Poland’s comments on the discussion paper

Poland welcomes the fact that many of its proposals submitted at an earlier stage were included in the discussion paper, including those concerning the necessity to ensure coherence of the planned measures with the following flagship initiatives of the Europe 2020 strategy: Integrated Industrial Policy for the Globalisation Era and Resource Efficient Europe. Poland would like to point out that the document does not refer explicitly to the Innovation Union, although it highlights the importance of R&D and the development and implementation of innovative solutions, both technological and organisational/product (i.a. development of new business models or enhancing cooperation e.g. industrial symbiosis).

Poland suggests referring to the Lund Declaration, adopted on 9 July 2009 at the Swedish Presidency conference 'New worlds, new solutions', which emphasised the necessity to focus available resources on urgent actions in the field of R&D and innovation to respond to the grand challenges of our time, such as those related to climate change, energy and food security and access to water, improvement of health and prevention of epidemics and pandemics. The Declaration underlined that the actions should be undertaken in partnership and should involve stakeholders from both public and private sectors.

Welcoming the initiative of the SCP/SIP AP review, Poland would like to point to the necessity to systematize the objectives of the future Action Plan. As regards the major issues discussed in the document, we see the following as a priority:

a) Detailed costs/benefits analysis of planned measures, including competitiveness proofing, taking into account in particular the need to reduce administrative and reporting burden, in particular in the SME sector;

b) Assessment of the impact of proposed measures on employment, taking into account in particular the potential to create new, green and decent jobs, as well as the threat of their losses, along with proposed activities in individual sectors, also with regard to training and outplacement;

c) Assigning higher priority to measures for promoting sustainable consumption and lifestyles, including formal, informal and non-formal education at all levels and increasing access to reliable information on products and operations of enterprises;

d) Taking into account the full life cycle of products, in particular the environmental impact of imported products, including consumption-based emissions of greenhouse gases, in the decision-making process;

e) Establishing more efficient links between the SCP/SIP AP and corporate social responsibility (CSR) initiatives and the Social Business Initiative;

f) Introduction of the institutional framework necessary to transform the social and economic system towards efficient use of resources and SCP/SIP.

General comments

The objectives of the future SCP/SIP AP must be systematised. They should have assigned the scenarios including the set of complementary instruments (voluntary,
regulatory, economic and information), along with a detailed Sustainability Impact Assessment (SIA). Since the European Commission’s proposal assumes that the planned measures should be fully completed by the end of 2015, the costs/benefits of the measures implementation must be estimated. The estimation should orderly analyse the impact of policies, programmes and projects on the economy, social and environmental dimensions, both at the stage of their preparation (ex-ante) and implementation (ex-post).

It is of particular importance to carry out the competitiveness proofing of proposed measures. The issue was highlighted in the EU Council (in the COMPET format) Conclusions adopted on 29 September this year. In Section 12 of the Conclusions, the Council invites the Commission to explore in a more systematic way the positive and negative impacts of legislative initiatives and policy instruments, inter alia relating to resource efficiency (in the field of the climate action and, more generally, environment, but also energy, transport and agriculture), on the international, regional and sectoral competitiveness of European enterprises. The Council made the earlier general proposal of the Commission more specific by pointing out that even an indirect impact on the competitiveness of European enterprises is sufficient to conduct competitiveness proofing.

Furthermore, Poland considers it necessary to perform an in-depth analysis of the effects of proposed measures on the labour market. This concerns in particular the sector which will require extensive restructuring (e.g. entities of the mining sector and the mineral resources processing sector). The instruments must be developed to prepare a precise forecast of employment changes (including both the creation of new jobs in dynamically developing new sectors/industries and their losses in traditional sectors) and the flow of employees to other industries/sectors, which entails the necessary adjustment of training programmes and necessary support instruments. Those issues should be properly addressed in the New Financial Framework for 2014-2020.

Another important field of analysis could be an attempt at estimating biocapacity in relation to ecological footprint per capita. When such methodology is developed, it would be possible to try to link fiscal instruments in individual countries with per capita ecological footprint as compared to biocapacity. The introduction of additional measures on consumption side, such as the relation between material and non-material consumption in the context of the environmental impacts, both for individual and collective consumption, should also be considered.

The awareness of unbalanced nature of economic growth and the threat of destabilization of social and economic system due to de-growth means that an in-depth discussion is required on the importance of well-being and quality of life of the EU citizens. If the society does not understand the above challenges, no significant changes in the field of SCP/SIP will be possible. Poland would also like to emphasize that many of the measures proposed by the Commission will require additional monitoring and reporting, as well as initiatives aimed at complementing national accounts with integrated environmental and economic accounting and in further perspective also with accounts concerning social aspects (in line with the beyond GDP approach). Such measures will undoubtedly entail additional administrative burden and thus additional costs. Therefore, they should be reflected in the final wording of the New Financial Framework.

Poland is concerned about the fact that the overwhelming majority of the Commission’s proposals are referring to the production and product aspect, at the expense of consumption, though the Commission admits in the document that sustainable consumption should be the social norm, as otherwise it will remain a domain of a narrow group with the greatest ecological awareness and a limited final effect. Poland would like to point out that in
recent years the measures focused mainly on production side and thus a higher priority should be given to consumption, both of enterprises and of households, in order to reduce the gap between the values believes in and the purchase decisions made. In addition, Poland stresses that efficient implementation of the SCP/SIP AP requires an increased coherence of implemented measures, which was noted by the Commission. In this context, the lack of any reference to the EU consumer policy in the document is the most concerning.

Poland would also like to emphasise that the document should include conclusions and recommendations from an in-depth analysis of side effects in the field of consumption, which occur as the result of implementing more environmentally friendly solutions in the macro and micro area (the so-called re-bound effect). In addition, the new SCP/SIP AP should highlight the problem of increasing availability and efficient use of raw materials, in particular in the context of growing monopoly in the field of supplies of rare-earth elements and the related threats for the manufacturing sector in the EU.

We welcome the fact that the document highlights the need of measures for further development of an approach based on life cycle assessment, as well as to develop the sustainable supply chain, taking into account in particular the consumption-based emissions. We, nevertheless, see the need to perform an extended analysis of the impact of taking into account the environmental footprint on competitiveness of the European economy, in particular on additional administrative burden stemming from the proposed extended reporting on performance and products.

Due to the fact that the social dimension of the SCP/SIP is not sufficiently elaborated in the document, Poland suggest to strengthen a link between the future Action Plan with the Commission’s measures for CSR and Social Business Initiative. The major areas of synergy between the aforementioned initiatives include:

- Increasing the market transparency, including the disclosure of non-financial data;
- Management of the social, environmental and management risks in the entire supply chain;
- Promotion of sustainable public procurement and responsible investment.

The identification of the key barriers to development and the success factors, including the efficient management of the transformation process, are also important. Therefore, Poland is of the opinion that that apart from the reference to the behavioural economics the document should also refer more extensively to the institutional economics, in particular to good governance and participation models. In view of the above, the role of the government is creating favourable framework conditions for the SCP/SIP implementation should be emphasised. In this context, Poland would like to point to the possibility to use the potential of National Reference Centres on Sustainable Consumption and Production created within the EIONET network, which cooperate with National Focal Points (NFP) and the European Topic Centres (ETC).

In the course of its further work, the Commission should also use the results of the projects implemented in the field of SCP/SIP, inter alia Sustainable Production through Innovation in Small and Medium sized Enterprises in the Baltic Sea Region - SPIN, in particular the Synthesis Report which presents the proposals of instruments supporting eco-innovation that are key elements for implementing sustainable production patterns.

Detailed comments
Section C The Policy challenge/rationale
As rightly pointed out by the Commission, prices do not always reflect all environmental costs incurred during the entire life cycle of a product. Since for a significant part of the society, the price of the product is the most important criterion while other factors are of secondary importance, **Poland welcomes the fact that the document addresses the issue of market failures.** However, we stress that the transformation towards SCP/SIP will require **building a new social and economic model**, which would be more resistant to market shocks, socially fair and stable in the long term.

The internalisation of the economy manifests inter alia as higher development dynamics of cooperation ties and trade relations, increasingly frequently results in the **lack of adjustment of structures and management models of organisations to current challenges, also in the area of sustainable development**, thus putting market participants at risk of severe economic process disturbances. Such challenges motivate to search for possibilities to supplement the adopted rules governing the functioning of the economy with **additional mechanisms** which would allow to identify market opportunities and threats more precisely in the long-term perspective. This in turn would allow to **take pre-emptive measures, including appropriate allocation of assets**.

The transformation process (based both on incremental and radical changes) should cover all sectors and areas of life, also in the field of administration and management. In this context, it is of utmost importance to take note of the specific conditions in individual countries, including their varying starting points and capacities. Therefore, the key issue is to **maintain required flexibility in proposed measures**.

The key challenges which will be faced in the near future include:

- Ensuring access to natural resources and their sustainable use;
- Reducing social inequalities, in particular the poverty, in particular among young people and people at risk of social exclusion;
- Ensuring food security in the face of current demographic trends.

Therefore, the measures proposed in Section D 4.7 should be supplemented with the proposals in the aforementioned field.

**Section D Delivering more sustainable products, production and consumption**

The European Commission focused on improving the environmental quality of the products, development of life-cycle assessment methodology and a wider application of green public procurement. Poland agrees with the proposed direction, at the same time pointing to a significant role of households in sustainable consumption. Therefore, **more emphasis should be put on sustainable consumption, mainly on increasing the availability, functionality and attractiveness of products with a lesser environmental impact.**

**Section D 1. Development of life-cycle assessment methodology (LCA)**

**Poland welcomes the proposals based on the entire life-cycle assessment, which is of particular importance for the sustainable supply chain management.** One of the major problems with applying the LCA methodology is diversity of applied methods, practices and data formats, resulting in information chaos. Moreover, the LCA results leave a relatively large discretion in interpretation which may cause their incomparability and thus lead to misunderstandings and errors. We can hope that intensive work in this regard, which is underway in numerous science and research centres (in other 60 higher education institutions around the world, in SETAC, UNEP, in the private sector and the European Commission),
will translate into a better legibility and reliability of information for enterprises and consumer.

Poland welcomes the initiative to create a European database to enable a wider access to necessary knowledge. However, Poland is of the opinion that until the coherent methodology, ensuring comparability and repeatability of the results, is developed, the currently existing methodologies should not be the only basis for further activities, both for Member States and the European Commission.

Poland believes that efforts should be made to simplify the LCA methodology and use its elements in the environmental management systems compliant with ISO 14001 and/or EMAS (also informal systems, e.g. under Cleaner Production), which would increase the chance for systematic addressing of the problem and minimising the environmental impact of life cycles of products and processes, also in the SME sector.

**Section D 2. Incentivising improvement of environmental performance of companies**

Poland supports measures aimed at increasing market transparency and credibility and notes that they should be connected to the support instruments for corporate social responsibility (CSR) to the greatest possible extent. The introduction of the solutions, particularly regulations and economic instruments, should not, however, result in excessive administrative burden that would make it difficult for enterprises to operate efficiently and make use of their innovative capacity. The planned solutions must be adjusted to the size, needs and operating areas of enterprises to ensure benefits would also cover the sector of SMEs that frequently have insufficient human or financial potential to meet the challenges of extended reporting.

Priority should be given to transparency and effectiveness of the management and administration system, including by the development of appropriately organised and competent institutional infrastructure. It is thus important to create favourable conditions for development of independent watchdogs and further development of platforms for cooperation and dialogue with stakeholders.

Poland would also like to point out that imposing additional reporting obligation only on selected priority sectors will result in imbalance of the reporting requirements. The proposal of setting benchmarks and indicators for selected sectors also raises concerns, since, due to the high diversification between Member States at the technological level, it may lead to the strengthening of the monopoly of large entities. It is unclear how to treat the enterprises operating outside the EU which sell their products on the EU market. The introduction of additional requirements (e.g. customs duties) may be appealed against and rejected at the WTO as an attempt to limit competition by means of unjustified and excessive administrative requirements.

Poland also stresses that in view of the expected structural changes leading towards SCP/SIP, the analysis and management of risks, including environmental, social and governance risks, are important elements which should be taken into account in the activities of enterprises. Therefore, Poland suggests that the future SCP/SIP AP should include mechanisms aimed at promoting the risk assessment and management systems, based on already used tools, such as the British Operational Risk Appraisal (OPRA).

As regards the SME sector, Poland points out that the key barrier for enterprises in implementing the SCP/SIP is the lack of access to information, and mainly the lack of awareness (in particular among the management) about the benefits (growth of the company's goodwill, image, relation with its environment) and market opportunities resulting from resource efficiency and sustainable development.
Enterprises from the SME sector are somewhat isolated which means that they are not managed in a systemic way. This results in **unused potential of enterprises in terms of marketing, development of new business models or eco-design**. Therefore, education, including in the field of the binding law, is of particular importance. The measures should not be limited to meeting current regulatory norms, but cover a vision of development for several years (strategic development, searching for new niches and trade partners).

**The best results can be achieved by active training, e.g. involving the development and implementation of a "demonstrative" SCP/SIP project allowing to achieve notable environmental benefits and savings.** Such measures will allow enterprises to fully understand the win-win principle, even if so far they have only seen the environmental aspects as an obstacle in economic activity.

Poland also points to the **potential of voluntary commitments by business, self-regulations, industry agreements, codes of conduct, etc.** Voluntary commitments remain an attractive and cost-effective form of cooperation between organisations and the governments, appropriate for all EU Member States. Such commitments may be undertaken not only by producers, but also by traders, local governments, etc. **An example of a solution comibing prevention and constant reduction of pollution for both processes and products, CSR, economic effects and reporting is the Polish Register of Cleaner Production and Responsible Entrepreneurship, which won high recognition in Poland thanks to the involvement of the Minister of Economy and the Chief Inspector for Environmental Protection.**

**Poland emphasises the need to promote responsible investment, since they can be the driving force for the SCP/SIP development.** This concept is also right in economic terms, as evidenced by the Respect Index of the Warsaw Stock Exchange, which was launched in 2009 and includes companies operating in line with the CSR principles. Despite recent large fluctuations on the world stock exchanges, including the Warsaw Stock Exchange, the Respect Index continues to generate the positive rate of return, considerably exceeding the results of the 20 largest stock exchange companies included in the WIG 20 index.

**Section D 3. Ensuring better products on the EU market**

Poland welcomes the proposal to expand the available instruments aimed at promoting the products with a lesser environmental impact and the addressing of resource efficiency in the entire supply chain, including the distribution and disposal of products. It remains unclear, however, whether the proposals presented in the document refer to products manufactured in the EU or whether they also cover imported products.

If the proposals concern only the products manufactured in the EU, the costs of production and thus the impact on competitiveness of the Member States’ economies require further analysis. The European Commission admits that despite the reduction of direct emissions of CO₂ (production-based emissions) from the EU territory, the global emission from consumption in the EU continues to increase, exceeding the reduction on the EU territory. According to the Commission, this results mainly from the fragmentation of policies. This diagnosis seems wrong. **Poland is of an opinion that the increasing net global CO₂ emission as a result of unilateral measures of the EU proves that ambitious measures suggested by the EU do not always generate intended results on a global scale.** This issue should be the foundation for formulating strategic directions of the EU activities, also in the field of the SCP/SIP. Therefore, analytic work must continue to develop methodology allowing for a more extensive assessment of the consequences of the EU activities on a global scale, including the assessment of environmental impact outside the EU. The above
phenomenon leads to an increased imbalance in international trade and a growth of debts of Member States.

Poland also suggests that the creation of crosssectoral partnerships could be considered, whose aim would be to develop product-specific measures. Furthermore, the notion of eco-profile of products should also be clarified in order to avoid varying interpretations.

Section D 4.1. Providing better information for consumers

The proposals of actions aimed at the harmonisation of standards applied to product labelling deserve our support, as they are part of a wider concept of a green internal market. At present, there are too many instruments of environmental labels (e.g. environmental footprint, eco-labels, environmental declarations). It seems advisable to reduce their number to selected segments of products whose environmental impact throughout the lifecycle is the greatest by introducing standardisation for selected product segments. The actions should be closely related to other instruments that allow enhancing market reliability and stimulating demand for products manufactured according to rules of sustainable production (particularly public procurement). It is also justified to support independent product tests.

Particular attention should be paid to frequent lack of a relationship between the declared ecological awareness of citizens and changes to attitudes, lifestyles and consumption patterns. Without a radical change in consumer behaviours and practical implementation of SCP rules in everyday activities, the development of technology will result in increased consumption of resources and energy thus preventing the achievement of absolute decoupling. Therefore, actions for SCP/SIP must aim at minimising the impact of production and consumption on the environment, providing consumers with more comprehensive and universal information on environmental characteristics of products as well as extensive actions for a lifestyle change.

Section D 4.2. Making green products available for consumers

Poland agrees with the Commission’s claim that for the considerable part of the society the most important criteria are: a product’s price, availability, attractiveness and functionality. Therefore, key importance is beginning to be attached to the role of informed and responsible choices of consumers on the assumption of availability and price competitiveness of products that are less of a burden to the environment. Unfortunately, the document lacks in-depth proposals of actions aimed at changing consumer attitudes or changing their lifestyles to more sustainable ones.

The proposal to withdraw products that do not meet specific environmental criteria from retail trade is presented too generally. We should consider what instruments and marketing tools would be conducive to achieving it and within what period the actions would be implemented. Additionally, we should define objectives: general, sectoral or established separately for particular groups of products that are the most harmful to the environment. At the same time, Poland would like to emphasise that the Commission did not refer to the costs of withdrawing the products that do not meet the criteria from the market. This can be of particular importance to the SME sector.

Section D 4.3. Green Public and Private Procurement

The proposed targets for green public procurement for 2020 of 75% on the central level and 50% on the local level (possibly 100% for certain product groups) seem difficult to achieve at the current level achieved by Poland in the area. While we do not question the significance of green public procurement as the tool stimulating the development of the
market of goods and services that meet high environmental protection standards throughout their lifecycle, adopting a binding common objective on the EU level in this respect until 2020 now seems unjustified. **Poland would like to emphasise that such objectives should be adjusted to the capacity of particular Member States taking into account the current degree of development of the green public procurement system.** Putting forward proposals of objectives prior to obtaining the results of the current analysis by the EC gives rise to the risk that Member States would fail to meet the objectives, which casts doubt on the validity of such decisions.

**The proposal to link green procurement with spending funds under the New Financial Perspective is unacceptable.** Introducing such a criterion could become a significant obstacle to project implementation under future operational programmes, particularly as the national market is not fully prepared for the system’s introduction. The actions should be introduced gradually to allow the market to adapt.

The document also lacks reference to social and ethical public procurement. Due to the increasing significance of social issues (particularly in relation to the effects of the crisis), we suggest emphasising the significance of social clauses and changing nomenclature to sustainable public procurement. It also seems advisable to link this task with actions taken to promote and develop CSR and Social Busienss Initiative more visibly.

**Section D 4.4. Incentives for purchase of better performing products**

The proposal to differentiate the VAT rate depending on the environmental impact of products measured by environmental footprint is an interesting idea, worth further analyses and discussions. Economic instruments, including price signals, perceived as an effective market shaping mechanism should be used in SCP/SIP AP along with regulations, voluntary commitments and educational measures.

Yet, the solution proposed by the Commission gives rise to legal doubts for a number of reasons. Firstly, the Commission refers to “reforms of tax systems in Member States” that would consider the idea. It should be pointed out that VAT is a harmonised tax and any changes to the system that envisage changing rates for particular product groups must be adopted on the EU level before introducing them into the legislations of particular Member States (covering a given group with a full, reduced or zero rate, not defining the level of individual rates that is the competence of Member States). **Therefore, issues concerning a change in the VAT system should be discussed and agreed on relevant EU fora.** Secondly, we must remember that the idea behind the VAT is not to achieve other objectives, e.g. ecological. Introducing such solutions is connected with the risk of distorting competition from the point of view of functioning rules of the single market.

**Introduction of such solutions would have to be accompanied by clear and transparent regulations that allow unambiguous definition and classification of environmental goods that would be covered by the proposed instrument.** It should be emphasised here that the methods of estimating the environmental footprint have not been completed or approved, which makes it impossible to prepare a list of products that meet the specific criteria. Taking into account the lack of significant progress in negotiations on the WTO forum, achieving agreement is highly unlikely. In addition, the document lacks information whether the Commision’s proposal assumes introducing the same solutions for all Member States or if the rates would differ in particular Member State. The administrative costs of introducing the new tax system are also an important issue.

It should also be noted that the European Commission (supported by many Member States) is absolutely in favour of gradual restriction on applying reduced VAT rates, not of their further
extension. The above doubts should be examined and clarified on relevant tax fora of the European Union (the group of the Directorate-General for Taxation and Customs Union or the Working Party on Tax Questions – Indirect Taxation (VAT)).

**Section D 4.7. Societal promotion of sustainable lifestyles**

The fact that consumers purchase products of high environmental performance does not necessarily mean that SCP/SIP objectives are achieved. Study results show that the pressure of goods and services consumption on the environment is steadily increasing. New technologies have a relatively lower environmental impact than the current ones, while ensuring higher effectiveness of production and consumption in terms of resource use. Nonetheless, while energy efficiency is improved, the increase in the general level of goods and services consumption is so high that in many cases it reduces the environmental effects achieved thanks to the improvements. It is important that the rebound effect is the result of unsustainable consumption behaviour. Studies in this area show that financial savings of households thanks to reducing their energy consumption are used to buy other products that in turn require, directly or indirectly, energy consumption.

Projections say that the increasing trend of energy consumption and waste production is not going to change in the coming years. Therefore, it is so important to shape sustainable consumption attitudes and to promote a sustainable lifestyle, inter alia by making consumers interested in intrinsic values such as intangible goods, culture, and leisure. The issues should be specified in the new SCP/SIP AP.

To promote SCP/SIP, apart from changing consumers’ buying patterns, it is also important to make citizens aware that they have influence on shaping their immediate surroundings. In this context, it is important not only to stimulate the development of the civil society, to build sustainable communities or partner groups, but also to create an environment that would positively influence the choices made by consumers. Infrastructure plays an important role in the process, e.g. sustainable transport and construction. It is also a challenge to shape high quality urban space.

**Section E Sustainable Industry**

Poland welcomes the Commission’s proposal to strengthen sustainable competitiveness in the industrial sector and would like to reach back to the discussion and conclusions from the informal session of the Competitiveness Council held in July 2011 in Sopot. The meeting was attended by Vice-President of the European Commission Antonio Tajani who emphasised that the partnership between industry and environment would not only be possible but necessary, stressing that both partners should have equal rights. Both the Minister of Economy and the Minister of the Environment took part in the discussions, demonstrating that the issue of sustainable growth in Poland is not limited to the protection of the environment and natural resources, but also involves important economic issues, thus creating potential for new sources of economic growth.

Poland would like to point out that as a result of the above discussion, on 29 September 2011 the Competitiveness Council adopted Conclusions on a competitive European economy that emphasise the need to create framework conditions to support industry’s transition to resource-efficient economy and to support innovations that allow introducing eco-efficient goods and services on the market. At the same time, the Council emphasised the need for stimulating the demand for more sustainable products, for convincing enterprises to make voluntary commitments on efficient resource management, and to ensure coherence and stability of legislation.
Therefore, it is necessary to identify the areas where further tightening of environmental standards will not generate the intended effects due to the fact that the limit (technological) has already been reached. Further analytical work is also important, mainly to avoid carbon leakage or relocation of the manufacturing industry. Poland is of the opinion that more attention should be paid to the unavoidable process of industry restructuring, both from the inter and intrasectoral perspective. Measures will be required to support transformation towards the SCP/SIP, including the measures aimed at changing/upgrading the qualifications in order to maintain the existing and create new, green and decent jobs, as well as at responsible outplacement. It is of utmost importance to forecast the changes in employment and on the labour market (in particular at the regional level) and thus adjust the educational and training offer to the future needs of the labour market.

Section E 5.1. Waste as a resource in a Circular Economy – Better waste management and recycling

Poland would like to point out that in the circular economy resources and raw materials are as important as energy efficiency. Therefore, we suggest that the chapter should be extended to include measures aimed at reducing energy intensity. Initiatives aimed at process optimization, including the increasing of the importance of smart ICT solutions or supply chain logistics, are of particular significant in this context.

Section E 5.3. New ways of working – green business models & industrial symbiosis

Poland supports the lines of action in this regard set forth by the Commission, acknowledging the importance of cooperation between all stakeholders to ensure the accomplishment of the assumed objectives. Innovation in business models and management will play the key role in this area.

However, the development of the services sector cannot take place without the production sector. One must bear in mind that in numerous sectors of publicly available services, the market competition is difficult, in particular for new entities. It seems that the whole concept of changes in the functioning of enterprises, which is presented in this part of the document, will be very difficult to implement, since the EU is very deeply involved in the global economy and world trade. Thus the sustainable supply chain and initiatives aimed at concluding global agreements, initiatives, voluntary commitments of the business, e.g. under CSR, are of fundamental importance.

The initiative promoting product-service systems, allowing to increase the productivity of products by using them to a greater extent and by prolonging their lifetime, is interesting and should be supported.

Section E 5.4. Global Competitiveness & International Cooperation

This part, as the preceding ones, lacks a more in-depth analysis of the global competitiveness in the context of proposed measures for SCP/SIP, although the European Commission admits that unilateral activities of the EU on a global scale will not bring the expected global result, at the same time posing a threat to the competitiveness of the EU economy. This makes global initiatives and agreements, also the voluntary ones, even more important. The OECD green growth initiatives, including the adoption of the Green Growth Strategy in May this year and the preparatory process for UNCSD Rio +20 Conference are of particular significance. One of the two leading themes of the Rio+20 Conference is a green economy in the context of sustainable development and poverty eradication. The agreement on and the adoption of the action plan aimed at transformation towards green economy (e.g. in the form of a roadmap suggested by the EU) at the Conference would certainly contribute to
providing a level playing field for business and enhancing international cooperation, in particular with regard to emerging markets.

Further work on the EU position on the Conference must take into account in particular the need to maintain appropriate balance between economic, social and environmental aspects, as well as to specify the issue of the stakeholders’ involvement, in particular the stakeholders representing the private sector. The Vision 2050: the new agenda for business elaborated by the Word Business Council for Sustainable Development may be a good starting point for the formulation of more specific proposals concerning the role and involvement of business in the process of sustainable development. Poland has also noticed those issues and currently works on a vision of sustainable development for the Polish business.

Furthermore, Poland would like to point to the need of taking into account the expectations of consumers from low-income groups, inter alia by means of using the concept of the global economic pyramid, i.e. by adjusting product strategies to purchasing powers of those at the bottom of the pyramid. Poland underlines the need to promote Fair Trade practices ensuring decent work conditions and remuneration for local producers and workers as well as appropriate social conditions in line with international conventions. According to COM(2009) 215, Fair Trade should be a constant part of the discussion on sustainable development, including the SCP/SIP AP.

Section E 5.6. Bio-economy/bio-based industries

The proposals concerning bio-industry (which are a separate item in the material due to the planned publication of the Commission’s Communication on bio-based economy) are interesting, but it must be specified to what extent this industry will be based on local resources (from the EU territory) and whether the demand can be met in a sustainable way, e.g. by agriculture. Otherwise, the current dependence on the import of fossil fuels will be replaced by the dependence on the import of bio-components in future, which may have an adverse impact on the global food security. This would be an extremely negative phenomenon, in view of the demographic forecasts. Poland also points to the need to link the SCP/SIP more closely to the Lead Market Initiative.