Poland’s position towards EU Action Plan on Integrated Product Policy Sustainable Consumption and Production, and Sustainable Industrial Policy

Introduction

With reference to the review of EU Action Plan for Sustainable Consumption and Production and Sustainable Industrial Policy (SCP/SIP) [COM(2008)397], Poland supports strengthening linkages between activities on sustainable consumption and production with Integrated Product Policy and Sustainable Industrial Policy, which was raised by the Commission in the Report on status of implementation of Integrated Product Policy COM(2009) 693, published in December 2009. Poland also points out the need to ensure coherence of activities in the area IPP/SCP/SIP with other policies, in particular "Europe 2020" strategy. In Poland’s view IPP/SCP/SIP aspects – due to their horizontal nature – should be addressed through „Europea 2020” flagship initiatives implementation, in particular:

- Innovation union,
- Integrated Industrial Policy for the Globalisation Era,
- The raw materials initiatives – putting the strategy into practice.

In addition, Poland takes note that synergies will be achieved only when action at EU level will be paralleled with relevant initiatives of individual Member States in line with the subsidiarity principle. An important issue is the possibility to exchange experiences and information on action undertaken at EU and individual EU Member States levels. Poland proposes to exploit the potential of National Reference Centres on Sustainable Consumption and Production (established within the EIONET network) which co-operates with National Focal Points and European Topic Centres.

The IPP/SCP/SIP measures should be measurable, reportable and verifiable. In Poland’s view, further sustained effort will be needed to install a more fully-developed information structure that can monitor changes in the intensity of use of the environment and its resources. When it comes to analysing economic processes, it may prove useful to point to the share different resources (like fossil fuels, minerals, metals and biomass) take in material flows, e.g. to determine an economy’s dependence on a given raw material. Poland would in particular wish to draw attention to the potential displayed by environmentally extended input-output analysis (EE-IOA), as based on National Accounting Matrices with Environmental Accounts, these making it possible to assess how decoupled economic growth is becoming from pressure exerted on the environment.

In this context, for Poland a matter of key importance here is effective coordination and communication between different tiers of administration, as well as an intensified dialogue between the government and representatives of industrial branches and sectors, this leading to more effective formulation of conditions under which entrepreneurs can bring about adaptation to changing economic conditioning. Poland feels that further activity will need to be undertaken in such a way that opportunities for long-term improvements in economic functioning are generated, most especially through a putting in place of foundations upon which development may proceed in a stable manner, on the basis of efficient and sustainable use of the factors of production. Account has to be taken of the potential level of burdening of given economic sectors in given EU Member States, as well as the real possibilities for costs
to be borne without loss of competitiveness. In this context Poland also notes the need for in-depth cost-benefit analyses and sustainability impact assessments to be carried out in respect of proposed action for IPP/SCP/SIP, with it also being recalled that their implementation demands flexibility of approach to the determining by different Member States (with different specific features) of their possibilities for change and potential rates of change.

In this context, it is vital that barriers to the latter’s introduction in the new Member States be identified, with indications as to remedial measures that might be brought in. Poland would like also to underline the need for conditions for the stable post-crisis development of industry to be put in place, at the same time recommending that considerable caution be displayed when it comes to the imposition of any further obligations vis-à-vis the environment. Poland also recognises the importance of small and medium-sized enterprises (SMEs) and the need for raising awareness and creating appropriate conditions for the development of this sector based in line with IPP/SCP/SIP assumptions.

Furthermore, the actions proposed by the Commission should be consistent with measures being implemented at international level, *i.a.* the adoption of a 10-year UN Framework Programmes on Sustainable Consumption and Production (10YFP) planned for May. Poland also notes that 10YFP will be an important contribution to the preparations of the Rio+20 Conference on Sustainable Development which will be held in June 2012. Therefore the IPP/SCP/SIP priorities should be consistent with the objectives of both UNEP’s activities to the green economy and OECD Green Growth Strategy. EU action plan should also use the results of projects implemented in the IPP/SCP/SIP, *i.a.* Sustainable Production through Innovation in Small and Medium sized Enterprises in the Baltic Sea Region (SPIN) aimed at promoting innovative sustainability solutions, including eco-innovation, environmental technologies and Corporate Social Responsibility (CSR). In addition, Poland proposes build on the OECD achievements, in particular the results of the work of the Advisory Group on Sustainable manufacturing and eco-innovation, set up under the Directorate for Science, Technology and Industry.

**Life Cycle Analysis**

Poland supports an LCA-based approach, recognising that each sector of economic activity has unused innovation potential that might provide for sustainable management throughout entire “life cycles”. However, to this end it would be helpful if bottom-up sectoral initiatives could be encouraged into being, especially where these take whole supply chains into account. At the same time, the Government of Poland hereby offers a reminder that, in line with sustainable development principles, it is ever more common for the cradle-to-grave philosophy to give way to that of “cradle to cradle” – this reflecting production based around closed loops, in which manufacturing methods are restructured so as to maximise the utilisation of wastes generated.

At the same time Poland takes note of the need of mainstreaming the activities of international co-operation on reducing the risks for health and the environment in connection with the relocation of GHG emissions outside the EU. Particularly important in this regard remains to support efforts to build institutional resources, strategy formulation and implementation of legislative solutions in developing countries. An example of this phenomenon is called carbon leakage (transfer of mainly energy and emission-intensive production to countries or regions where environmental standards are less restrictive. As a result, the introduction of legally binding restrictions on greenhouse gas emissions, not only does not reduce emissions on a global scale, but even it can lead to an overall increase. One of the measures that can prevent this phenomenon is to use the emission intensity indicator on the basis of emissions resulting from production of imported consumer goods (called consumption-based CO₂ intensity) and
emissions from domestic production (production-based). By analysing this indicator, it will be possible to identify adverse patterns of consumption. Poland welcomes the inclusion of data on emission in other countries (embodied in the Imports for domestic Consumption) in the final report of the European Environment Agency: "The European Environment. State and Outlook 2010. Consumption and the Environment."

In addition, Poland takes note of growing importance of the ability to identify and effectively manage the risks associated with business operations throughout the supply chain while in the area of interest is not only an economic dimension, but also the risks associated with environment, social, and governance (ESG) aspects. ESG risk management within the supply chain is increasingly becoming a criterion for investment screening. In this context, active collaboration of parties involved in the promotion of responsible investment, in particular the social partners and investors, both institutional and individual is essential in order to improve the reliability and credibility of data and incorporate sustainability aspects into the investment strategies. In Poland’s view, it is also important to promote good practice, including international guidelines such as the Global Reporting Initiative, GRI. It is also important to support further voluntary business initiatives, including the European Retail Forum.

**Products as the focus of action**

Poland backs European Commission activity seeking to identify products of the highest potential where improving the state of the environment is concerned. However, in addition to reducing pressure on the environment, the emphasis should be put on improving competitiveness, including the export potential of goods and services that meet high environmental standards. In this context, Poland emphasizes the need to use existing mechanisms, such as green procurement, and the Lead Market Initiative (LMI), as well as developing new measures aimed at supporting the development and implementation of innovative solutions from the IPP/SCP/SIP. Moreover, Poland stresses the need for a single “green” internal market to be created, in order to promote environmentally-friendly products and technologies, as well as market transparency, through the providing consumers with reliable product information.

Poland welcomes the extension and improvement of eco-labeling and its use in public procurement. In addition, Poland underlines the need for wider consideration of the social and ethical criteria in the tendering procedures. It is also important to further develop standards in order to facilitate the marketing of sustainable products, as well as complement environmental criteria (in particular the efficiency of resource use) with social and ethical considerations.

In the view of Poland, it is also necessary to work towards the devising of voluntary accounting and auditing standards as regards the carbon footprint. Such a system will be, however, justified only in case when all products of this category will be covered. Otherwise, the consumer will not be able to make the right choices between labelled and not-labelled products. This is especially important in the case of imported goods, for which no available sufficient information to determine the carbon footprint may exist. Poland believes that implementing solutions such as carbon footprint, and based on reliable and detailed studies taking into account the potential impact of the implementation and impact on the competitiveness of European producers should be done with proper care. This is of particular importance in the light of the expected development of actions at both Community and global levels to address climate change. We do believe that only the proliferation of global initiatives such as the ecological footprint or carbon footprint can make a significant contribution to creating a strong global market, which will help protect the environment while maintaining
economic growth while minimizing the risk of introducing new barriers to trade, for example by placing border adjustment mechanisms.\footnote{Border adjustment tax is to impose additional charges (in cash or, for example by requiring the purchase of ETS emission allowances by the importer) on goods imported into the EU from countries that do not have a binding commitment to reduce emissions, or countries with substantially lower environmental standards governing the emission of greenhouse gases and other pollution. The introduction of such a mechanism, but not standing in direct contradiction with WTO regulations, can cause a symmetrical response of third countries, leading to trade conflicts.}

Poland stresses that many modern and technologically advanced, energy-efficient and environmentally friendly products require the utilisation of natural resources (for example, rare earth metals) where access on a global scale has not yet posed a problem. However, recently market developments limited significantly access to these materials. As a result, faster development of research on alternative materials and innovative, resource-efficient technologies should be envisaged. Great potential can also be identified in the development of previously economically unjustified, recycling systems. Acknowledging this, Poland notes the great need for the key raw materials in question to be identified, since this may be of major significance in shaping economic development strategy, including as regards employment in sectors linked with the given raw materials (whose changes can be more effectively forecast at regional level in particular, and whose requirements as regards future labour markets can be used to better shape the supply of relevant education and training made available).

Attention is also drawn here to the need for the expectations of the poorest groups of consumer to be met, i.a. through utilisation of the concept of the global economic pyramid, and hence the adjustment of product strategies to the capabilities of the least well-off groups of purchasers (at the “bottom of the pyramid”). In addition, Poland emphasizes the need to promote fair trade practices to ensure local producers and workers fair wages and decent working and social conditions in accordance with international conventions. Taking into account COM(2009) 215, fair trade issues should be included in the discussion on IPP/SCP/SIP action plan.

**Innovation and management aspects of sustainable development aspects**

Poland perceives a need to bring into sharper focus the role in IPP/SCP/SIP implementation that new forms of product and process innovation (e.g. new business models) have to play, in particular in case of non-industrial business. Moreover, the importance of investments in intellectual and social capital as well as networks creation should be underlined. In practice this denotes promotion of integrated systems of production that harness modified production methods to limit losses in the course of materials and energy throughput, as well as the development of eco-industrial parks and clusters that may accelerate the innovation process and facilitate commercialisation of the results of scientific research. It is particularly important to undertake initiatives aimed at dialogue strengthening and best practice exchange, since co-operation can help to build competitive advantage as well as address long term sustainability challenges.

In addition, it is important that sustainability issues are managed in a systemic manner. In this context, Poland draws attention to the adopted in November 2010, ISO 26000 Social Responsibility standard, as well as the SA 8000 standard intended for independent verification. At the same time, according to Polish, it is necessary to ensure the complementarity of the above. Standards, in particular with environmental management systems, both formal ISO 14001 or EMAS, and informal, for example, implemented under the cleaner production schemes.
In addition, Poland notes that the diffusion of environmental innovations through European markets is dependent on these actually being used in practice by the consumer, it is vital that there be simultaneous moulding of needs and preferences among members of the public, by way of the promotion of a sustainable model of consumption at the level of the individual household. In order to promote IPP/SCP/SIP, apart from the changes in consumer behaviour, it is also important to encourage the citizens to take part in the development of their nearest surroundings. In particular, civil society, as well as sustainable communities and partner groups could play a vital role in the propagation of positive attitudes towards sustainable consumption and sustainable lifestyles. The infrastructure, including sustainable transport and construction plays an important role in this regard. One of the challenges is the development of high quality urban space and regional development, taking into account the level of exposure to the effects of climate change, demographic factors etc.

In presenting these remarks, comments and observations, Poland declares itself ready to participate actively in further stages of the work to draw up a new EU IPP/SCP/SIP action plan.