

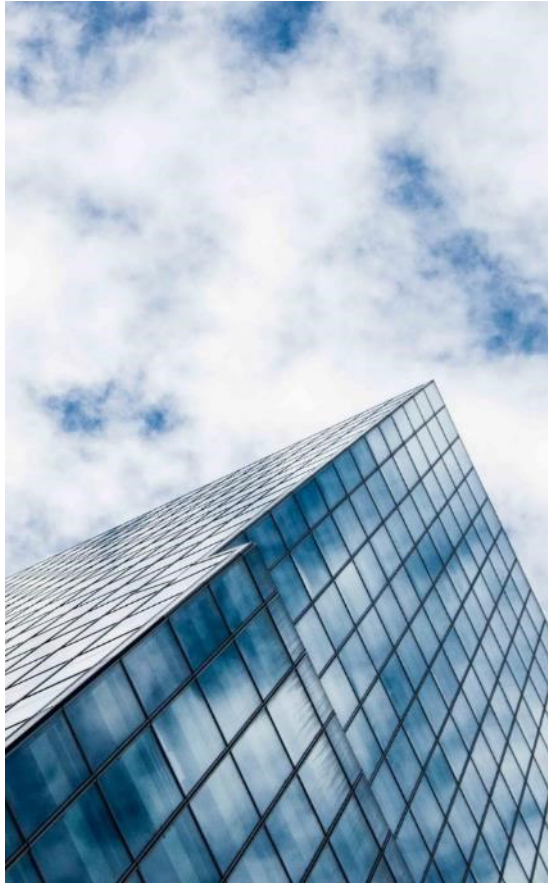


LCA in EU policy and the role of data

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The EU policy dimension



□ European Green Deal – 12/2019

Reliable, comparable and verifiable information also plays an important part in enabling buyers to make more sustainable decisions and reduces the risk of ‘green washing’

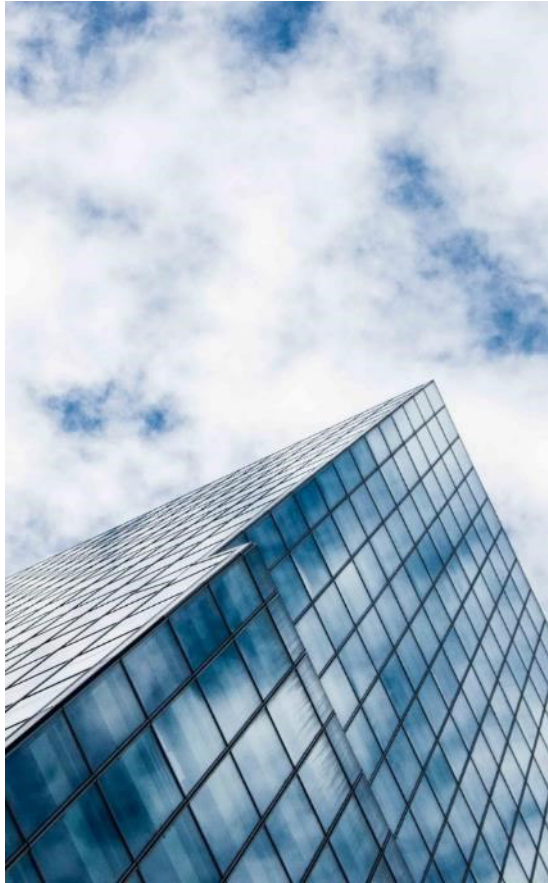
□ Circular Economy Action Plan – 3/2020

The Commission will propose that companies substantiate their environmental claims using Product and Organisation Environmental Footprint methods

□ Commission Recommendation – 12/2021

Updated recommendation to the EU Member States and updated EF Methods

The EU policy dimension



□ Taxonomy Regulation

- the definition and carbon footprint thresholds for sustainable companies

□ Proposal for a regulation on Eco-design for Sustainable Product

- Introduction of mandatory ecodesign requirements (circularity) beyond energy-efficiency
- PEF amongst the reference methods when setting the ecodesign requirements for products
- Information rules – creation of a digital product passport; control of environmental claims on products
- Priority product groups beyond energy using products

□ Batteries Regulation

- new rules aim to promote a circular economy by regulating batteries throughout their life cycle;
- carbon footprint calculation based on PEF

The EU policy dimension



❑ EU Ecolabel

- Supporting the identification and definition of EU Ecolabel criteria

❑ Proposal for a directive on substantiation and communication of explicit environmental claims

- PEF is an appropriate method to comply with the requirements of the GCD (claims on environmental impacts and environmental footprint)
- The financial fiche accompanying the proposal for the GCD includes **budget for the development of a large database** with a different intellectual property regime
- **Industry should be pro-active in the development of EF compliant datasets** that can be used in a PEFCR

Current EF database (EF3.1 version)

- **EF dataset selection:** EF datasets are purchased **under request of the technical secretariats of PEFCR/OEFSR** and considering the limited budget of the EC
- **IPR: EC only have limited user rights** while the data providers have the full ownership of the EF datasets. Data providers are in charge of providing access to the EF datasets and their maintenance.
- ***Drawbacks of the current system to be used in EU policies:***
 - **Limited validity of the EF datasets and need for updates due to contractual reasons** instead of aspects such as the representativeness of the representative products or the technical update of the datasets
 - **Several data providers do not guarantee full consistency between data stocks.** Significant delays in data delivery were observed in the last years
 - **Several nodes make more difficult to have an overview** of the availability of data, obtaining information on the planned updates of EF data or the availability of new EF data and a clear guide on the procedure and (possible) fees

Upcoming EF database (EF4.0 version)

- Commission recognized the need of ensuring that **organizations complying with the EU policies** have access to
 - **a stable and reliable database**: key to ensure that results of PEF/OEF especially performed in accordance with PEFCR/OEFSR are stable and reliable and that claims based on those studies are compared. Additionally, datasets should be fully consistent.
 - **high quality database** that shall include transparent, verified, accessible and regularly updated datasets. **Interoperability** with related EU systems shall be considered (e.g. digital product passport).
 - **updated database** to avoid delays that may have undesired consequences on the development and implementation of EU policies
 - A databased that complies with **FAIR principles** for data (findability, accessibility, interoperability and reusability)
 - A **financially sustainable database** ensuring that the possible incentives to provide datasets by the data providers and the costs of the maintenance of the datasets are totally or partially covered by the fees paid by the users and the possible contributions from the EC and the Member States.

Upcoming EF database (EF4.0 version)

Commission launched a call for tenders in 2022 with a twofold objective:

- 1) **development the new EF database framework**
- 2) **purchase of the core datasets** with full ownership on the following topics:

Energy

Transport

Packaging

End of life

Metals and minerals

Chemicals

Food/feed products

Bio-based materials

Development of the EF database framework

Two step work:

1.a) Database governance

- General concept of the database
- Platform to be used (layout, operability with LCA software, information to be displayed to facilitate the selection of the most appropriate datasets
- Business model

1.b) Development and discussion of the optimal incentives for the:

- generation
- acceptance
- verification
- access and monitoring of the datasets

Development of the EF database framework - Step 1a

Data governance models:	Description
Highly centralized system with low governance diversity	EC has full control on the activities needed for the development of the EF database (even if they are outsourced) The level of involvement of various stakeholders is low, to streamline the decision making process
Highly centralized system with high governance diversity	EC has full control on the activities needed for the development of the EF database (even if they are outsourced) The level of involvement of various stakeholders is high, to increase the acceptance of the database and make more informal choices by EC
Highly decentralized system with high governance diversity	EC steers the overall process. It has a marginal control on the database and the decision making power may lay mostly outside EC. All key activities are managed by external actors
A hybrid level of centralization and governance diversity	EC is the 'gate-keeper' and steers the overall process. Decision-making power is flexibly managed across various activities, depending on the specific needs. All possible combinations are possible.

Development of the EF database framework – Step 1a

Data governance models:	Pros and cons
Highly centralized system with low governance diversity	Pros: full control lower risk of disconnection Cons: skilled internal resources and a higher internal budget slowness on the process of developing EF datasets lower support by stakeholders
Highly centralized system with high governance diversity	Pros: full control higher level of acceptance than option 1 lower risk of disconnection suitable option for implementation of mandatory policies Cons: high EC efforts in terms of resources and budget slower process due to the increased interactions with stakeholders additional burdens on resources internal to the EC

Development of the EF database framework – Step 1a

Data governance models:	Pros and cons
Highly decentralized system with high governance diversity	<p>Pros: less burdens for internal resources and associated costs at EC scalability of the database high level of inclusion ensures acceptance across stakeholders</p> <p>Cons: definition of an appropriate governance model plays a key role to avoid risks of uncontrolled development/maintenance/verification of data risk of disconnection that may compromise the consistency, quality and usability of the database IT infrastructure likely needs to be more sophisticated risk of duplicate or inconsistent datasets risk that needed datasets for relevant policies are not available or not compliant with specific requirements EC has a much lower control of the overall process</p>

Development of the EF database framework – Step 1a

Data governance models:	Pros and cons
A hybrid level of centralization and governance diversity	<p>Pros: most flexible option, possibility of accommodating for various needs mixes approached for a given action can be adopted</p> <p>Cons: complex system to set up in comparison to options 1 -2 a transition period from the more centralized system to a less centralized one, identifying the various steps that can be decentralized not all stakeholders may accept the need for central quality and connectedness control</p>

Development of the EF database framework – Step 1a

Business model

- Sustainable model for the period 2024-2030

Business model	Description
Proprietary fee-based	All the revenue is coming from the user fees. Users must pay for a proprietary license to access the database, regardless the user's identity or use of the database
Open access, public funded	All revenue will come from grant and subsidy funding from the EC and the Member States. Level of funding required will depend on the level of ambition of the EC and Member States
Mostly open access, mixed funding	The model ensures that basis access is free, while it draws on four potential sources of revenue: <ul style="list-style-type: none">- EC and member states contributions- User fees from licensing for some use cases- Complementary services- Third party contributions

Development of the EF database framework – Step 2

Incentives and operational models for generation, verification, acceptance, maintenance and access of EF data.

- Identify incentives for the **generation and acceptance** of EF compliant datasets
 - Ownership of the non-core datasets
 - Responsibility and liability of the information and use of the datasets
 - Possible economic/financial remuneration
 - In-house improvement
 - Potential benefits for the data providers and how to enhance them
 - Conflicts between the need for trust in data and the need of commercial confidentiality

Development of the EF database framework – Step 2

- Define rules and procedures for generation, submission, verification and acceptance of EF data
 - **Generation:** Compliance requirements based on EF compliant dataset guide and level of aggregation/disaggregation
 - **Submission:** continuous/discontinuous submission, forms to be filled in, communication/acknowledge of the receipt of the datasets
 - **Verification:** how technical information and format will be checked, timing to perform the checks, communication of the outcomes.
 - Assess of the need, cost and benefits of developing IT tools to automatize the checks
 - Decision tree based on the possible outcomes of the checks (acceptance, refusal, further interactions)
 - Identification of duplicate datasets and developing a procedure for deciding which dataset should be used
 - Options for identifying and naming EF datasets in a clearly distinguishable way

Development of the EF database framework – Step 2

- Define a model, rules and procedures for the maintenance of EF data
 - Frequency of the update cycle depending on the nature of the datasets and type of updates
 - Minimum requirements for the update in terms of technological, time and geographical representativeness
 - Description on how possible errors and bugs will be identified and fixed
 - Communication of the update to the end users
 - Change-log
 - Consistency among the updated and to be updated datasets

Development of the EF database framework – Step 2

- Define a model, rules and procedures for the **access and monitoring** of EF data
 - Need of registration to the platform and registration form
 - Handling of personal/company information (in line with the EU data protection rules)
 - Estimation of possible access fees for different agents depending on their characteristics and user of the EF datasets
 - Monitor the use of the EF datasets and create statistics



Need more info?

- ***Circular economy:*** [Circular economy \(europa.eu\)](https://europa.eu/circular-economy)
- ***Environment Footprint methods:*** [Environmental Footprint methods \(europa.eu\)](https://europa.eu/environmental-footprint-methods)
- ***JRC website:*** [European Platform on LCA | EPLCA \(europa.eu\)](https://europa.eu/jrc/eplca)
- ***Green claims:*** [Green claims \(europa.eu\)](https://europa.eu/green-claims)

Thank you



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