



European Business Test Panel (EBTP)

European survey on Sustainable Industrial Policy and Sustainable Consumption Policy (SIP-SCP)

I. INTRODUCTION

The aim of this survey was to identify the actions and the barriers to make the economy functioning better while maintaining competitiveness, in order to meet the challenges of the climate change and the energy supply.

The SIP-SCP consultation ran from 18 October 2007 to 19 November 2007. In total, 354 EBTP members responded to the consultation; 309 of them (%) filled out the questionnaire.¹

Of the companies that filled out the questionnaire, the majority felt the need for further action towards a more sustainable industrial policy. 61% fully agreed with that statement and 29% somewhat agreed.

About the same accounts for the need of more sustainable consumption and production patterns: the percentages are respectively 55% and 31%.

According to the respondents, the key challenges to promote a more sustainable industrial policy were rated as follows:

1. Leveraging innovation
2. Designing new products that are produced in a sustainable way
3. Leaner and cleaner ways of current production methods
4. Increasing sustainable consumption by consumers
5. Creating global markets for sustainable products

¹ The companies that did not complete the questionnaire probably do not feel affected directly by the policy field.

The main focuses to promote SIP-SCP were all valued the same. EBTP members are of the opinion that 'cost efficient solutions', 'environmental issues as main priority' and 'socially viable solutions' should all be treated with the same importance.

II. LEVERAGING INNOVATION

EBTP members ranked the barriers for innovation towards a more sustainable industrial policy to promote innovation on better performing technologies, products and services as follows:

1. Non-awareness of consumers of the advantages of better performing products
2. Production costs associated with new technologies are higher than those of current technologies
3. High risk (in terms of investments, unknown demand, etc.) linked with greening production, processes, products and services
4. Lack of knowledge on suitable technologies, processes and materials
5. Too burdensome administrative requirements linked with the adoption of new technologies and products
6. New technologies require skilled labour that sometimes is difficult to find
7. Lack of partners (business, research, design, marketing, finance)
8. Not sufficiently ambitious minimum requirements for products
9. Not enough stringent legal instruments to promote the adoption of new technology

The differences between several options are sometimes small.

Concerning contribution to innovation, the EBTP members gave the ranking to the suggested possibilities as follows:

1. Increase of research funding for technology development for energy efficient industrial processes
2. Enhanced use of fiscal incentives, subsidies, and trading schemes to promote technology adoption and to support innovation for better performing products
3. Actions to improving linkage between research centres and industries to speed up technological uptake and align research to business needs
4. Benefiting most promising existing technologies and products through fiscal incentives, subsidies, and trading schemes

5. More support services to SMEs for compliance with eco-regulation, standards and the introduction of eco-innovation
6. Promotion of incentive mechanisms for financial institutions, like banks, to improve access to venture capital for technology adoption

III. BETTER PRODUCTS

The EBTP members ranked the options indicating the main barriers for the purchase of better products as follows:

1. Consumers are not always aware of pay off of better performing products such as savings during the life-time or improved quality of the products or the advantages for the disposal of the product at the end of the life-span (248)
2. Better performing products are more expensive (199)
3. There is a lack of trust in labels (87)
4. The current energy labelling system is too limited to provide sufficient information on environmental performance (82)
5. The same category of labels include products with very different performance (76)
6. The definition of minimum requirements for product does not evolve rapidly (59)
7. The current legal framework is not adequate or is not sufficient for the definition of environmental minimum requirements for products (54)

The options to be considered at EU level to set up dynamic performance requirements were rated as follows:

1. Mandatory instruments covering a limited range of priority products (with the highest potentialities) (117)
2. Mandatory instruments covering most products (67)
3. Voluntary instruments covering most products (52)
4. Voluntary instruments covering a limited range of priority products (with the highest potentialities) (51)

The majority of the respondents (68%) is in favour of one of the two mandatory regimes for dynamic performance requirements. 35% of the respondents are in favour of one of the two voluntary regimes.

The three components of a product based approach that could be considered at EU level were ranked as follows:

1. Actions should aim at producing types where the potential for improving resource and energy efficiency is the greatest
2. Actions should aim at producing types whose consumption causes the most environmental damage
3. Actions should aim at producing types where the EU industry could lead the markets worldwide

To meet the challenge of better products, EBTP members ranked the presented options as follows:

1. Environmental product declarations and sustainability labels and data collection
2. Improve the gathering, quality and availability data on performance of products
3. Dynamic performance requirements
4. Address the environmental dimension of European standards and assess possibilities for developing new standards on resource-efficiency
5. Enhanced use of eco-design instruments

The incentives to be designed at EU level to support the development, supply and use of better performing products were ranked as follows:

1. Public Procurement by administrations should prioritize energy and resource efficient products (236 Yes; 47 No)
2. Energy efficient labels should cover energy using products (i.e. appliances) and non-energy using products with a potential to improve energy efficiency (windows, tyres, etc.) (223 Yes; 52 No)
3. Minimum standards to improve energy and resource efficiency applied to a broad number of products (214 Yes; 65 No)
4. Taxation should reflect the energy and resource efficiency of products (206 Yes; 69 No)
5. Minimum standards should evolve dynamically and include minimum requirements and best performing products (204 Yes; 54 No)
6. Information and Communication Technologies should be promoted for the management of energy- and resource-using/saving products (187 Yes; 66 No)

7. Improve monitoring mechanisms of compliance regarding performance with minimum standards (179 Yes; 73 No)
8. Industries that produce mostly energy efficient products should be rewarded (170 Yes; 89 No)

The items have been ranked according to the number of answers 'Yes'.

75% of the respondents somewhat or fully agreed with the statement that there is a need to improve synergies and coherence between labelling schemes. The same figure accounts for the statement that more efforts and transparency are required to provide high quality data and methodologies in support of environmental assessments for eco design and product labels.

About 67% of the respondents somewhat or fully agreed with the statement that the EU should increase its role to minimise its unsustainable consumption and production impacts overseas.

IV. LEANER AND CLEANER PRODUCTION

The main barriers for energy efficient production systems in the industry were identified as follows:

1. Lack of incentives to improve production processes and comply with environmental requirements
2. Improving environmental performance is very expensive
3. Having to meet high environmental requirements disadvantages international competitiveness
4. Implementing best available technologies are too demanding in terms of investment, skills, etc.
5. Lack of environmental awareness

The importance of actions in order to meet the key challenge of "leaner production" was judged in this manner:

1. Use incentives to induce industries to adopt better technologies and processes (249 Yes, 39 No)
2. Use market based instruments to improve the use of renewable raw materials (238 Yes; 36 No)
3. Use market based instruments to stimulate investment in more sustainable companies (229 Yes; 43 No)

4. Establishment resource and material efficiency targets (189 Yes, 79 No)
5. Promote setting up sectoral agreements to improve energy efficiency and the carbon footprint internationally (181 Yes; 69 No)
6. Companies fulfilling environmental commitments should be rewarded with a specific “environmental committed company” logo (175 Yes; 77 No)
7. Establishment targets for eco-innovation in industries (161 Yes; 102 No)
8. Create a prize to reward “Best energy, low carbon” innovation (138 Yes; 97 No)

The items have been ranked according to the number of answers 'Yes'.

V. SUSTAINABLE CONSUMPTION: CHANGING BEHAVIOUR

In order to meet the key challenge of "more sustainable consumption" at EU level, the ranking of items according to importance was as follows:

1. Increase consumer awareness about sustainable products (272 Yes; 26 No)
2. Actions to address misleading advertising/false environmental claims (269 Yes; 25 No)
3. Enhancement of the role of energy efficient and green products in public procurement (235 Yes; 44 No)
4. Differentiation of tax according to environmental footprint of products (205 Yes; 80 No)
5. Promote green private procurement (198 Yes; 72 No)
6. Use of an “Environmental commitment company” logo (161 Yes; 97 No)
7. Environmental performance agreements with retailers (127 Yes; 108 No)

The items have been graded according to the number of answers 'Yes'.

Of the respondents, 60% somewhat or fully agreed with the statement that EU-level initiatives are needed to help retailers to green the supply chain and influence consumer choices; 75% somewhat or fully agreed with the statement that there is a need for further action to ensure the reliability of environmental compliance claims by suppliers/retailers on the environmental performance for the products they sell. The same percentage applies to the statement that public authorities should concentrate their procurement on green products, even if they are more expensive. 67% of the respondents somewhat or fully agreed with the statement that there is a need for additional incentives at EU level to stimulate large private purchasers to green their procurement.

According to the EBTP panel members, the main barriers for EU industry to export its “know-how” in terms of technologies and services in order to supply better performing products were ranked as follows:

1. Other countries do not always respect international commitments (183)
2. Quality requirements are different in the EU than in the Rest of the World (167)
3. Intellectual Property Rights are not always respected (167)
4. Protectionists in other countries prevent the access of EU products to their markets (142)
5. Other countries are more aggressive in promoting their products in international markets (113)
6. EU industries and technology developers lack incentives for to transfer technology and services (108)

The ranking of options that should be considered at EU level to help enhancing the role of EU "Know-how" internationally looks as follows:

1. Promotion of the adoption of international minimum requirements (248 Yes; 35 No)
2. Promotion of the use and transfer of energy efficient, low carbon technologies, products and services in EU development and trade policies (240 Yes; 33 No)
3. Improvement of the scope of agreements on Intellectual Property Rights to ensure enforcement (218 Yes; 31 No)
4. Identification of mechanisms to leverage environmental performance of industries internationally (194 Yes; 40 No)