



Business and Industry Advisory Committee to the OECD

Comité Consultatif Economique et Industriel Auprès de l'OCDE

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"Extended Producer Responsibility"
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SHARED PRODUCT RESPONSIBILITY

I. Introduction

The Business and Industry Advisory Committee (BIAC) to the OECD supports the concept of Shared Product Responsibility (SPR), as we believe that SPR correctly recognizes that all parties along the chain of commerce have a responsibility and role in resource conservation, pollution prevention and waste reduction.

II. Shared Product Responsibility

Extended or Shared Product Responsibility can be expressed as follows:

"A voluntary system that ensures responsibility for the environmental effects throughout a product's life cycle by all those involved in the life cycle. The greatest opportunity for extended product responsibility rests with those throughout the commerce chain – designers, suppliers, manufacturers, distributors, users and disposers – that are in a position to practice resource conservation and pollution prevention at lower cost."

Consistent with SPR, the BIAC supports socially acceptable, environmentally sound, and cost effective integrated solid waste management. It should combine waste and end-of-life product management options that overall are best suited to the locale and materials concerned, and be designed so as to benefit from economies of scale. A sector-by-sector evaluation is an important element of making this determination.

As part of SPR, business also supports coordinated, multi-faceted approaches to waste handling which include, but are not limited to: recycling, composting, recovery, incineration (including for energy), and landfilling. These should be determined and combined appropriately for a particular locality's needs, based on sanitation requirements, sound environmental science, and cost-efficiency, taking into account the concerned industries and sectors, to ensure political and societal acceptance. Under an SPR approach:

- Manufacturers have the responsibility to continuously improve the environmental quality of their products, through both invention and innovation, consistent with customer needs (such as product performance and consumer protection) and other issues. They should also ensure the compatibility of their products and packages with evolving integrated solid waste and end-of-life product management systems.

- Governments have the overall responsibility to provide a public policy framework for solid waste management systems. It is incumbent upon officials and planners to plan and implement an integrated system that deals with the solid waste stream and offers the best overall environmental and economic efficiencies. They must also educate their constituents on the proper use of the integrated waste management systems they provide.
- Consumers should dispose of products properly, using the recycling and reuse services provided by the community whenever available.
- Retailers, distributors and other businesses also have special responsibilities for wastes and end-of-life products as part of their role in the total product life-cycle.

III. Implementation of SPR Approaches

Companies worldwide are already implementing SPR, taking concerted action to reduce raw material use in packaging and products, and consider this to be a key aspect of product design and stewardship. These efforts are motivated by consumer demands, and by the desire to reduce waste and save money. BIAC recommends that the OECD evaluate ways in which these voluntary and market-motivated efforts can be supported and expanded.

Efforts to encourage shared product responsibility should be characterized by flexibility, recognizing that different product lines will dictate different relative responsibilities assigned along the life-cycle. One size will not fit all. Moreover, consumer education, incentives and voluntary approaches should be included as key elements of any SPR approach.

IV. Limitations of Approaches Focused on a Single Actor in the Product Life Cycle

Extended producer responsibility, defined by the OECD as "the extension of the responsibilities of producers to the post-consumer stage of products' life cycles", narrowly focuses on producers and their responsibility for post-consumer waste. This approach places the onus of responsibility for end-of-product waste on manufacturers, and incorrectly assumes that producer product take-back is the best option. Difficulties with this approach include:

1. Mandated development of a number of separate, solid waste management systems without regard to environmental soundness or economic efficiency. Separate systems of collection and processing have been created, and in some cases mandated; in addition, a number of voluntary programs already exist.

Although separate collection and processing for some products and components may be appropriate, it is clearly not environmentally necessary, efficient nor cost effective for many, if not most, products and packages, and places additional burdens on the public sector in monitoring and other administrative procedures.

2. Increased standardization for manufacturers, which may in turn discourage, rather than encourage, innovation.
3. Excessive focus on the reuse or recycling of the solid waste that results at the end of the product life cycle. Environmental improvements from earlier in the life cycle are discounted, and other methods of recovering value are ignored.

4. The possible creation of trade barriers, which may disadvantage importers and producers who are seeking to compete with domestic producers.
5. The difficulty of identifying who the producer(s) is or are, as many "producers" might be involved in the design and production of a complicated product such as a car or home appliance.

Conclusion

Under the principle of SPR, players throughout the product life cycle (designers, suppliers, manufacturers, distributors, retailers, consumers, and disposers) have opportunities to practice resource conservation, pollution prevention as well as waste reduction. Shared Product Responsibility provides a realistic and cost effective approach that harnesses companies' efforts to incorporate eco-efficiency while also encouraging both the public sector and consumers to minimize waste and dispose of it appropriately. BIAC encourages the OECD to consider these issues and evaluate SPR as a means to address waste reduction, and to cover these aspects in any Guidance to Governments.