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# International Conference on Sustainable Manufacturing

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***EU Action Plan and French initiatives for  
Sustainable Manufacturing and Eco Innovation***





# I. Why an EU Action Plan?



➤ **Our energy supply:**

- Is accelerating climate change
- Is increasingly dependent on imported sources
- Is increasingly expensive (and making us less competitive)

*So, we need low carbon technologies, energy efficiency, and low carbon products.*

➤ **Natural resources** are becoming scarce and more and more expensive;

*So we need to improve Resource Efficiency*

**Simultaneously:**

- **Toxicity and ecotoxicity** of products along their life cycle have to be addressed
- **Production of waste** has to be reduced and **recovery of materials** must be improved
- But several **environmental issues are increasingly global issues**, and market forces alone do not bring an adequate solution.

*So, making EU a major player bringing efficient sustainable solutions, needs a European **Sustainable Industrial Policy** based on clear signals, sound enterprises and taking into account the related international competitiveness issues.*



- ✓ is turning what might be perceived as a constraint into an opportunity for industry;
- ✓ is strengthening the potential of enterprises by integrating externalities soon enough so as to gain a lead over their competitors;
- ✓ is anticipating and encouraging the emergence of modes of production and the manufacturing of products that are more environmentally friendly and adapted to the scarcity of natural resources;
- ✓ Is taking into account the significant external dimension of such a policy;
  - considering global energy and environmental challenges, external competitors cannot be ignored, at the risk of being inefficient in terms of reducing pollution on the one hand and undermining competitiveness on the other;
  - without a global approach, pollution will only be shifted and not reduced. This matter is naturally all the more relevant for energy-intensive industries.

➤ 'Sustainable Industrial Policy' as a part of the 'European industrial policy'

Art 157 TEC : To improve European industry competitiveness :

- Improve the regulatory environment;
- Ensure better coherence between the different related policy areas
- Consider the specificities of sectors (even if the industrial policy is *a priori* horizontal).

➤ 'Sustainable Industrial Policy' reflecting the 'Integrated Guidelines for Growth and Jobs'

- ***Guideline No.11: To encourage the sustainable use of resources and strengthen the synergies between environmental protection and growth,***

➤ 'Sustainable Industrial Policy' accompanied in a mutually supportive way by (i) 'raising awareness among citizens' and (ii) 'changing unsustainable consumption habits'.... i.e. addressing also consumption!

We are not starting from nowhere:

- Sectoral approaches : directives ELV, WEEE, RoHs...
- Integrated approaches : IPP (Integrated Product Policy), ETAP (Environmental Technologies Action Plan)
- The REACH Regulation, the impact of which is to come.... Implementation starting

And more recently have been launched:

- The Strategic Energy Technology Plan (SET Plan) adopted last November.
- The « Energy and climate change » package proposed by the Commission in January 2008.
- The recast of the IPPC directive into a new directive on industrial emissions
- Several Member States initiatives, such as the French “Grenelle de l’environnement”

## Which tools for a sustainable industrial policy ?

Many tools are available to the public authorities :

“voluntary”, “incentive based” or “binding” ;  
they must fit together and avoid any fragmentation of the single market;

➤ **Some tools mainly influence the demand of products:**

- Information raising the awareness of private and public purchasers and consumers;
- Economic tools influencing market operations;
- Compulsory standards and regulation;

➤ **Some tools act more specifically on the supply side:**

- Research, innovation and good practices framework and incentives;
- Adapted and forward-looking training and employment policies;

- **Awareness among citizens in order to change consumption habits**
  - Consumer information (forbid misleading advertising, review the EU Eco-label regulation, make some environmental data compulsory...)
  - Standardisation and labelling (Energy Efficiency Labelling Directive, Assessment of carbon content of products.....)
- **Economical tools**
  - Enhanced use of market based instruments (taxation incentives or disincentives such as tax credits for producers, subsidies for consumers buying performing products, lower VAT rates, bonus-malus...)
- **Regulatory environment**
  - Compulsory (dynamic) minimum standards
  - Green public procurement (GPP)



- **Promote research, innovation and good practices:**
  - use incentives for research and innovation for sustainable processes and products, for eco-design, particularly by building on FP7 and CIP including CIP-EIP
  - closer relationship between research and industrial stakeholders (e.g. cluster policy)
  - review the eco-design directive (EuP)
  - review the EMAS legislation
  - use pre-commercial public procurement to create demand for selected highly performing products
  - develop the “lead markets” initiative....
  
- **Promote industrial adaptation :**
  - predictable regulation and dynamic standards;
  - adapted training and employment policies;
  - etc...



- Foster competitiveness by exploiting first mover advantages, in particular through standardisation work at the global level.
- Better take into account the external dimension of competitiveness in international agreements and commitments, such as :
  - Climate negotiations;
  - Development of international trade in environmental goods and services.
- Promote Global Sectoral Approaches, which could deliver better environmental performances by building on a sufficiently level playing field which would not be undermined by “free riders”.
- Facilitate transfer of technologies thanks to better implementation of IPR

## II . State-of-play

On 16 July 2008

- The Action Plan was adopted by the Commission as a communication to the European Parliament, the Council, The European economic and social committee and the committee of the Regions on the :  
**Sustainable Consumption and Production and Sustainable Industrial Policy**
- Related documents were published:
  - Proposal for extension of the **Ecodesign Directive**
  - Proposal for the revision of the **Ecolabel Regulation**
  - Proposal for the revision of the **EMAS Regulation**
  - Communication on **Green Public Procurement**

# Sustainable industrial policy: = three main blocks

1. **Better products on the Internal Market:** A dynamic life cycle approach to product policy
2. **An industrial policy for eco-industries:** examining those framework conditions which are crucial for competitiveness of eco-industry with a view to improving them
3. **Contributing to a global low carbon and sustainable economy:** supporting the development of sectoral approaches in international negotiation on climate

## 1. Better products

- The scope of the Ecodesign and Energy Labelling Directives for “energy using products” (EuP) is to be extended to energy-related products (ErP)
- Minimum requirements can be set for products with a significant environmental impact, *in the absence of voluntary action, after a preparatory study and stakeholder consultation.*
- Advanced benchmarks will be the basis for public procurement and incentives
- **Ambitious** advanced benchmarks will provide market with information on best performing products, through “eco-labelling”





According to OECD, Eco-industries and services in EU 25 have a turnover of around 2.2% of EU GDP and they employ 3.4 million people. Growth is predicted to be exponential.

- Start of sectoral initiatives for eco-industries in line with principles of industrial policy
- Competitiveness screening of eco-industries to identify and tackle barriers to their competitiveness (e.g. internal market barriers and better regulation)
- But also, continued industrial policy efforts to help industry, in particular SMEs, with challenges and opportunities of climate change



### 3. Contributing to a global low-carbon and sustainable economy

- **Climate change policies within the EU should be matched by international commitments. Dealing with a global challenge, this is essential for the sake of both environmental and economical efficiency.**
- **Industrial sectors are starting to develop sectoral approaches (SA) and commit to emission or energy-efficiency benchmarks**
- **The Commission will support the development of such approaches in future international climate negotiations**
- **Activities include capacity building in key emerging economies and determining key elements for SA in the post 2012 UN climate framework**



- ✓ **Voluntary product policies: Eco-label and GPP**
- ✓ **Make EMAS (Eco-Management and Audit Scheme) more attractive for SMEs**
- ✓ **Work with retailers and consumers**
- ✓ **Monitor and benchmark resource efficiency and eco-innovation**
- ✓ **Set up “Environmental technology verification”**



- **25 Sept: The Competitiveness Council will exchange views on draft Council conclusions on the proposed Action plan.**
- **20 October: The Environment Council will adopt the Conclusions**

More information:

[http://ec.europa.eu/enterprise/environment/sip\\_new\\_pages/sip\\_a1\\_en.htm](http://ec.europa.eu/enterprise/environment/sip_new_pages/sip_a1_en.htm)

[http://ec.europa.eu/environment/eussd/escp\\_en.htm](http://ec.europa.eu/environment/eussd/escp_en.htm)

A video news release on the contents of the new package is available from:

<http://www.tvlink.org/home.cfm?dg=env>

## III . French Initiatives

New Background :

The 273 commitments of the « Grenelle Environnement »

<http://www.legrenelle-environnement.gouv.fr/grenelle-environnement/>

# Establishment of the COSEI

## Comité stratégique des Eco-industries

- **Luc CHATEL, Secretary of State in charge of Industry and Consumption, and Nathalie KOSCIUSKO-MORIZET, Secretary of State for Ecology, established the Strategic Committee of Eco-Industries on July 10, 2008.**
- **This committee is composed of business leaders and renowned personalities in the fields of industrial and environmental technologies.**
- **Ministers expect this committee to deliver guidelines on actions to be taken under the « ECOTECH 2012» plan.**

## Working parties of the COSEI

- 1. Working Party: Innovation and diffusion of environmental technologies**
- 2. Working Party: Adapting regulations and standards.**
- 3. Working Party: Small and medium eco-industries**

## A strategic consulting study

- ✓ **Accordingly, the Boston Consulting Group (BCG) has been selected to develop a strategic study.**
  
- ✓ **This study is intended to accompany the strategic committee and its working parties to prepare proposals about innovation, emergence of small and medium eco-industries and regulation and standardisation.**

Identify targeted measures with the view to elaborate and propose an action plan of the Government by:

- 1. Analysing the state and trends of the market of eco-technologies and services, both at the European and at the Global level and evaluating the situation of companies operating in France.**
- 2. Identifying the opportunities for - and needs of- these players .**
- 3. Evaluating the environment of these activities in the French economy and assessing the global competitiveness of the related actors.**
- 4. Evaluating the potentialities of growth**
- 5. Suggesting measures to support the growth of eco-industries in different areas : R&D, standardisation, IPR, regulation, taxation, incentives, encouraging demand on the market, training, IT.....**

## First conclusions given in the Pollutec exhibition of Lyon (4-5 December 2008)

- **The preliminary conclusions of the committee's work will be presented to the ministers for Industry and Ecology Luc CHATEL and Nathalie KOSCIUSKO-MORIZET at the end of November,.**
- **in a Conference which will be organised by the Direction générale des Entreprises of the “Ministère de l’Economie, de l’Industrie et de l’Emploi” on 4 and 5 December 2008 in Lyon (in the frame of the 23 rd international exhibition of Environmental Equipment, Technologies and Services POLLUTEC)**
- **This conference will be one of the events organised under the French Presidency of the Council of the European Union.**

## Thank you for your attention

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