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From: Presidency
To: Permanent Representatives Committee/Council

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Subject: Proposal for a Regulation of the European Parliament and of the Council establishing a framework for setting ecodesign requirements for sustainable products and repealing Directive 2009/125/EC
- Policy debate

Delegations will find in annex the Presidency note for the policy debate on the Regulation establishing a framework for setting ecodesign requirements for sustainable products and repealing Directive 2009/125/EC.

INTRODUCTION

Creating a framework for sustainable products in the Single Market is part of the EU's current environmental ambitions, as set out in the European Green Deal of 2019¹. There have been several sectoral initiatives dealing with the challenges of inefficient use of resources, greenhouse gas emissions or environmental degradation caused by products' life cycles – both at the EU and national level. However, a comprehensive, EU-level instrument enabling a systematic and integrated approach to encouraging circularity of products and preventing their negative impact on the climate and the environment was still missing.

To tackle these challenges, the Commission introduced a new Circular Economy Action Plan in 2020², followed by the flagship proposal for the Regulation Establishing a Framework for Setting Ecodesign Requirements for Sustainable Products (further referred to as “ESPR”) in 2022³. This proposal is meant to play an important role in helping to fulfil the goals set by the European Green Deal. Specifically, it aims to create a legislative framework for setting harmonised ecodesign requirements based on environmental sustainability and circularity aspects.

The aims of the ESPR are twofold – to promote the better functioning of the Single Market and at the same time to improve the environmental sustainability of products. Following the policy debate⁴ at the Competitiveness Council of 29 September 2022, which focused on the Single Market and digital aspects of the ESPR, it is suggested that the policy debate at the **Environment Council** focuses on the environmental aspects of the proposal.

1 Doc. 15051/19 + ADD 1
2 Doc. 6766/20 + ADD 1
3 Doc. 7854/22 + ADD 1-8
4 Doc. 12197/22

THE ESPR PROPOSAL

The ESPR proposal builds upon and expands the scope of the existing well-functioning framework established by the Ecodesign Directive⁵ that regulates certain environmental impacts of energy-related products. In continuation of the approach under the existing framework, ESPR provides for the adoption, in a second stage, of detailed product-level performance and information requirements, which will apply directly in the Member States. These rules – known as ecodesign requirements – will be the cornerstone of the framework, and will be set on a product-specific basis, or horizontally, to cover groups of products with similar characteristics. They will enable the EU to ensure that products placed on its market become increasingly sustainable – including by extending their lifespan, making them more repairable, recyclable, energy and resource efficient, restricting the chemicals used in them that inhibit circularity, increasing their recycled content, reducing their carbon and environmental footprints, and improving access to information on their environmental characteristics, amongst others. The ESPR will allow for regulation at different stages of products' lifecycles, thus reducing their negative impacts throughout the value chain.

⁵ OJ L 285, 31.10.2009, p. 10–35

The Circular Economy Action Plan envisages making products fit for a climate-neutral, resource-efficient and circular economy, reducing waste and ensuring that the performance of front-runners progressively becomes the norm. At the same time, there is an increasing demand to promote sustainability and circularity of products amongst the Member States. Taking a significant step forward, the ESPR aims to unify these ambitions. Ecodesign requirements will be tailored to the particular characteristics of specific product groups, which will maximise the positive outcomes for the environment.

By making sustainable products the norm, the ESPR will also foster the growth of circular business models. These include, for example, product-as-a-service models, peer-to-peer sharing or reuse and repair services. All of these models could greatly benefit from making products more durable, repairable and recyclable. This shift in the industrial environment will serve to decouple growth from primary resource use and will make it easier for businesses to focus on the durability of the product rather than quantity.

Developing a comprehensive set of ecodesign requirements for priority products could therefore strengthen the efforts towards achieving climate neutrality, create favourable market conditions for circular business models to thrive and encourage companies to allocate their capital in a way that emphasizes the importance of sustainable products and fosters their green and digital transition. Nevertheless, it is desirable to discuss if the proposed sustainability aspects, such as product durability, reusability, upgradability and reparability, the presence of substances of concern in products, product energy and resource efficiency, or a recycled content of products are the right ones to drive sustainability and circularity.

Last but not least, the setting of minimum requirements on sustainability and promotion of circular business models go hand-in-hand with consumer and business participation. The ESPR creates a set of instruments ensuring proper data sharing within the value chain, which is a key part of recognizing a product's level of sustainability. These instruments include the newly created Digital Product Passport as well as other means like labels, provision of information on the product itself or its packaging, in a manual, on a website, or via an application. These instruments can, if tailored correctly, empower consumers and businesses to make more sustainable product choices. With this in mind, an introductory discussion about the best ways to share information amongst stakeholders should take place.

Discussion questions:

- 1. How can the ESPR proposal contribute to achieving our goals in the green transition? What aspects of the proposal do you see as the most important in this regard? Do you think that the product aspects listed in the ESPR (focusing on an extension of product lifespan, material efficiency, energy and resource efficiency, environmental impacts, or presence of substances of concern in products) are the right drivers of sustainability and circularity?*
- 2. How can provision of information on products' aspects envisaged under the ESPR (such as via the Digital Product Passport, labels or other means) best help consumers and businesses to make sustainable product choices?*