in 2001, averaged over the 15 EU member states. UK packaging consumption is growing at the rate of 1% per annum.²¹ The UK’s focus on industrial sources of packaging has meant a late focus on domestic recycling.

The ‘light-weighting effect’ has in some cases led to plastic replacing glass, which may have higher environmental impacts (although less product wastage from breakage).

There is little evidence as yet of ‘design for waste minimisation’.

Since their introduction in 1999 there have been only 3 prosecutions under the Essential Requirements of the packaging Directive (which include an obligation for producers to ‘minimise’ waste) – obviously a tiny proportion of the products in circulation.

Germany’s scheme has pursued domestic packaging waste from the beginning whereas the UK’s has concentrated on commercial, and is only now pursuing household – which may add substantial costs and complexity, since 23 compliance schemes will have to interact with more than 450 local authorities.

The data collection systems are so different in member states that the figures can’t necessarily be compared. Some figures could be as much as 50% wrong.²⁵

box 2: the Packaging Directive's Essential Requirements: have they worked?

Article 9 of the Packaging and Packaging Waste Directive of 1994 provides that Member States ensure that packaging complies with certain Essential Requirements about the composition and the re-use, recovery and recycling of packaging:

- Minimisation of packaging weight and volume to the amount necessary to ensure safety, hygiene, and consumer acceptance of the packed product;
- Minimisation of noxious and hazardous constituents;
- Suitability for re-use, material recycling, energy recovery and composting.

The responsibility for compliance with the Essential Requirements rests explicitly with the producers, making it the nearest thing to a statutory provision on eco-design that we've yet seen. The essential requirement mindset is good as it encourages producers to think whether they have gone far enough.

In the UK, the Essential Requirements appear to have done little so far to change packaging design, with light-weighting probably driven more by economics. Compliance by companies is not subject to any monitoring, and enforcement is the job of Local Authority Trading Standards Officers (TSOs), who largely rely on complaints from members of the public to alert them to breaches. TSOs have commented that the requirements are too vague and resources too scant to enable them to enforce properly.²⁶

A DTI survey of 22 larger companies suggested that a majority had made changes to their packaging²⁷, but it is unclear how many smaller companies are aware of the requirements or have tried hard to adhere to them. There has been no systematic survey of public awareness, but it seems likely that it is even lower. Only three prosecutions have been brought since the introduction of the requirements in 1999, although the DTI is upbeat about the Requirements' future potential.²⁸ In the meantime, use of packaging material continues to grow in line with economic growth, an ever-growing range of products, and increased consumption.

There is clear potential for more stringent enforcement of the Essential Requirements, either through existing mechanisms or by totally re-vamping the powers and responsibilities needed to achieve the Essential Requirements' objectives. Only the UK and France have fully implemented the regulations by appointing an enforcement agency, but at least one other EU state has used similar measures to try to drive more ambitious waste reduction – in Belgium, there is a requirement to reduce the amount of packaging per product unit when making packaging design changes.

The 'eco-design' provisions in the ELV and WEEE Directives are not nearly so clear, with member states only required to 'encourage' design changes. This is unlikely to yield much progress in the absence of clear and binding guidelines about what exactly should be encouraged. However, for WEEE, the political drive in Europe towards eco-design has given rise to the proposed energy using products or EUP Directive (see below).

the new agenda on products and producer responsibility

An early realisation in this project was that there is a wide range of policy agendas and initiatives that impact on the future of producer responsibility. Producer responsibility cannot be considered in isolation from these. This section gives details of the major elements of this emerging agenda on products, considers the issues these raise and concludes with a discussion of the gap between producer responsibility initiatives to date and the developing Integrated Product Policy agenda.

Integrated Product Policy

The European Commission started to discuss Integrated Product Policy (IPP) in 1998²⁹, and a ‘White Paper’ (Communication to the Council and to the Parliament)³⁰ emerged in 2003. The Communication explains that initiatives on point-source pollution from manufacturing, as well as, at the other end of the product chain, measures to deal with waste, have often been successful. However, it is time to address the impacts of products throughout their life-cycle, including during their use. This should prevent a product’s impacts being shifted from one phase to another – for instance, energy efficient to produce but energy wasteful in use.

“ it is time to address the impacts of products throughout their life-cycle, including during their use ”

The paper sets out five key principles for IPP – it will be based on life-cycle thinking; it will work with the market; stakeholder involvement will be encouraged; it will aim for continuous improvement rather than setting precise thresholds (which has disappointed some commentators); and it will employ a variety of policy instruments, although with a strong leaning towards voluntary measures.

So far propositions for concrete measures to tackle the impacts of products are lacking. Giving tax breaks to more ‘environmentally sound’ products was under discussion at one stage, but this has looked less likely since the taxation Directorate-General pronounced against the use of differentiated VAT to incentivise better design. Previous drafts of the Communication suggested that there might be a general obligation on all companies to integrate environmental considerations into product design and production processes, but the final version dropped references to a draft directive. There are no specific plans to promote or harmonise Environmental Product Declarations (EPDs), which could encourage the production and dissemination of life-cycle information, although work is advancing on EPDs for smaller companies.³¹ The Commission has also dropped the idea of piloting ‘product panels’ and instead has asked businesses to volunteer products for use in pilot projects which will demonstrate the benefits of applying life-cycle thinking.³² The first two pilot projects are mobile phones (with the collaboration of Nokia) and teak garden furniture (with the collaboration of French retailers Carrefour). These started in June 2004 and are scheduled to run for approximately one year.³³

The major tasks in pursuing the Commission's take on IPP are likely to be time consuming – getting consensus among stakeholders on a methodology for identifying products with the greatest potential for environmental improvement, then agreeing how to tackle those products high up the list. A BioIntelligence and O2 France study looked at 34 categories of products and services, and suggested some priority areas – building occupancy, freight and passenger transport, textiles and household appliances – but the methodology was contentious.³⁴

The Communication has little to say directly about the role of 'producer responsibility', other than that where 'extended producer responsibility' (EPR – the terminology used by the Commission and OECD) is deemed to be the most effective way of reducing life-cycle impacts, legislation will be needed. However, producers are clearly implicated in the concept of whole life-cycle thinking – the question is what kind of obligations or exhortations could come their way in the name of IPP.

The UK Advisory Committee on Consumer Products and the Environment (ACCPE) has criticised the communication as having no clear objectives – what is IPP meant to deliver exactly, beyond a reformed thought-process for product design? ACCPE recommends identifying issue-based objectives, for example, climate change, biodiversity, resource use, which should be clearly linked to product streams with most potential for improvement. Stakeholders in those product streams should then be engaged in developing the right measures to tackle impacts. ACCPE's approach has been to develop a 'tool box' of measures that could be applied to achieve greener products: rating and labelling schemes, including expanding the Market Transformation Programme³⁵ for energy efficiency, rather than requiring detailed life-cycle assessments in the first instance; internet accessible product information; green procurement; and supply chain initiatives. It also recommends an Executive Body to oversee product policy.³⁶

“producers are clearly implicated in the concept of whole life-cycle thinking – the question is what kind of obligations or exhortations could come their way”

In contrast to ACCPE's 'quick and dirty' approach to assessment and emphasis which is based on largely voluntary measures, the European Environmental Bureau (EEB) has come forward with a proposed IPP Directive, based squarely on 'producer responsibility' principles. It would make producers responsible for the 'environmental soundness' of their products, by laying down specific minimum requirements in legislation and expressed in Ecolabelling, and imposing generic requirements that would make life-cycle thinking and eco-design the norm. Such a directive would also oblige producers to supply standardised product lifecycle information, and, if necessary, not allow products onto the market if they do not conform to certain minimum requirements.³⁷

The ACCPE approach has the merit of being able to move faster and perhaps secure greater industry buy-in, but risks inconsistent or inconsequential approaches emerging. The idea of an Executive Body is crucial to its success, both to encourage consistency and also to avoid the problems of the packaging Essential Requirements where self-monitoring and lack of reporting have made it difficult to detect progress. The EEB approach is politically more difficult to achieve but has the merits of consistency and certainty in the longer term.

the draft EU Directive on Eco-design of Energy Using Products

The emerging provisions of the proposed energy using products Directive are a step ahead of the IPP communication and are more along the lines that the EEB envisage – it can be clearly interpreted as a ‘producer responsibility’ initiative.³⁸ If passed, the measure should provide a framework for setting design requirements for products, initially on energy efficiency, but potentially for a wider range of environmental impacts. However, its reach may be restricted by the ‘qualifying’ provisions. As proposed, it will cover only products which represent a ‘significant volume’ of sales and trade in the internal market; involve a ‘significant’ environmental impact; and represent a ‘significant’ potential for improvement without entailing excessive costs. It is not hard to imagine the wrangles over interpretation that will ensue from these qualifications.

The Directive will not impose any immediate obligations on manufacturers, but sector-specific implementing measures could. These could impose generic or specific eco-design requirements. Generic requirements are likely to be ‘process-based’, ie encouraging manufacturers to evaluate the design of their products with a view to improving their environment performance. A specific requirement could be quantified levels or targets for a particular environmental aspect of a product, for example. The generic requirement is unlikely to require life-cycle assessment, since this is seen as too costly.

As with IPP, these measures are likely to take time. The Commission would like industries to be pro-active with voluntary measures to pre-empt mandatory approaches – therefore much will depend on the perception of whether mandatory measures will actually come to pass. Here, the Essential Requirements at least provide a useful precedent if not a model experience – they are there, they are mandatory, and they could have more bite if more enthusiastically enforced.

European Commission Communication: *Towards a thematic strategy on the prevention and recycling of waste*

The EU Commission sees this as a consultation document on developing quantitative and qualitative targets for waste prevention, as well as developing targets for recycling.³⁹ The document considers producer responsibility for waste, and concludes that while the approach has merits, there are also limitations, and that one of the functions of the thematic strategy should be to clarify the applicability of producer responsibility – which is what we are seeking to do in this report. In particular, it should look at how to combine economic instruments with existing producer responsibility legislation, and whether producer responsibility could be extended to other waste streams. There is only passing reference to integrated product policy.

The old and the new agendas have not been brought together in the Communication, which is disappointing given that once they are agreed the UK will need to push forward on developing and implementing instruments that will deliver the objectives that the thematic strategies set out – which could be from the middle of 2005 and during UK EU Presidency. The EU Council of Ministers in a Press Release in June 2004 emphasised the need to bring all these ideas together.⁴⁰

European Commission Communication: *Towards a thematic strategy on the sustainable use of natural resources*

The aim of this thematic strategy is to decouple economic growth from environmental pressure, or, as stated later in the document, ‘given the expected overall increase of resource use, the overarching environmental goal of a resources strategy should be to reduce the negative impact of resource use on the environment’.⁴¹ The Communication proposes developing a sound understanding of the environmental impacts of resource use throughout the lifecycle, and then reviewing policies to address them, and then integrating the two. Integrated Product Policy is mentioned several times, but producer responsibility not at all. Although demonstrating more advanced thinking than the proposed thematic strategy on waste prevention and recycling, there is a similar lack of concrete proposals at this stage.

Changing Patterns: UK Government Framework for Sustainable Consumption and Production and proposed decoupling indicators

The framework itself focuses on summarising existing policy that promotes sustainable consumption and production rather than suggesting new policies, although it does clearly acknowledge the challenges that need to be addressed.⁴²

The UK’s ‘decoupling indicators’ will potentially yield interesting information, but do not yet have a clear link to policy – and they are also only draft. A final version of the indicators is expected in 2005, alongside the new UK Sustainable Development Strategy. The indicators are intended to support the framework for Sustainable Consumption and Production by focusing on key areas of concern and monitoring progress on a systematic basis. In the consultation there are twelve indicators covering three areas – economy-wide, resource use and sector specific. As such they collect together a useful set of data that indicates broad trends and linkages between economic activity and environmental impact, and can inform policy in a broad sense.

However the indicators, as currently presented, do not suggest priorities in terms of policy intervention. They are therefore unlikely to act as a driver on business in the near future in a direct way. However, some of the broad trends, in as much as they are brought into sharper focus, may give added impetus to the need to find producer-based solutions to, for instance, carbon emissions throughout the lifecycle. The effectiveness of the indicators as a driver of change will be enhanced if they are clearly linked to targets and a mechanism that allocates responsibility for those targets to individual sectors.

box 3: what could producer responsibility mean for IPP?

At the simplest level, producer responsibility could mean requiring that producers understand the environmental impacts of their products and take steps, that they define, to reduce them. This is where the Commission has started on IPP with its pilot projects; it could be the thrust of any generic requirements under the energy using products Directive, and it is broadly what ACCPE recommends. This approach begs several important questions: how to assess and trade off different environmental impacts, especially where supply chains cross international boundaries, and how to set priorities for action. If measures are voluntary there is a risk of inconsistency between them. Also the history of voluntary approaches on waste is littered with failed initiatives.⁴³

The next level might be to agree specific product standards for whole-life performance on, for instance, energy, water and resource efficiency, as well as impacts of final disposal. This could be done on a sectoral level to ensure consistency of approach. This is embodied in the EEB approach. It does nothing, however, to address the total number of products, or their total impact.

A possible alternative approach to the first two is to set sector-specific targets for energy and resource use, and leave producers to decide how to distribute and trade what is available among their products. So some products might be much better than others, where this is easier to achieve, and some may disappear because they are too costly to change.

At the highest level, it could mean that producers have responsibility for the impacts of their products at all stages of their lifecycle, not just through the standards to which they are manufactured, but by conditioning their use and having responsibility for a closed-loop, zero-waste system. Again, these would need to be done on a sectoral level and would require unprecedented buy-in from industry. In a closed-loop, it may not matter how many products are in circulation, how much resource they use, or how long they last, provided materials are not lost from the system, and manufacturing, use and reprocessing, are driven by renewable energy. (See Box 4: Principles for a closed-loop economy.)

box 4: principles for a closed-loop economy

The need to change the way resources are used is more or less explicit in the producer responsibility, IPP, waste and resource debates. At the simplest level there is a desire to move away from a linear process of materials extraction, manufacture into products, consumption and disposal without any capture of the valuable materials contained in products. The discussion above indicates that currently all we are doing through producer responsibility is reducing impacts rather than eliminating them altogether, although there may be an aspiration to do more. This report attempts to bridge the gap between a linear flow of material through the economy and a much more radical conception of the closed-loop economy.

box 4: principles for a closed-loop economy *continued*

What does this actually mean though? We have suggested some of the attributes of closed-loop economies above: materials are not lost from the economy during manufacture, use or reprocessing and these processes are driven by renewable energy. Others give some further useful principles and approaches. Edwin Datchefski of Biothinking International suggests three principles by which to judge sustainable design.⁴⁴ Products should be:

- Cyclic – products are made from compostable organic materials or minerals that are continuously cycled;
- Solar – products in their manufacture and use consume only renewable energy that is cyclic and safe;
- Safe – all releases to air, water, land or space are non toxic.

These closed-loop principles build on those seen in nature and result in a very different approach to one based on eco-efficiency: a theme developed by McDonough and Braungart.⁴⁵ Eco-efficiency is about minimising and reducing impacts of products rather than eliminating them. Eco-effectiveness is, ‘a positive agenda based on maximising the ability of industry to truly support the natural and human world around it’.⁴⁶ Central to the approach is the separation of materials into plant-based ‘biological nutrients’ that can be returned to the environment as nutrients, and ‘technical nutrients’ such as metals and some polymers that are circulated in closed material cycles. Materials and products with harmful properties are substituted.

These approaches are not about requiring products or process to meet certain standards of emissions or toxic content but creating criteria that drive continuous improvement towards zero impact. ‘Closing the loop’ is clearly not sensible if recycling entails extra use of energy or specialised inputs, or results in un-usable materials. However, where this is presently the case, it is often not difficult to imagine technological innovations that would enable a closed loop, or at least a more cyclical resource flow, with attendant net gains in efficiency and environmental impact.

Globalised markets present a considerable challenge to this way of thinking. Some contributors to this project have argued that if we import goods from China, and the Chinese want to import our waste for recycling in China, and the ships would otherwise go back empty, is that not ‘closing the loop’ in a sense? It seems intuitive that domestic markets for recyclates, and indeed more domestic manufacturing, would be better, but without working out the energy and materials flows involved it is not easy to come to a view. As a recent paper on renewable and non-renewable resources notes, ‘The impacts on ecosystems by different types of resources are widely divergent; there is no accepted standard to describe and evaluate the specific environmental interactions. Moreover, many impacts are a function of local or regional conditions.’⁴⁷ Asking the question is a good first step.

the gap between existing producer responsibility initiatives and IPP

Taking together the lessons from existing producer responsibility initiatives, set out in section 1, and looking at the emerging agenda and ideas for what IPP might mean set out in section 2, it is clear that there are five major areas of difference:

- Producer responsibility at present deals mainly with the waste phase, not with whole product lifecycle. This overlooks major impacts that occur in manufacturing and in use and does not allow trade-offs between impacts in different phases.
- Current approaches assume equal merit of recycling all materials – tonnage is a proxy of environmental impact.
- The influences of producer responsibility initiatives on design for re-use, recycling and waste minimisation are indirect and weak at present. They probably could be stronger though if more vigorously enforced, or if the cost of end-of-life processing/disposal became higher.
- Current applications of producer responsibility capture materials from products at the end of their life, but there is insufficient market pull for recyclates or re-use options, making a closed-loop system impossible. A closed-loop is desirable where there is a net benefit in terms of energy and materials.
- While much effort has been expended on capturing waste, and quite a lot on improving production processes (mostly through measures other than producer responsibility) very little has been expended on encouraging consumers to consume less or better.

For these reasons, it may be that there will be fewer, or no, producer responsibility initiatives coming from Europe, and the policy emphasis turns to integrated approaches. But will these be any more successful? The next section sets out how we might attempt to bridge this divide in the UK.

so how should producer responsibility move forward?

where do we want to get to in the UK?

A lack of clear, shared objectives is a recurring theme in the emerging IPP debate and the waste and resources debate more broadly. What would constitute an integrated approach? Which environmental impacts are most important, and which products should be tackled? The uncertainty compares unfavourably to the energy debate, where carbon reduction has become a clear consensus, with political backing and concrete mechanisms in place to start to achieve it. Part of the problem is that we do not know, except for energy, how much of a particular resource we can use within sustainability limits. In addition standard Regulatory Impact Assessments, a key tool in UK policy making, tend to concentrate on costs to industry rather than the costs of environmental damage. Carbon is a single, relatively easy commodity to quantify whilst most other wastes are highly heterogeneous in composition and in origin.

“ we do not know, except for energy, how much of a particular resource we can use within sustainability limits ”

In response do we just create a requirement for continuous improvement; use a proxy such as energy; or try and quantify the impacts of consuming different resources? Using detailed methodologies such as a life-cycle analysis may give answers to these questions, but it seems likely to get bogged down in arguments about the methodologies of such approaches and also the time and financial resources to undertake them. One simple measure for general waste might be the waste intensity of the economy, for example, expressed as waste/GDP ratio with the goal of progressively reducing the size of the ratio.

The answer is that we probably need to move forward on all of these at once, through a variety of mechanisms. The reasons for doing so are compelling:

- **technological** – The Japanese apparently see their drive towards more ‘environmentally sound’ products as a way to stimulate innovation and gain ‘first mover’ advantage. This could be considered to be comparable to the German approach and successes in the 1980s and 1990s on environmental technologies. The UK has considerable relevant expertise including non-food use of biological resources, nano-technology and smart materials. For example, smart heat-sensitive fixings are now available that allow products such as mobile phones and other items of WEEE to be self-dismantling when exposed to heat.⁴⁸ It should be possible to characterise environmentally-progressive innovation in terms of broad objectives, in tandem with developing life-cycle knowledge about existing products. Although we manufacture increasingly little in the UK and Europe, we do conceive, design, assemble and sell products here, so we could condition considerable chunks of the supply chain if we chose to.
- **economic** – by developing UK-specific initiatives which aim to ‘close the loop’, preferably through a light-touch regulatory approach, the UK could avoid over-prescriptive approaches that may emanate from Europe.

- **political** – by seizing the IPP baton and striving to make it meaningful here, the UK could bid for world leadership on product policy, using it in the first instance to help meet climate change objectives, and speed up the move away from consumption of oil and other non-renewable resources.

A frequently-raised question is whether there is scope for the UK to act independently of the EU. To meet the aims outlined above, flexibility and agility are needed in both policy responses and business practices, but also consistency with the single market. The most obvious answer to this is the setting of minimum standards or targets, whether on a statutory or voluntary basis, with strong incentives to go further. There may be a number of possible models within this basic idea. At the same time, there must be a general consensus within industry sectors on future directions, so that high standards are not seen as either a disproportionate burden on producers or too high a cost for consumers, letting producers with less advanced products and lower costs jump in to capture markets. A long-term view is essential.

how to bridge the gap from the UK perspective? our recommendations

As the discussion above clearly indicates there is a gap between existing producer responsibility initiatives and their focus on end-of-life waste management and the delivery of the more ambitious objectives of the various thematic strategies, draft directives and framework strategies that are emerging in the UK and Europe. We believe the following recommendations will be needed to bridge the gap:

recommendation 1: set a clear UK objective to move towards a 'closed-loop' economy

This should also set the ambition to lead other countries in the same direction. By closed-loop we mean an economy based as far as possible on the cyclical flow of non-renewable resources, the sustainable and cyclic use of renewable resources and an economy driven by renewable sources of energy. Emphasis should also be placed on reduction of toxic raw materials. Lack of end markets and toxic by-products may limit the ability to close the loop in some cases, but the concept can be further developed to take these into account. It should be reflected in the indicators developed as a consequence of the *Changing Patterns* document (see section 2 above), and underpinned by concrete targets in key areas such as waste reduction, water and energy efficiency and reduction of particular chemicals. It would also be helpful to reach a clear decision on the definition of waste and when it ceases being considered as such. Some further examples of closed-loop economy approaches are given in *Box 4: Principles for a closed-loop economy*.

recommendation 2: establish a new institutional base to achieve this objective

A new strong institutional base is needed to drive towards this objective, one which is capable of both analysis and implementation. This might be a new, free-standing products agency (or set of sectoral product agencies), an adjunct to an existing agency, or a more broadly conceived Strategic Resource Authority, as suggested by Waste Watch.⁴⁹ The pros and cons of these options need further debate. The new body needs to build on WRAP's role in providing market pull as well as push, and it needs to have the capabilities, knowledge and credibility with key actors to pro-actively build and sustain relationships for mutual benefit. It could be funded by a combination of government and industry money, and needs to be accountable to both.

The ideal model is of a body that would set objectives, use a suite of instruments with the powers to deploy them, and alongside winning the confidence and co-operation of businesses, have the resources for rigorous enforcement where needed. By contrast to this aspiration, the UK Government's proposal to establish a voluntary business forum to drive progress on the design objectives of the WEEE Directive is wholly inadequate.⁵⁰

recommendation 3: ensure establishment of academic centres of excellence

Government, in co-operation with business, needs to sponsor centres of academic excellence on product and process assessment which will help to stimulate product and process innovation and generate business tools for translating closed-loop strategic aims into economically-viable business solutions. These centres need to be backed up by appropriate Research Council programmes and in-company research, as well as German-style technology introduction programmes and mechanisms for business learning. Businesses should be encouraged to help pay for research. There is also an urgent need to focus research and collect data on broader issues related to product policy, for instance understanding resource flows. Organisations like the Design Council have a crucial role to play. The Japanese experience of such bodies, which suggest the level of research and alignment with emerging agendas is greater than in the UK or Europe, may be worth studying in more detail.⁵¹

recommendation 4: make business responsible for understanding and reducing impacts, in line with the overall 'closed-loop' objective

There are a number of approaches that could underpin this basic strategy:

- A product rating approach could be employed based on three or four key parameters: tackling as priorities energy use, water use, hazardous materials and disposal considerations. These could be developed into specific product standards as knowledge and ownership of the impacts develops among industries. The ratings approach appears to have worked well for white goods and could be extended to other domestic goods and large consumables such as televisions, monitors, PC's, printers and cookers.⁵²
- Up-front product levies could further increase the incentive to 'close the loop' particularly if graduated to encourage longer life, easier repair, modularity and upgradeability. See *Box 5: A graduated product tax – some ideas*.
- Target-based waste prevention policies designed to reduce particular material or energy uses, with implementation negotiated with leading companies, and big costs attached to missing targets. Long-term targets are good for innovation. This would complement increasing landfill tax by providing reduction incentives at both the production and disposal ends of system. Sectoral sustainability strategies might help with developing targets, by identifying, and negotiating with, industries with the greatest impacts.
- Greater use of codes of practice and benchmarking, which would be a low cost means of encouraging progress. Benchmarking mechanisms would be designed to hit the worst performers. For example, any product which is, say, 20 per cent less efficient than the market leader could be deemed not fit for purpose and possibly subject to bans or levies. Ranking initiatives might include having some measure of product life-cycle incorporated into the FTSE4Good Index, or a 'name and shame' league endorsed by government. This might encourage, and ultimately require, more reporting of product lifecycle information in annual reports.

- Shift more responsibility for administration as well as delivery onto companies. This would be a form of ‘corporate subsidiarity’ and avoids the lack of transparency of government negotiating on companies’ behalf, although care must be taken to learn the lessons of early mechanisms for the packaging Directive where companies failed to reach agreement in a reasonable time and eventually asked for regulation instead.⁵³ Such an approach carries the risk of delaying progress with integrated product policy if industry does not buy into the objectives. One role for the new institutional base in Recommendation 2 above could be to act as a broker and facilitator in developing appropriate mechanisms.

box 5: a graduated product tax – some ideas

- All white goods (and other similar consumer durables) with less than a five-year (actual period dependent on optimum product life-cycle) repair or replace warranty should be subject to a tax at the point of purchase. The tax could be used to fund a product agency.
- A new essential requirement – products must be designed to prevent premature disposal occurring due to product components being non-repairable or upgradeable. This is not as unfeasible as it might seem, for example, boiler manufacturers are currently required, apparently by law, to maintain parts availability for ten years after a boiler model’s final manufacture.⁵⁴ A Danish study showed that longer guarantee periods would encourage people to repair products rather than buy new ones.⁵⁵
- Recycled content requirements will be placed on manufacturers to drive up demand for collected recyclable materials. This will need to be backed up with support for much better characterisation and specifications of reclaimed raw materials such as recyclates.
- A graduated tax for products from which materials cannot be reclaimed without downgrading, ie producers should be rewarded for designing for disassembly and so that the materials can be reclaimed without ‘downcycling’ to lower grade uses.

recommendation 5: framework legislation to enable statutory targets if needed

Measures need to be backed up with prescriptive regulations and punitive taxes, even if these are only a fall back, so that businesses have an incentive to act. There is the Essential Requirements model, or the Dutch model, where targets are set as part of a stakeholder process, and industry’s voluntary compliance is rewarded with exemptions from the requirements of a prescriptive regulatory regime. Those that are first to act could have reduced obligations if regulation is brought into force as a result of ‘free riders’.

recommendation 6: boosting procurement initiatives for market pull

Procurement measures are likely to be important in getting IPP off the ground. The public sector has such huge purchasing power that supply chains quickly adapt – as the Japanese have found.⁵⁶ All UK government purchasing departments already have to work to minimum environmental standards for certain types of product, based on energy efficiency, biodegradability and recycled content, and Defra has highlighted some ‘quick wins’ for purchasers.⁵⁷ This gives a good platform for expanding the list of both products and environmental criteria, provided there is some explanation about the need to consider trade-offs – for instance, using recycled material for some materials can mean using more material and energy overall. An explicit ‘green purchasing law’, which could ultimately be applied outside the public sector, would give the existing requirements greater visibility. The European Commission has also issued guidelines on public procurement⁵⁸ that clarified the right of purchasing authorities to set environmental conditions when buying products and services.⁵⁹ However, it is also crucial that ‘green’ or ‘sustainable’ procurement is seen as part of a coherent package of policies throughout the whole of government, not just the responsibility of individual purchasing professionals.

recommendation 7: demand side measures for market pull

There is an urgent need for fiscal and other government instruments to provide market pull – producers just cannot do that bit. These might include, as well as taking the lead in sourcing recycled products through public procurement, measures such as virgin materials taxes and minimum-recycled content measures, where these can properly be measured and monitored. When composting systems are well enough developed, it may be appropriate to use fiscal encouragement for biodegradable materials, to direct them down the composting route. Waste classification should also be looked at, since the classification of waste as hazardous may in some cases be an unnecessary barrier to greater recycling. There are other unnecessary barriers - a recent OECD report identified a number of market inefficiencies in recyclable material markets, addressable by various public policy interventions, none of which represent radical departures from current practice.⁶⁰

Overall, the strategy is one of economically and technically robust agreed assessment methodologies with strong financial incentives for sectors to develop the necessary knowledge base and infrastructure. The carrot would be government investment in the knowledge base to underpin the assessments and help with making products more efficient; and possibly support for brokering or facilitating the necessary relationships and understandings and trust among key actors. The stick would be the prospect of levies on the worst-performing products or products without environmental impact assessments. The examples given in Box 6 give some international models along with lessons drawn that may be helpful in taking this agenda forward in the UK.

box 6: some international models that might help

country/approach

Netherlands: Producer responsibility for packaging evolved through co-operation between government and industry, with committees comprising high-level people, able to take a strategic view and well resourced. Clearly defined goals give industry room to choose how to deliver; but if they don't deliver, government will legislate.⁶¹

Denmark: Danish EPA's biggest project on Integrated Product Policy has been the Environmental Design of Industrial Products (EDIP), which includes a tool for design and construction of products given environment, working environment and resource considerations. The EDIP tool gives a quantitative picture of a product's environmental properties, enabling comparison of the different product alternatives. One news release declares, 'Have your defective TV repaired, but throw away your old computer monitor'.^{62 63}

Japan: Sets out categories (presently 7) of industries and products that then become subject to specific requirements – eg there is a category of 'specified resource-saved products' where products designated under that heading must 'take measures to rationalise raw materials, prolong product life and reduce the generation of 'end-of-life' products. Products currently under this heading include TVs, air conditioners, refrigerators, washing machines, microwave ovens, and personal computers.⁶⁴

Japan: Procurement laws specifying 'green' purchasing

International: A voluntary "Environmental Agreement" between the Commission and detergent industry association AISE whose members account for over 90% of the detergent and cleaning product industries in the EU. AISE committed itself to meeting four targets through a code of good environmental practice for its members. Levels of poorly biodegradable organic ingredients (PBOs) in detergents and amount of energy used per wash both fell further than targeted. However, as the number of washes rose, per capita detergent use fell more slowly than targeted, and progress in reducing packaging was limited. The Commission pronounced the exercise an overall success.⁶⁵

lessons for UK

Voluntary approaches can be successful if there are stringent enough back-up measures, and high quality dialogue and transparency.

LCA expertise can enhance the policy debate and public awareness – we need more of it in the UK, or better use of work being done elsewhere.

It is possible to see eco-design measures as enhancing competitiveness; it is possible to set categories and arrive at priority products; companies are responding by revising product assessment manuals.

Commitment from public sector is already changing supply chains.

Voluntary codes can yield environmental improvement and generate useful data.

possible candidates for extended/integrated producer responsibility

If producer responsibility is to be extended the lessons set out above need to be learnt and it must take place in the context of Integrated Product Policy. Below are some waste streams where producer responsibility approaches have been discussed, and some of the considerations that would have to be brought to bear if a more integrated approach is to work.

box 7: some possible candidates for extended/integrated producer responsibility

product stream	rationale
Waste Oils	Toxicity in environment; OECD suggestion; incineration Directive will restrict options; some countries already doing it. An integrated approach, where the life-cycle of different oils is considered, could usefully connect with the current debate about the merits of biofuels.
Pharmaceuticals	Toxicity; French do it; targeted under Belgian eco-tax law. Small number of producers. An integrated approach which looked at environmental effects, eg endocrine disrupters to target most important products could connect with the chemicals debate.
Paints	Toxicity; ban on co-disposal. Smallish number of producers. An integrated approach might look at service options as well as re-design of products.
Pesticides	Toxicity; targeted under Belgian eco-tax law. Smallish number of producers. An integrated approach might look at service options as well as re-design of products.
Construction and Demolition Waste	Large part of controlled waste stream; done in several other countries. Given quantities and transport implications, clear argument for attempting to 'close the loop' more thoroughly. Already some purchase on issues through procurement routes such as PFI; and purchase on all building through forthcoming sustainable buildings code.
Nappies	Not wanted in landfill; largish part of controlled waste stream; an integrated approach might suggest re-design and alternatives.
Food	Not wanted in landfill; large part of controlled waste stream; hard to get a purchase on through other mechanisms. Would have to be an integrated/shared responsibility approach: supermarkets could work together over long term to agree life-cycle impacts of categories to food stuffs and use their supply chains to address them; government could provide research funding.

Box 7: Some possible candidates for extended/integrated producer responsibility *continued*

Computer Software	Not obvious but could reduce impacts including paper consumption, which has increased with the internet enormously, and energy consumption. Small number of producers.
Software Sustainability	Measures could include prompts on energy efficiency, double-sided paper, default eco-options, back-up to stop printing. Affecting the development of systems control software could also be interesting in terms of creating requirements to optimise a variety of systems for lower environmental impact.
Furniture and Carpets	Large goods, hard to handle in the waste stream; service/leasing options might work here. Already done for some industrial carpet supply. Smallish number of producers.
Textiles	An integrated approach could target design for waste minimisation, durability and recyclability, as well as supporting re-use through established routes.

moving this agenda forward

The starting point for this project was to ask what role producer responsibility could play in delivering ambitious waste and resource objectives. It has been clear from this work that if more is to be delivered through producer responsibility it has to be within the context of a much broader agenda. This agenda covers the impacts of products throughout their lifecycle – Integrated Product Policy – and still more broadly the systems of consumption and production that products are used within – Sustainable Consumption and Production.

The ultimate aim is to transform the way we use resources so as to reduce the impacts of products and consumption within environmental limits. This is no easy task, either in agreeing limits and objectives or actual implementation. But if it is to happen to any significant degree we need to raise our ambition beyond a desire to meet the objectives of the landfill Directive and other end-of-pipe waste management targets, and beyond even the next set of recycling targets, which are themselves challenging. This is the aim of the seven recommendations above that are intended to bridge the gap between an end-of-pipe and a closed-loop economy.

“ The ultimate aim is to transform the way we use resources so as to reduce the impacts of products and consumption within environmental limits ”

The experience from abroad illustrates that there are already options available for implementing a number of these recommendations. Our work has also identified possible products that could be the focus of future extended/integrated producer responsibility measures. Deciding whether these are the right products and the detail of how the impacts associated with them should be addressed, is beyond the scope of this work, although we have provided some options. This is a job for a possible product agency, in whatever form it takes. However, the list does clearly illustrate that there are a significant number of products and impacts that need attention if the government is to meet its own objectives in this area – Defra’s five year strategy has among its strategic objectives the development of programmes to decouple economic growth from environmental degradation and unsustainable resource use, as well as environmental protection through waste minimisation.⁶⁶

There is an opportunity for the UK to be a lead advocate and practitioner on this agenda in Europe and globally. There are also potential benefits that go beyond environmental ones – such as the competitive advantages of being at the leading edge of product design, and benefits to health. While there are some pointers from other countries that indicate how to move forward there is also a need to develop new thinking and ways of approaching policy and implementation. A ‘can do’ approach is badly needed. We hope that the discussion reflected in this report will stimulate thinking, inspire action and assist practical outcomes. We look forward to the review of Waste Strategy 2000 as the first opportunity to advance this agenda.

“ There is an opportunity for the UK to be a lead advocate and practitioner on this agenda in Europe and globally ”

annex I - project steering group

A steering group was formed for the project. This met regularly during the project to discuss working papers and provide advice on the direction of the project.

The steering group was formed of project partners and advisors:

project partners

Peter Jones – Biffa

Nigel Smith – British Retail Consortium

Glyn Stacey – BT

James McKechnie – Sainsbury's

Michael Coe – Unilever

David Wilkinson – DTI

Elaine Kearney – Sustainable Technologies Initiative project monitor

project advisors

Doreen Fedrigo – Waste Watch (now ACRR in Brussels)

Chris Hewett – Environment Agency

Dominic Hogg – Eunomia Research and Consulting

Alistair Keddie – Independent strategy adviser

Tamara Miller – Defra

Robin Murray – Ecologica

annex II

This annex gives details of the project's working papers and the seminar held in July 2004.

working papers

- 19 December 2003 - Scoping paper and summary table of current initiatives
- 29 January 2004 - Discussion paper on issues raised by scoping analysis
- 2 February 2004 - Project Scope
- July 2004 - 'Paper I' Analysis of the gaps between the aspirations and the implementation of current 'producer responsibility' Directives – packaging, WEEE, and ELVs. (The freelance researcher Anne-Emmanuelle Bégin was commissioned to produce this paper.)
- July 2004 – 'Paper II': Summary of issues around implementation of the producer responsibility Directives (from Paper I) and some possible lessons to be learned.

seminar

producer responsibility – what can we expect next?

9.50am-1.10pm, 15 July 2004, The Royal College of Pathologists, London.

session 1: what should producers be made responsible for next and why?

- Peter Jones, Biffa – A model for developing producer responsibility in new product streams.
- Martin Charter, Centre for Sustainable Design – Lessons from Japan.
- Christopher Allen, European Commission – the Commission's approach to producer responsibility.

session 2: what can producer responsibility contribute to the development of Integrated Product Policy agenda?

- Bob Ryder, Defra – the UK Government's perspective.
- Alan Knight, ACCPE – Recommendations for taking product policy forward in the UK.
- Melissa Shinn, European Environmental Bureau – What is needed at the European level to drive progress?

1. *Creative Policy Packages for Waste: Lessons for the UK*, is available to download from the Green Alliance website at www.green-alliance.org.uk/ourwork/CreativeWasteProject_page80.aspx
2. See Recommendation 2, page 117, *Waste Not, Want Not: A strategy for tackling the waste problem in England*, Strategy Unit, November 2002.
3. Speech by the Prime Minister, Rt Hon Tony Blair MP, on 14/9/2004 at the tenth anniversary of the Prince of Wales' Business and the Environment Programme.
4. Speech by Secretary of State for the Environment, Rt Hon Margaret Beckett MP to Labour Party Conference, on 26/9/2004, available from www.labour.org.uk/ac2004news?ux_news_id=ac04mb
5. Jeff Cooper, Producer Responsibility Policy Manager, Environment Agency, writing in UK Environment News, page 1, issue 1, vol. 8, 2004.
6. OECD summary of producer responsibility as quoted on page 37 of *Environmental Regulation: Getting the Message Across*, The Better Regulation Task Force, July 2003.
7. Page 62, *Waste Not, Want Not: A strategy for tackling the waste problem in England*, Strategy Unit, November 2002.
8. Page 13, *Environmental Regulation: Getting the Message Across*, The Better Regulation Task Force, July 2003.
9. Engineering Employers' Federation submission to Better Regulation Task Force project on the implementation of the producer responsibility directives (see note 9).
10. Page 5, *Re-use of Primary Packaging – Main report* (EU Commission), available under 'research' on www.pswg.org.uk/packaging_resource_centre.html
11. Paragraph 4.3.20, *Producer Responsibility: Identifying the Issues, Forecasting the Impacts, Determining the Response*, Associate Parliamentary Sustainable Waste Group, 2005.
12. Page 5, *Re-use of Primary Packaging – Main report* (EU Commission), available under 'research' on www.pswg.org.uk/packaging_resource_centre.html
13. Section 3.2.3, *Study on the implementation of Directive 94/62/EC on Packaging and Packaging Waste and options to strengthen prevention and re-use of packaging – Final Report*. Ecolas/PIRA, 13/10/2004, available from europa.eu.int/comm/environment/waste/packaging_directive_study.htm
14. See *Wrap Achievements Report 2003/4* for further examples, available from www.wrap.org.uk
15. *Environmental Regulation: Getting the Message Across*, The Better Regulation Task Force, July 2003.
16. Personal communication December 2004.
17. See section 3.1, *European Packaging Waste Management Systems – Final report to European Commission DG XI.E.3*, February 2001, available from, <http://europa.eu.int/comm/environment/waste/studies/packaging/epwms.htm>
18. PriceWaterhouseCoopers, *The Facts: A European cost/benefit perspective – management systems for packaging waste*, October 1998.
19. *Assessing the challenges for packaging recovery*, pages 24-27, ENDS Report 356 September 2004
20. Derived from the tonnage assessments carried out by the Advisory Committee on Packaging, as supplied to Defra.

21. Reuse of Primary Packaging Country reports (c/o European Commission) – available under research on http://www.pswg.org.uk/packaging_resource_centre.html
22. INCPEN, quoted in *Impacts of the Packaging (Essential Requirements) Regulations - A brief survey*, DTI 2003, available from www.dti.gov.uk/sustainability/packagingfinalreport.pdf
23. *OfficeWorld fined in rare excessive packaging prosecution*, page 54, ENDS Report 357, October 2004.
24. Personal communication, project advisor Michael Coe, Unilever.
25. PriceWaterhouseCoopers, *The Facts: A European cost/benefit perspective – management systems for packaging waste*, October 1998.
26. *Packaging ‘essential requirements’ spur eco-design, claims DTI*, page 31-32, ENDS Report 347, December 2003.
27. *Impacts of the Packaging (Essential Requirements) Regulations - A brief survey*, DTI 2003, available from www.dti.gov.uk/sustainability/packagingfinalreport.pdf
28. *OfficeWorld fined in rare excessive packaging prosecution*, page 54, ENDS Report 357, October 2004.
29. <http://europa.eu.int/comm/environment/ipp/2001developments.htm>
30. <http://europa.eu.int/comm/environment/ipp/ippcommunication.htm>
31. For more information on environmental product declaration see: www.ivf.se/ivfTemplates/ProductDescription____840.aspx
32. *The wheels of integrated product policy grind slow*, page 28-31, ENDS Report 342, July 2003.
33. See <http://europa.eu.int/comm/environment/ipp/implementation.htm>
34. *The wheels of integrated product policy grind slow*, page 28-31, ENDS Report 342, July 2003.
35. For details see www.mtprog.com
36. For further details see www.defra.gov.uk/environment/consumerprod/accpe/report03/pdf/accpe_report03.pdf
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