



OECD WORK ON ENVIRONMENTAL LABELLING AND INFORMATION SCHEMES

Andrew Prag

OECD Environment Directorate

WTO CTE meeting, June 30th 2014



Outline

- A characterisation of environmental labelling and information schemes
- Implications of label multiplication
- Existing policies relating to environmental labelling and claims
- Next steps

Gruère, G. (2013), "A Characterisation of Environmental Labelling and Information Schemes", *OECD Environment Working Papers*, No. 62, OECD Publishing. <http://dx.doi.org/10.1787/5k3z11hpdqg2-en>



OECD Environment Working Papers
No. 62

A Characterisation of Environmental Labelling and Information Schemes

Guillaume Gruère

JEL Classification: L15, Q56, Q58

Phase I: Characterisation

1. Defining environmental labelling and information schemes
2. Mapping institutional actors
3. Characterisation of schemes
4. Analysis of growth trends



Characterisation: beyond the ISO types

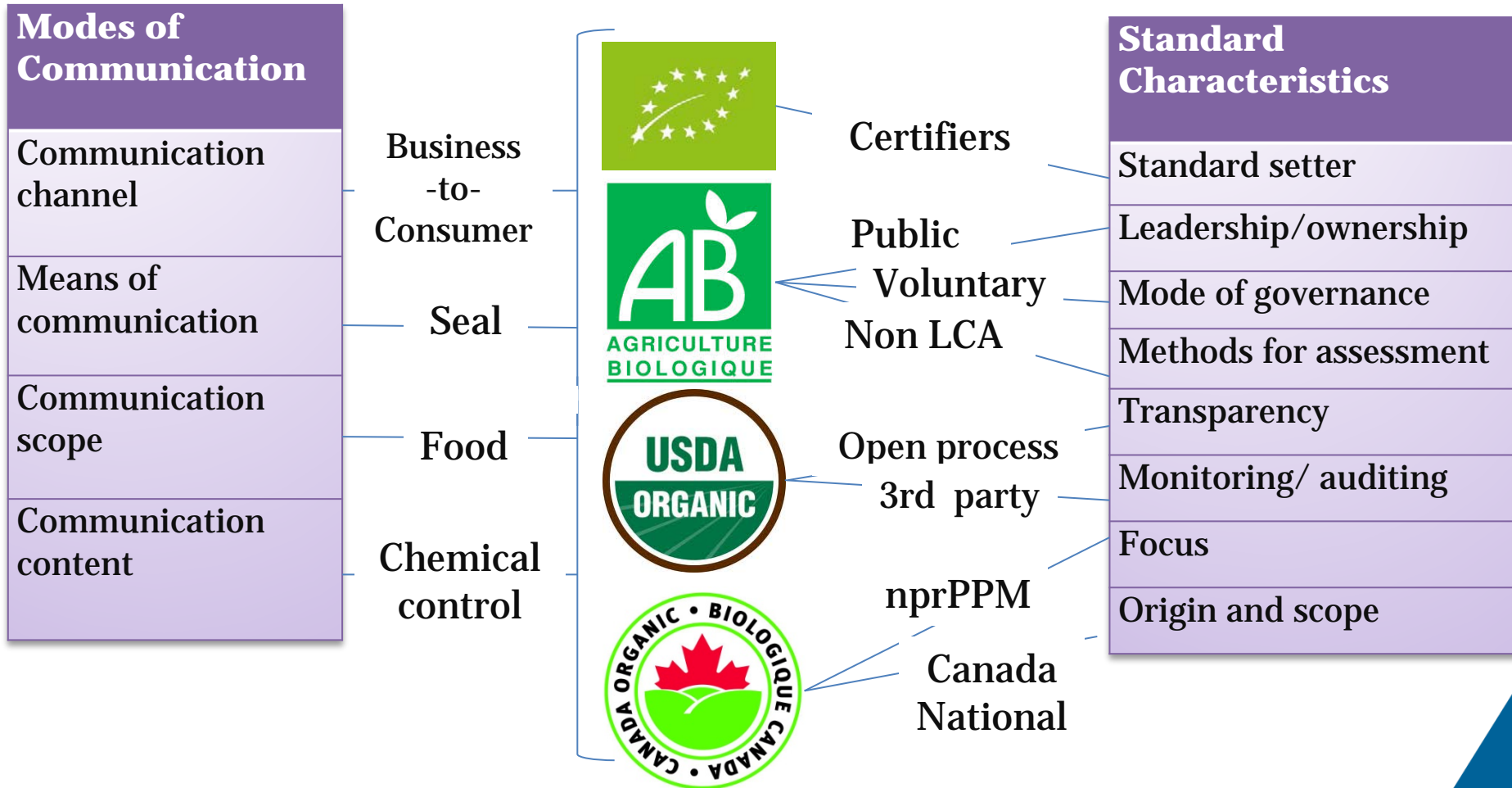
- ISO 14020 series: characterisation for some ELIS

Type	Requirements	Examples
Type I – Ecolabels	<ul style="list-style-type: none"> • Multi-issue, voluntary • Third-party verification • Life-cycle-analysis-based • Transparent process 	
Type II – Environmental Claims	<ul style="list-style-type: none"> • Private claims • First-party verified • Adhering to specific principles 	<p>“Recycled content”</p> <p>“Biodegradable”</p>
Type III – Environmental Declarations	<ul style="list-style-type: none"> • Quantified environmental information • Life-cycle analysis • Independent verifiable data • Primarily business-to-business channels 	

- Many ELIS not (yet) covered by ISO types: single-issue labels, organic seals etc



Towards a comprehensive characterisation of ELIS

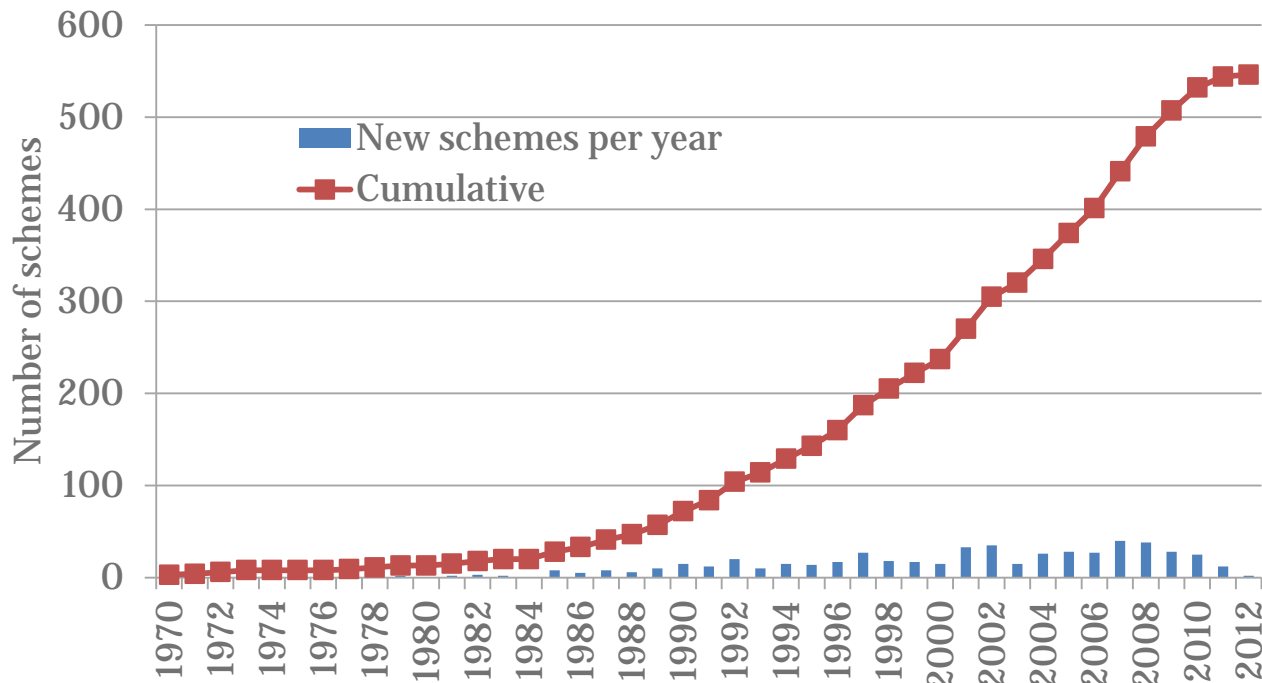




Analysis of ELIS growth trends

Dataset: 544 ELIS introduced in 1970-2012, covering 197 countries from:

- EcoLabel Index (BigRoom Inc.)
- OECD and other publications.

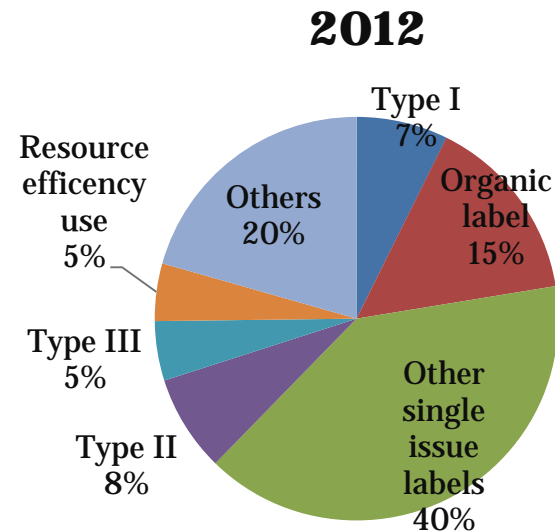
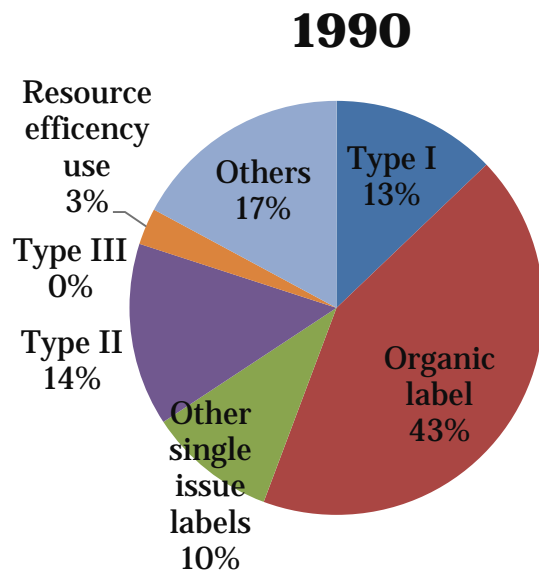
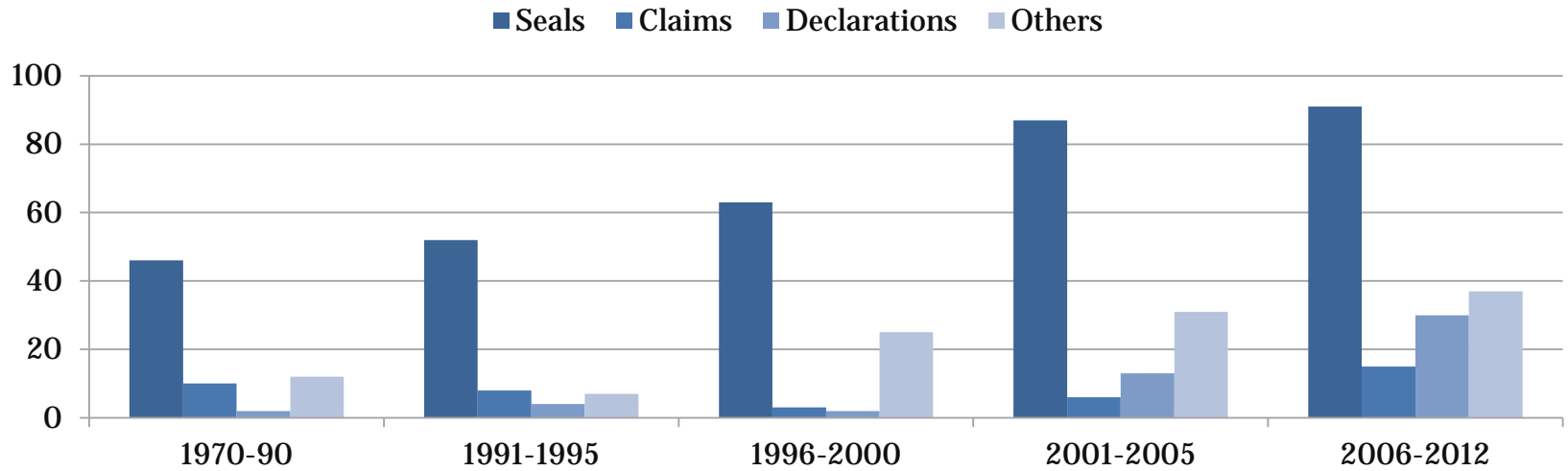


Possible slow-down of new schemes?

Source: Gruère (2013)

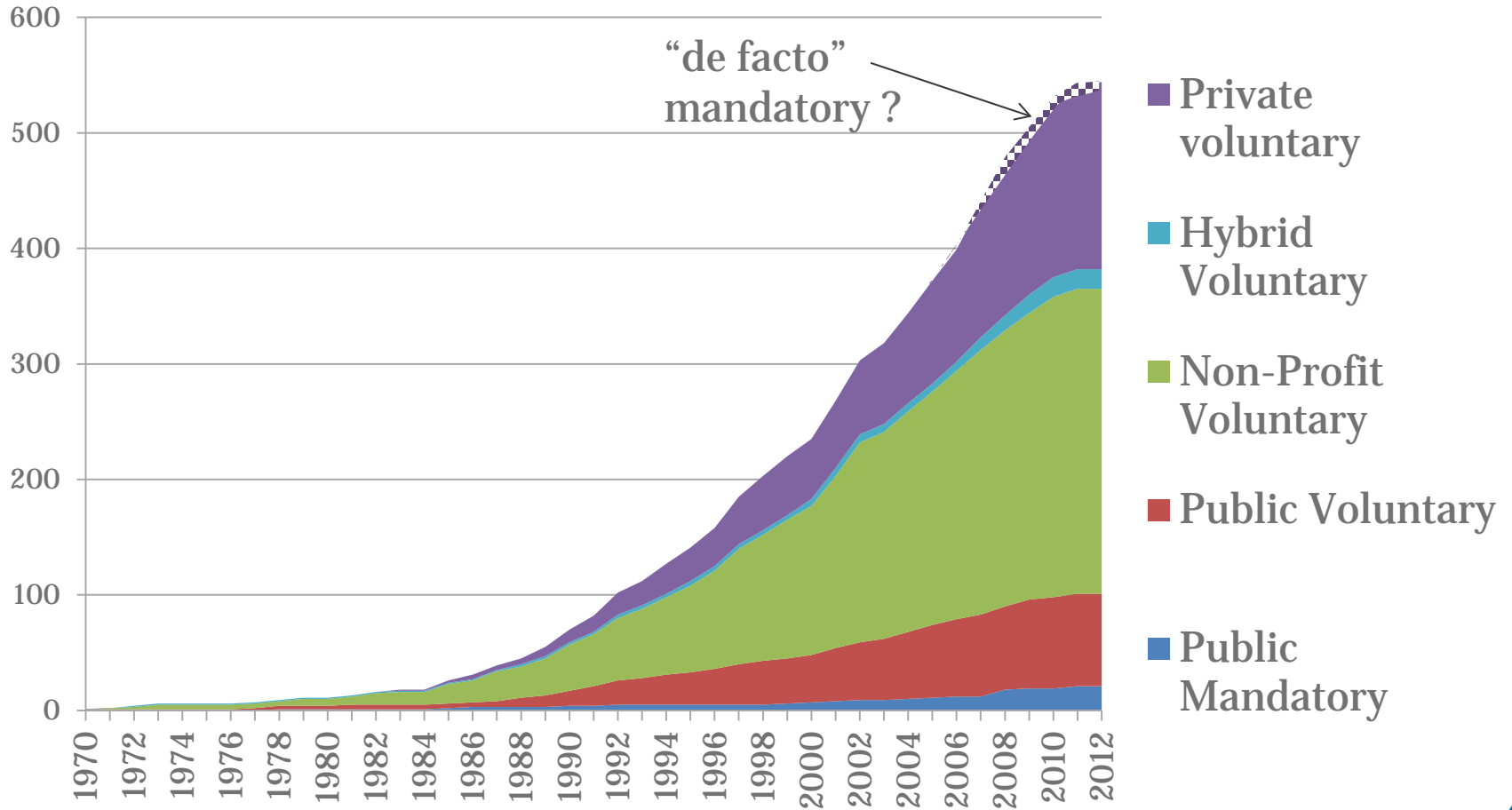


From organic labels to other seals





Mostly non-profit and private voluntary schemes





Characterisation: conclusions

1. **Multiple actors interacting**
 - Public, private and hybrids
2. **Expanding diversity of schemes**
 - 12 characterisation criteria divide into >55 categories
3. **On-going multiplication of schemes (albeit with slower rate since 2010)**
 - Dominant traditional schemes : more competition
 - Emerging schemes: Exploiting new areas, filling gaps
 - Some areas still not covered



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Assessing impacts of multiplication

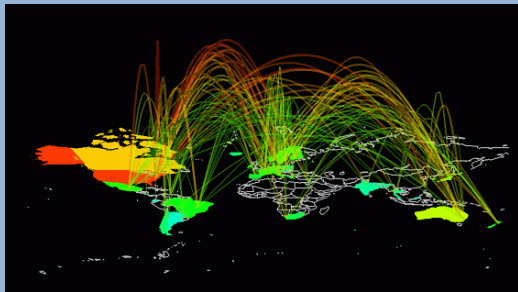
- What do we mean by label multiplication?
- Assessing the quality of “environmental signal” given by labels
- Identifying implications of multiplication in theory and practice:
 - Impacts and opportunities for international trade
 - Impacts on environmental effectiveness



Different types of label multiplication

- Assessing multiplication in three ways:

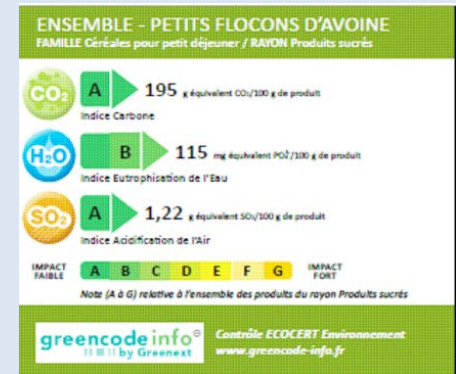
Geographical:
labels spreading across borders



Competing labels
within **product categories**



Introduction of **new label types**





Assessing label impacts: validity of the environmental signal

Signal Environmental quality of product or service	Negative	None	Green
Poor			
Conventional			
High			



Assessing label impacts: validity of the environmental signal

Signal Environmental quality of product or service	Negative	None	Green
Poor	✓ Match	Avoiding signal	“Greenwashing”
Conventional	Misleading & confusing	✓ Match	Light greenwashing
High	“Greenbashing”	Under-reporting	✓ Match



Potential implications of label multiplication

- **Implications for international trade**
 - Access to markets: barriers and opportunities
 - Effects on international competition
- **Implications for environmental effectiveness**
 - Label confusion and fatigue can limit market uptake and therefore impact environmental effectiveness
 - Empirical evidence is sparse, but theoretical modelling can give insights into label interactions



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Review of public policies relevant to ELIS

- Analysis of national policies regulating or guiding ELIS – focus on private sector “Type II” claims and “Type III” declarations
- Examples from 11 OECD countries
- Documenting cases where enforcement has been effective in rejecting misleading claims





Conclusions from policy review

- Four categories of self-claim identified
 1. *Claims about measures **already required** by mandatory regulation*
 2. *General environmental claims that have only **parts of the lifecycle** substantiated*
 3. *Environmental claims **not sufficiently backed up** with data*
 4. *Claims involving a product that is “**the lesser of two evils**”*
- Several countries have guidance to help private sector avoid misleading green claims; often based in part on ISO 14020 series
- Not much evidence of direct harmonisation of regulation of self-reported claims
- Increasing numbers of prosecutions against misleading claims, but difficult to assess effectiveness of measures



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Provisional findings and next steps

- **More challenging areas of multiplication:**
 - Type II self-made claims
 - Type III quantified declarations including footprints
- **Importance of transparent and internationally-recognised standards (ISO or otherwise)**
- **Public and private initiatives exist aiming to encourage high standards for non-government labels**
- **Ongoing work on trade implications of multiplication and roles of different actors**
- **Scoping options for possible policy guidance later this year**



Thank You!



Andrew.Prag@oecd.org

Characterisation paper :

Gruère G. (2013) *A Characterisation of Environmental Labelling and Information Schemes*, OECD Environment Working Papers, No. 62, OECD Publishing.

www.oecd.org/env/workingpapers.htm

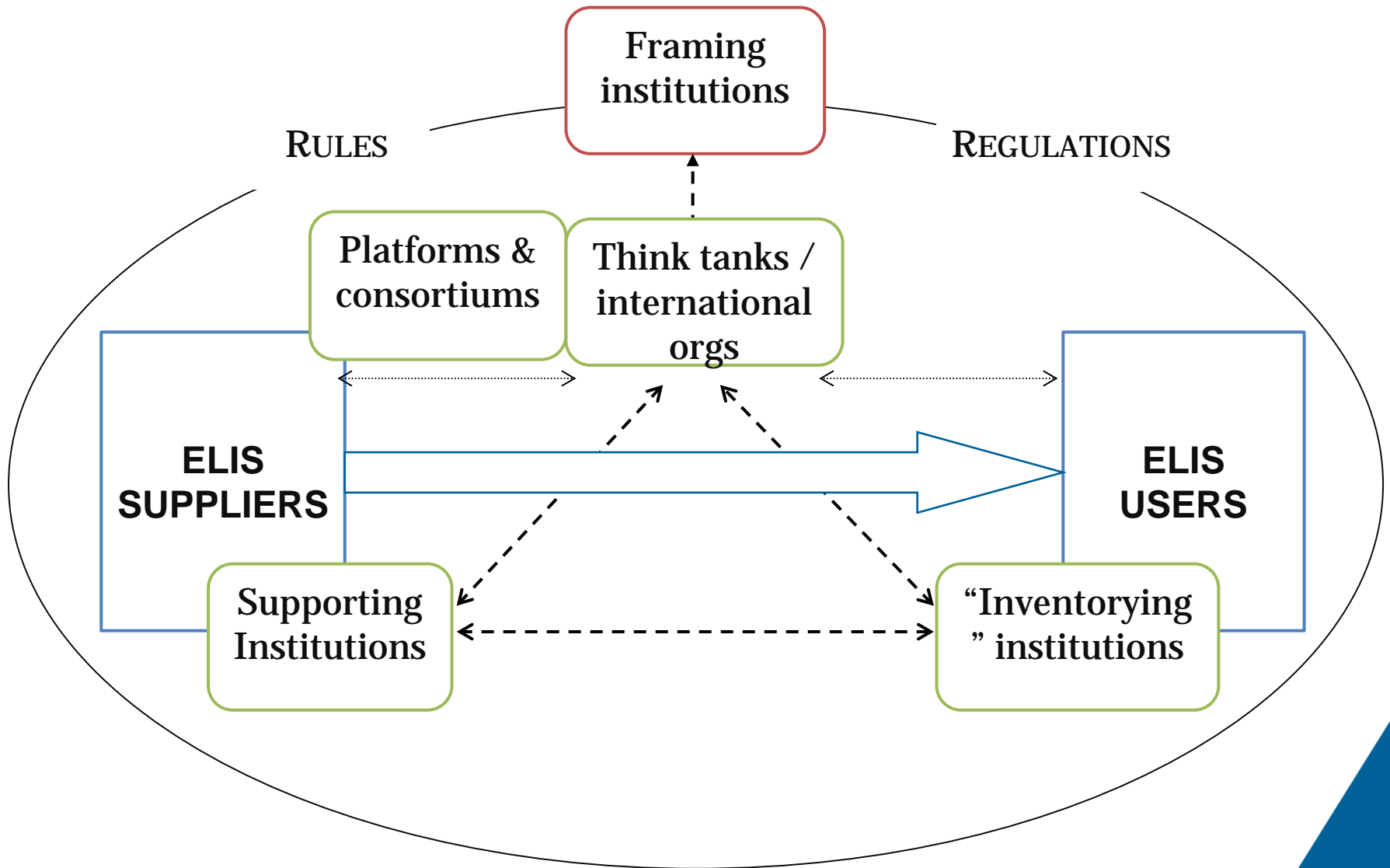


Extra slides follow



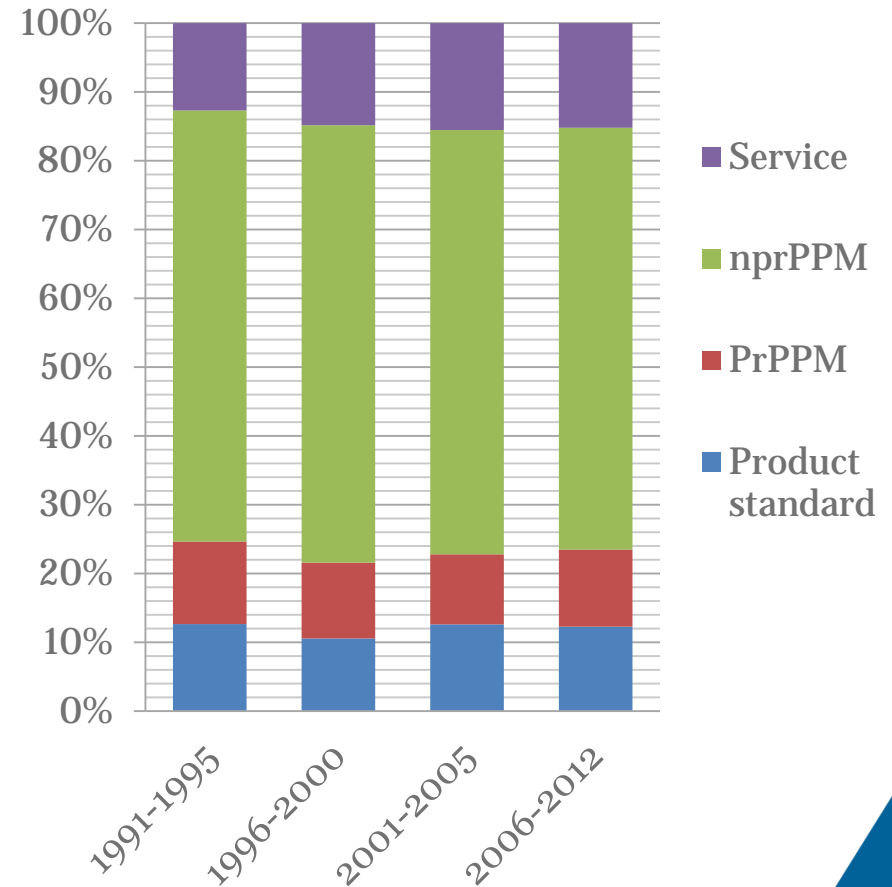
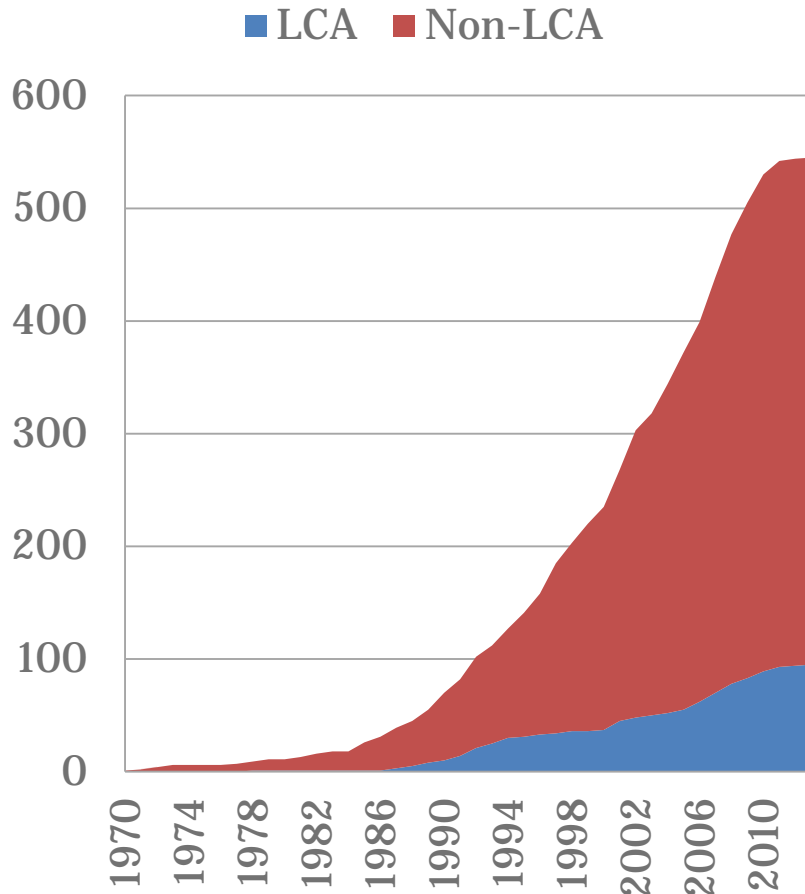


2. Mapping institutional actors



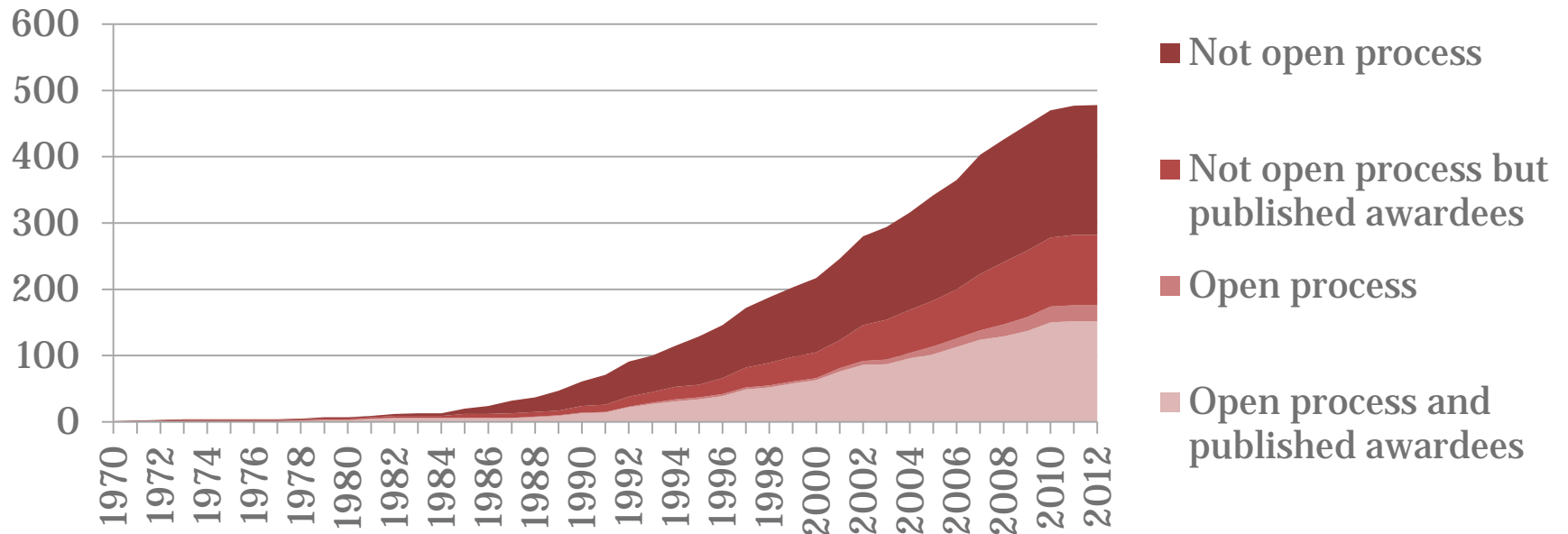
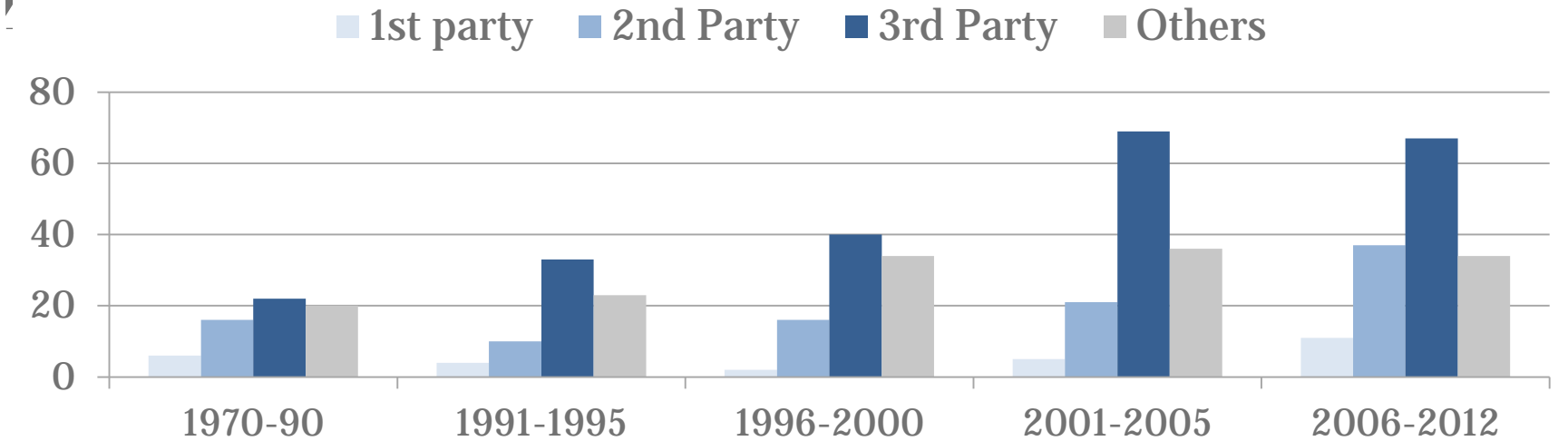


Methodologies and focus of schemes: stable over time





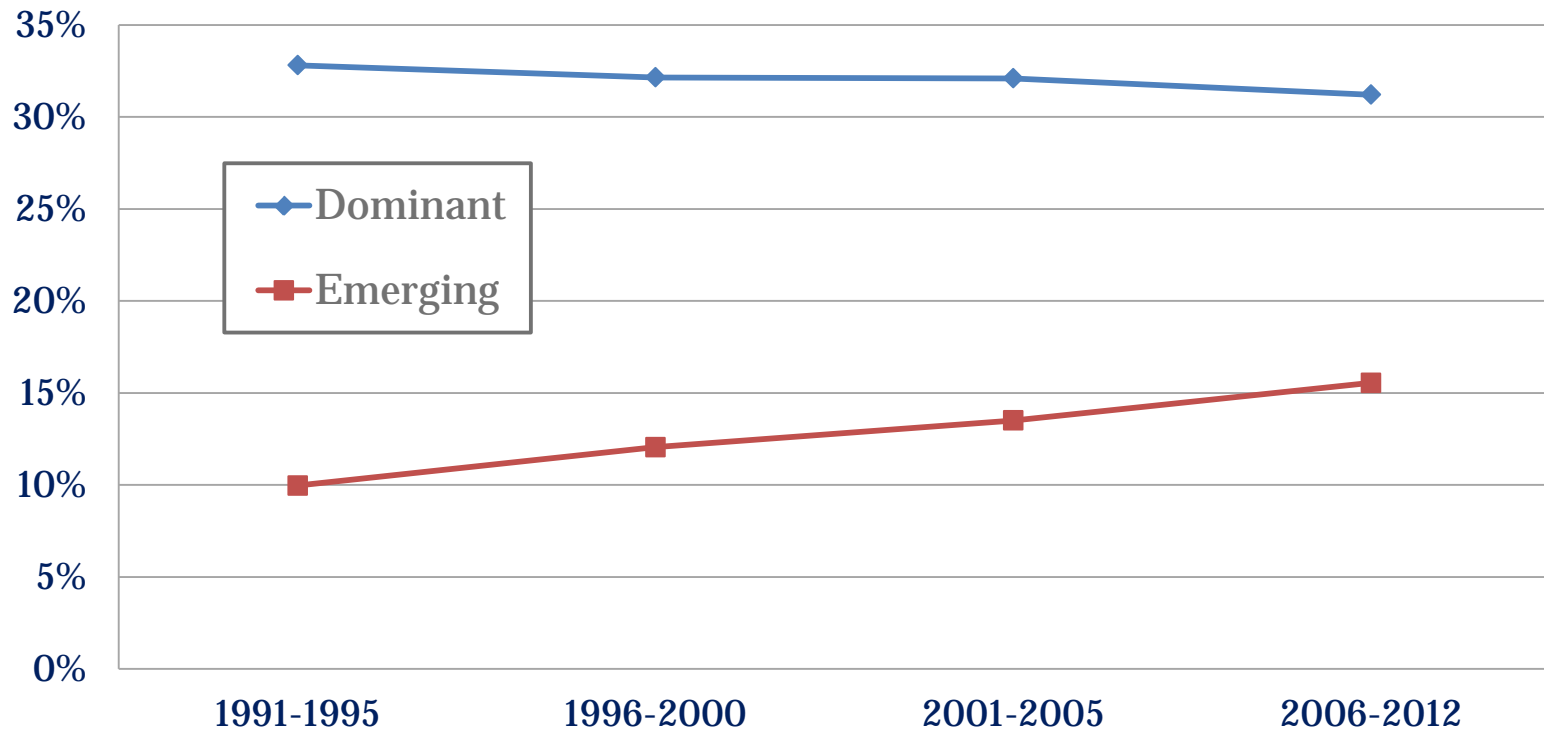
More third-party audited, but still not transparent





“Intensification” versus “extensification”

Average contribution to overall growth in the number of ELIS



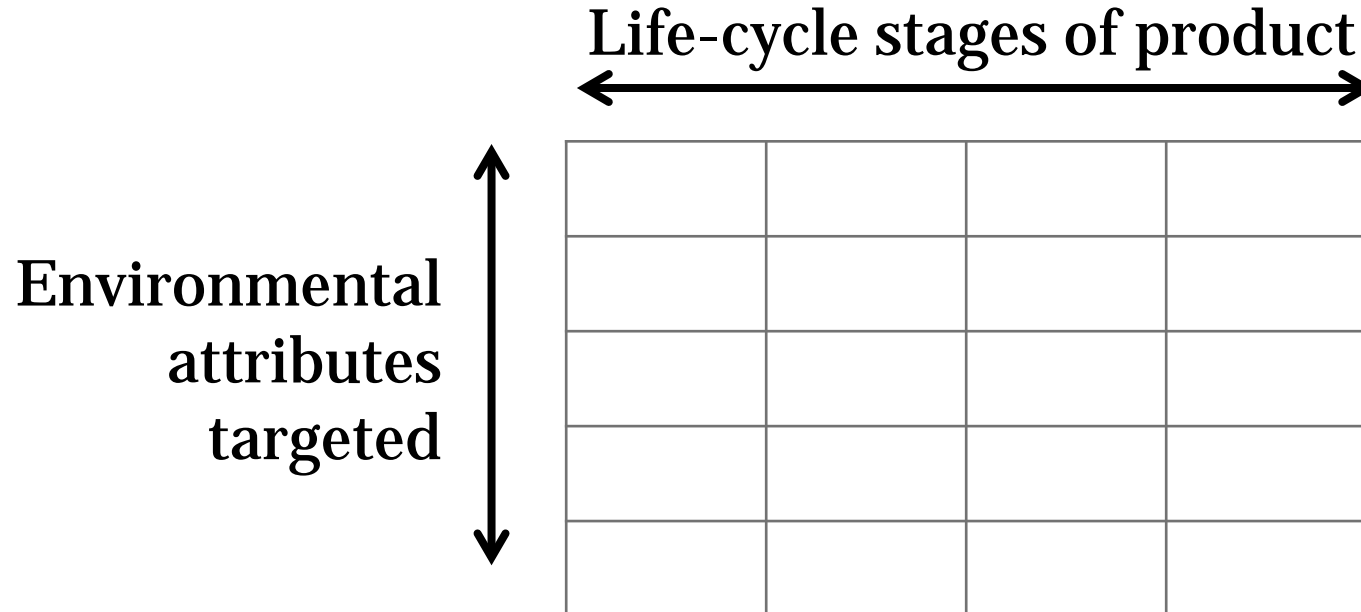
Dominant: B2C, Food and agriculture and multiple, Chemicals and Natural Resources, Non-profit, Non-open, nprPPM, Europe and North America, national scope.

Emerging: B2B, Energy, transportation and biofuel, climate, private, open, product standards and services, non-OECD, regional scope.

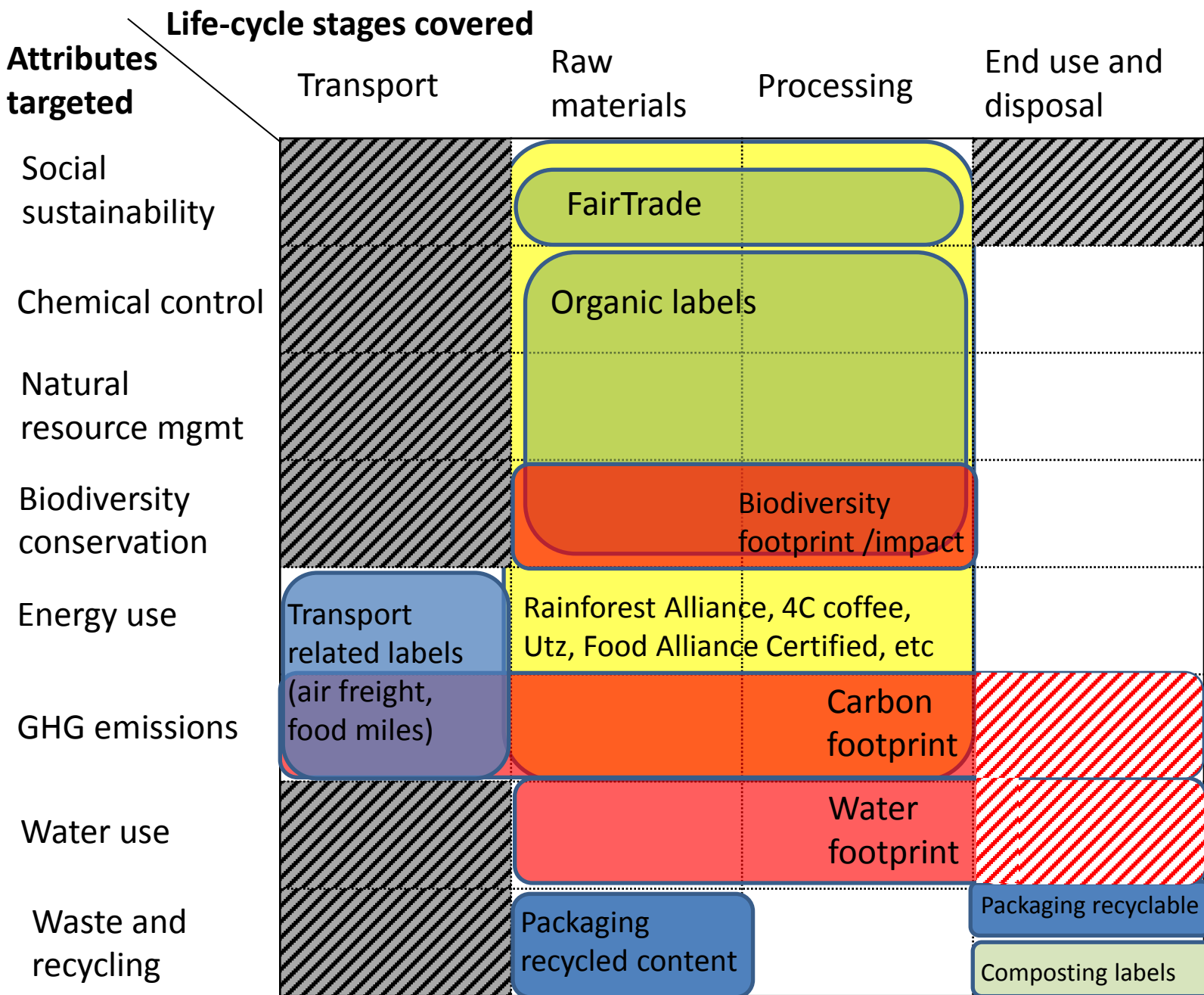


An example: Multiplication of labels within product categories

Assessment of overlap of common labels used within product categories along two dimensions:



Example label mapping: Fruit, vegetables and coffee



Example label mapping: Electronics and appliances

