

Development of environmental goods market in the age of Global Value Chains



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Agenda

- Tools for the development of environmental goods market
- Major trends affecting market development
- Assessment of the effectiveness of implementation status and the practical application in Ukraine
- Barriers
- Capacity building

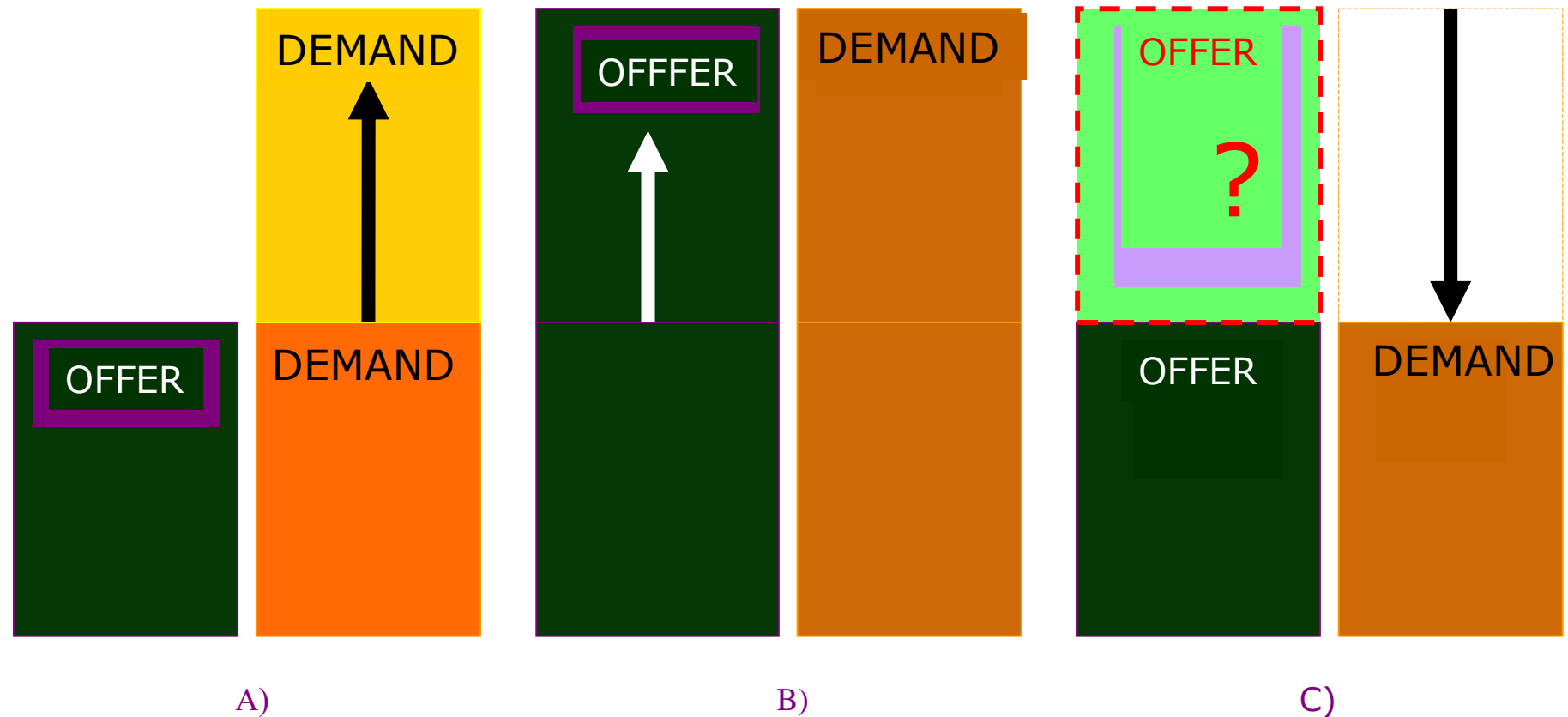


12.1
 Implement the 10-year framework of programs on sustainable consumption and production, all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries⁵



8.4
 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead

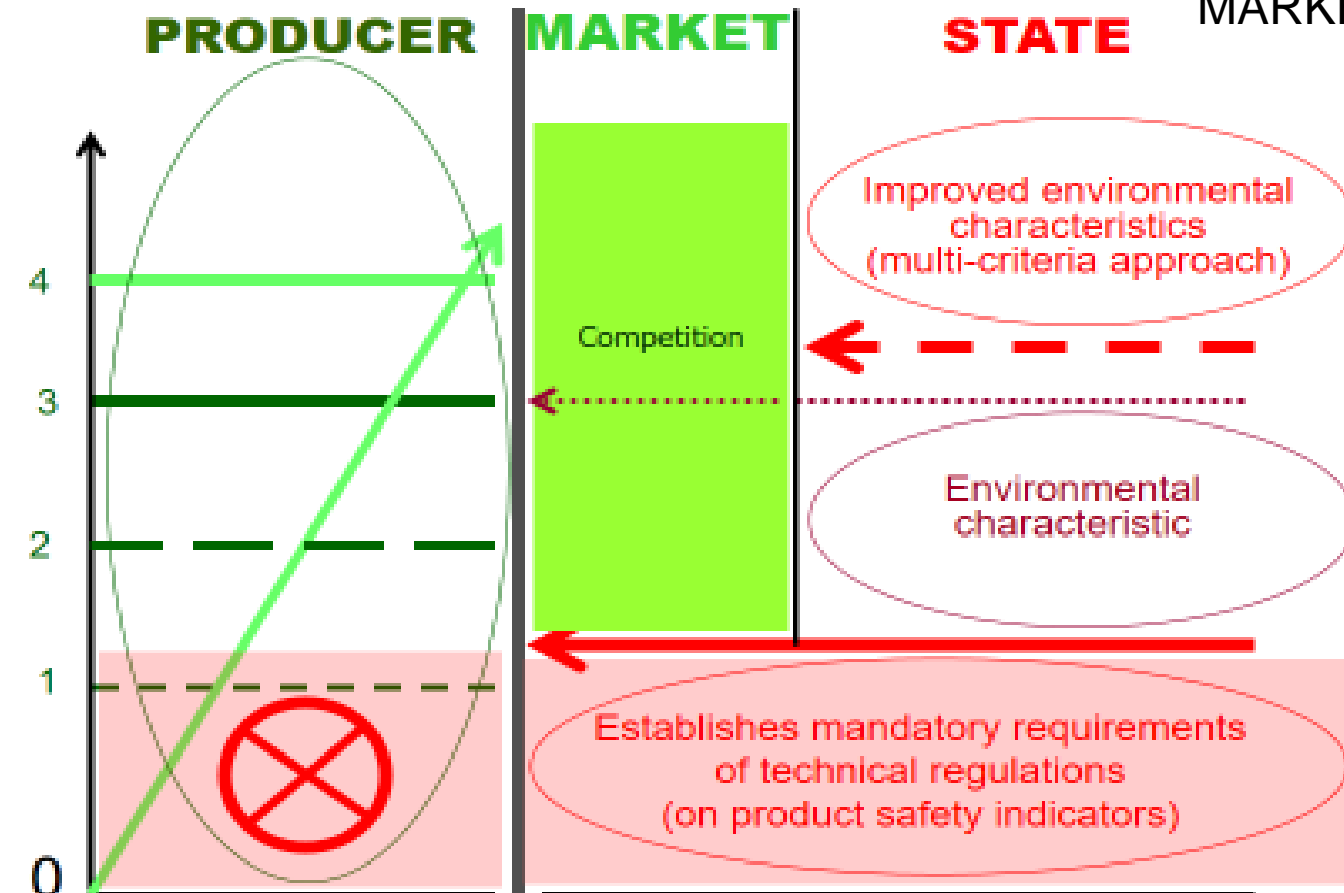
What prevails? «offer» or «demand»



WHAT DIFFERS ECO-PRODUCTION FROM ORDINARY GOODS AND SERVICES?

HOW DOES IMPROVED ENVIRONMENTAL PRODUCT CHARACTERISTICS AFFECT CONSUMER CHOICE?

WHAT CAPACITY AND TRENDS OF ECOPRODUCTION MARKET DEVELOPMENT?



WHAT ENCOURAGES ECOPRODUCTION MARKET DEVELOPMENT ON B&B LEVEL

SUSTAINABLE CONSUMPTION
AND MANUFACTURING

SUSTAINABLE PUBLIC
PROCUREMENT


GREEN INVESTMENTS

Environmental certification


Environmental certification **allows:**

- comprehensively evaluate and confirm improved environmental characteristics;
- to enter the markets in the category "eco-products" without violating the competition law;
- apply innovative approaches and best practices in the world to use proven product benefits to increase sales, particularly in the public sector.

Target audience in B2B sector




Private sector: primary producers, manufacturers, retailers and procurement practitioners, recycling, waste and resource management facilities



Marketing and advertising professionals



Labelling and voluntary sustainability standards schemes




Governments (including sub-national authorities) and public procurement practitioners



Trade unions, trade or industry sector bodies



Consumer, environmental and other civil society organisations



Market surveillance authorities

Apply the Guidelines for the development of product sustainability information

Compare/ adapt (upcoming) product sustainability information schemes and policies to the Guidelines

Check the quality of product sustainability information by comparing to the Guidelines



Profile of ecoproducts and services consumer

Concerned about health

Average and above income

Active Internet user (surf to find useful information)

Price matters to him, but not more than the product itself

Age - 25 to 45. Gender - Depending on product category.

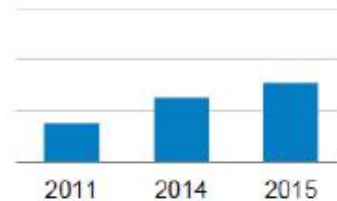
Even in times of economic depression, such consumer will stay for quality and safety.

The number of such consumers is increasing year by year.

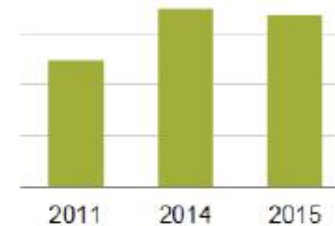


eco-products consumer

records the monthly costs of goods and services,%



Consciously choose goods and services (scale from 6-7)



the influence of factors such as quality and safety,%





WHY IS ECOLABELLING APPLIED?



Ecolabelling is a greening tool of economics

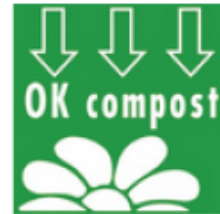


The principle of sustainable consumption is based on the consumption of products with improved environmental characteristics at all stages of the life cycle

Type II of ecolabelling ISO 14021

Type II of eco-labeling ISO 14021 is informative declarations in the form of wordings or labels of an environmental nature

An example of type II ecolabelling may be statements such as "content of recycled material is,%; «recyclable», «compostable», «collapsible construction», etc., or special signs specified by the standard ISO 7000



Requires documentary confirmation.

Does not require mandatory certification of conformity of the declared feature by a third party (certification).

<https://www.iso.org/obp/ui/#iso:pub:PUB400001:en>
or by entering the ISO 7000 standard code on the <https://www.iso.org> search

Type I of ecolabelling ISO 14024

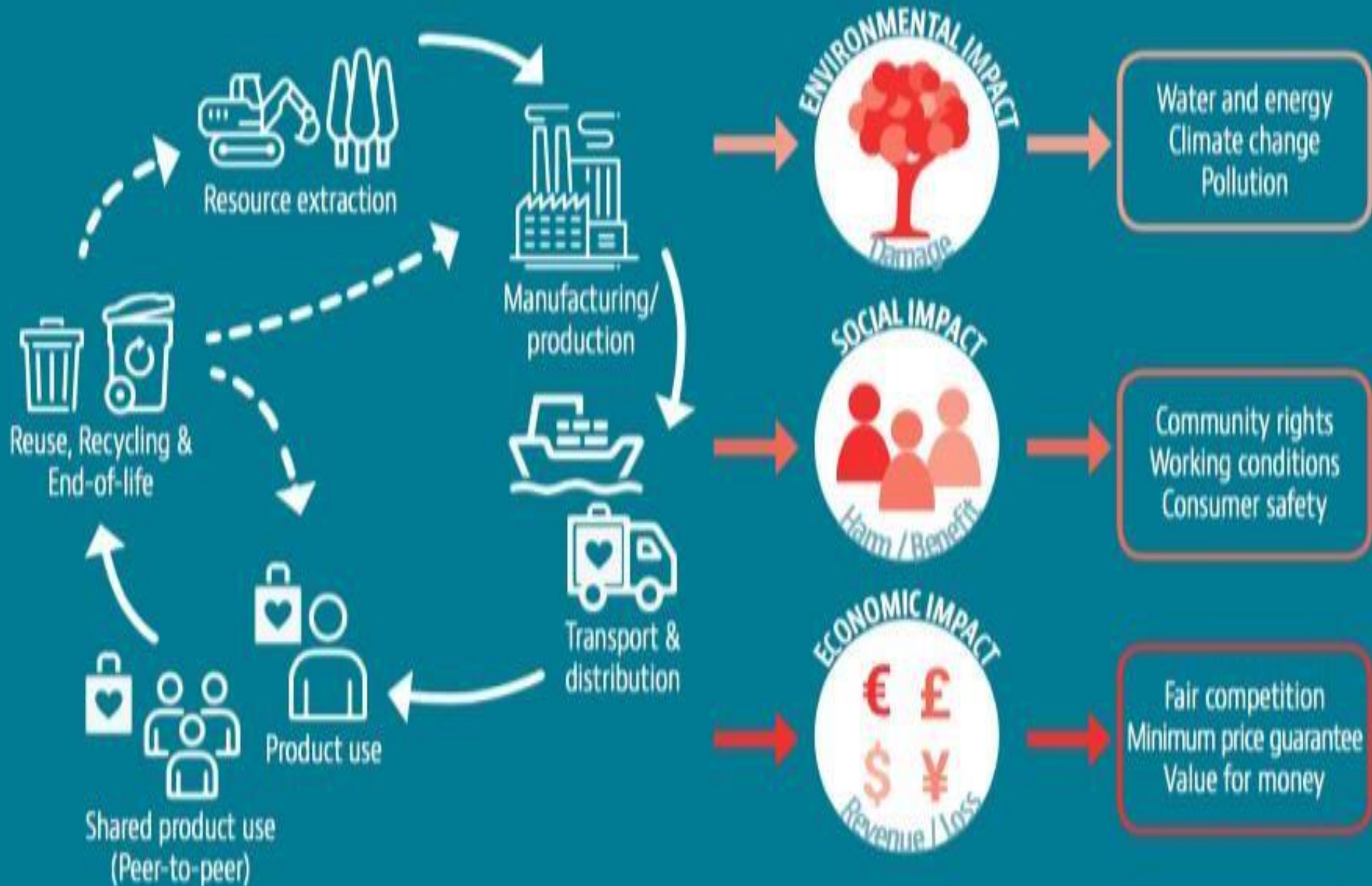
Improved environmental characteristics?

- ✓ Significant aspects ('hotspots') covered
- ✓ Not masking poor product performance, no burden shifting
- ✓ Genuine benefit which goes beyond legal compliance

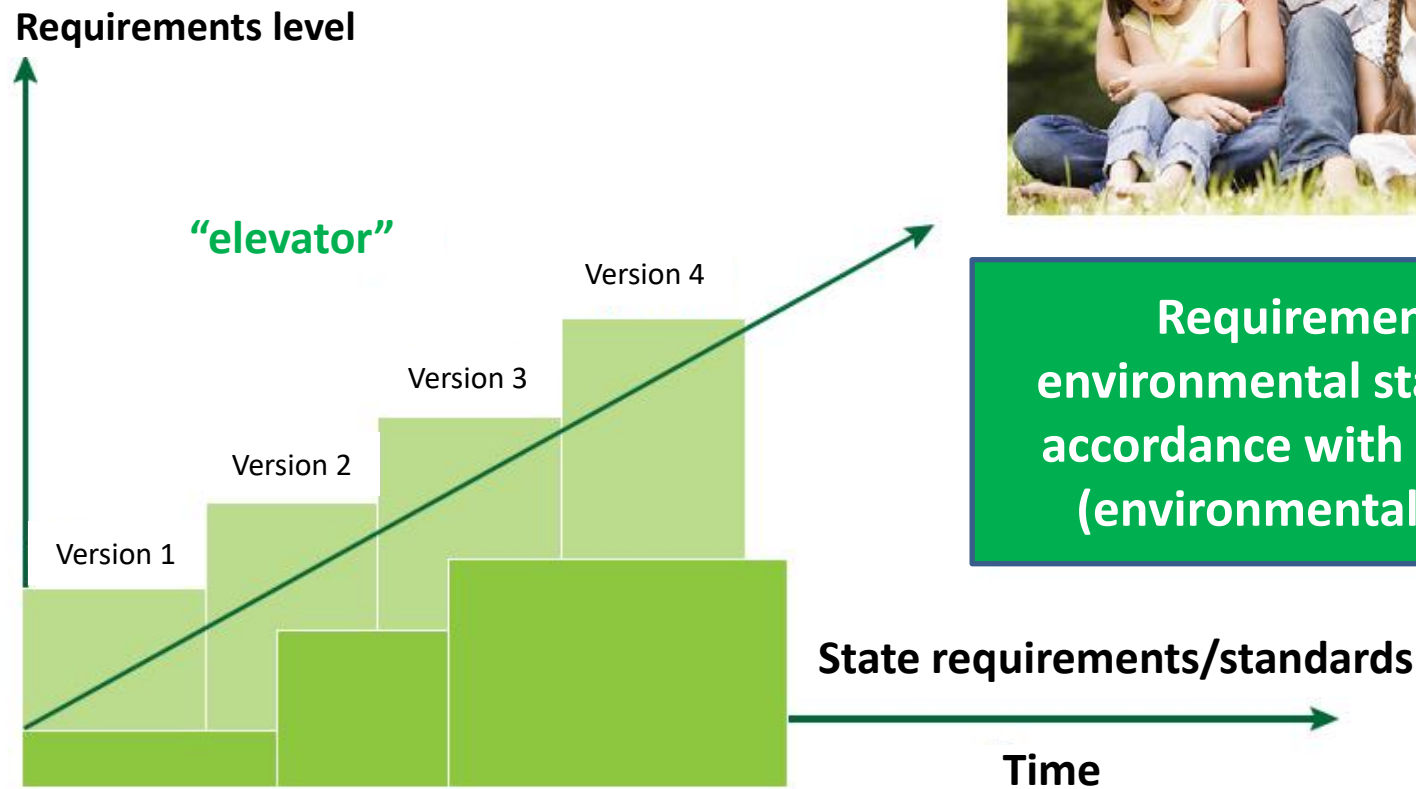


Requires mandatory certification of conformity of the declared improved environmental characteristics by a third party (certification).

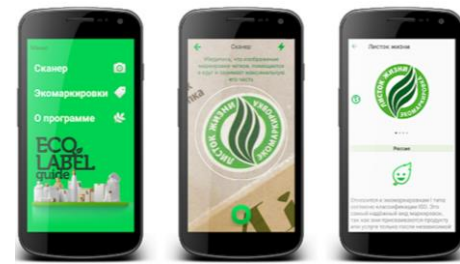
Product life cycle?



Principle of development of environmental criteria

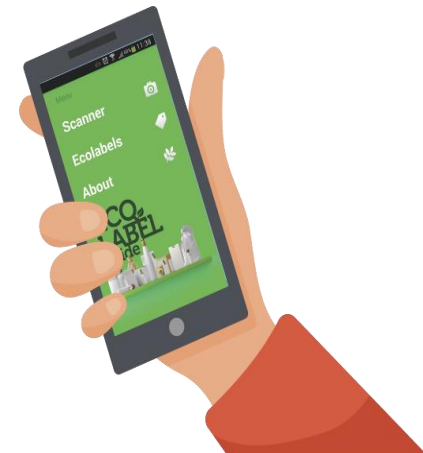


Requirements of
environmental standards in
accordance with ISO 14024
(environmental criteria)



ECO LABEL
guide

Download the Ecolabel Guide mobile app for Android and iOS, scan the ecolabel and find out that you're choosing really environmentally-certified products.



Reduction of water pollution

Safe for health and the environment***

Primary bioreact of surfactant is not less than 70%**

Effectiveness of application

Resource-efficient production technologies

The packaging is subject to recycling

Controlling the content of hazardous substances*

Cost-effectiveness of dosing

Ecolabel



Decrease in waste production and consumption

Advantage for public procurement****



Environment Standard “Green Office”

ECOLOGICAL EDUCATION AND EDUCATION BEGINS WITH A GOOD EXAMPLE



45 mandatory requirements
40 additional requirements, at least 6 of which
must be implemented

<https://www.globalecolabelling.net>



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Country/Region	Member	GENICES
Australia	Good Environmental Choice Australia	✓
Brazil	Associacao Brasileira de Normas Tecnicas	✓
China (CEC)	China Environmental United Certification Center	✓

<https://www.ecolabel.org.ua/pro-nas/mizhnarodne-viznannya>

GLOBAL ECOLABELLING NETWORK



UL
ECOLOGO
 PRODUCT CERTIFIED FOR REDUCED ENVIRONMENTAL IMPACT. VIEW SPECIFIC ATTRIBUTES EVALUATED: UL.COM/EL UL XXXX

for illustrative purposes only

*GEN was founded in 1994
 28 systems according to ISO 14024, 60 countries in the world*

Providing Product Sustainability Information

The 'Fundamental Principles'

Reliability



Transparency



Relevance



Accessibility



Clarity



Effective,
trustworthy
sustainability
claim

The 'Aspirational Principles'

Behaviour change &
longer term impact



Three dimensions
of sustainability



Collaboration



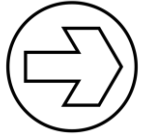
Multi-channel &
innovative approach



Comparability



Principles and fundamentals



Provide additional guidance on implementation of the following approaches and principles

Hotspots Analysis Approach



The majority of road testers were not familiar with this approach prior to the road testing. More guidance is needed in order to clarify what hotspots analysis means and its relevance to communicating product sustainability information.

Principle 4 (Transparency)



The potential that new technologies can bring for progress in this principle should be recognized and further discussed, considering that data-enabled technologies provide information to consumers first hand in real time, while also addressing the challenge of limited space on pack.

Principles and fundamentals



Principle 6 (Three Dimensions of Sustainability)

Considering there are still no internationally recognized standards or labels that cover all three aspects of the full life cycle, the Guidelines suggest that companies look at combining standards and methodologies to ensure all three dimensions of sustainability are taken into account.



Principle 7 (Behavior Change and Longer Term Impact)

Further guidance should be provided on how to monitor changes in behavior of consumers. This process is regarded as demanding and onerous, especially for small and medium sized organizations.

Principles and fundamentals



Principle 8 (Multi-Channel and Innovative Approach)

This principle was found to be more challenging for standard-setter (as opposed to companies). 72% of them shared the desire of developing additional multi-channel and innovative activities to better engage consumers.



Principle 9 (Collaboration)

It was recognized as a crucial next step to involve consumers in the development of the claims. The results also pointed out the necessity of additional advice on how small and medium sized organizations could use their limited resources and capacity to involve relevant stakeholders (partners) during the development of the claims, ultimately aiming at building an open and inclusive process.

Barriers

- Lack of effective public policy aimed at developing the market for ecoproducts and sustainable trade
- Low level of awareness of customers, consumers and manufacturers in ecolabelling market benefits
- Greenwashing
- Low level of trust
- Low level of application of sustainability criteria in public procurement
- No clarification which products and services are classified as “environmentally friendly” or “eco friendly”.
- The market demand exists but it’s almost impossible to calculate its volume from GDP. There is also a number of problems associated with the application of the standards.

How to further progress in the field?



Work on policy level

- Link to **national processes and instruments**, although recognizing that consumer information is an issue that needs international consensus
- Engage with **national marketing surveillance** authorities and regulators responsible for overseeing consumer marketing and claims on a national level
- Continue to lift the Guidelines to a **more political and strategic global sphere**, for which the involvement of governments will be crucial

How to further progress in the field?



Enhance collaborations and create synergies

- Build partnerships with a focus on a **replication effect**
- Promote activities to **strengthen collaboration with retailers** considering their role in promoting more sustainable goods in a visible and appealing way to end consumers
- Collaborate for **country level awareness raising** and identification of national specificities

Progress Potential

- Favorable **investment climate**
- **State support for green modernization.**
- Clear **government criteria** for sustainability of goods and services should be adopted at the national level:
 - to define priority categories;
 - to establish a criterion base for prior categories of goods and services with reference to the requirements of the relevant standards with a clearly recognized presumption of conformity
 - to ensure proper state monitoring of its implementation
- Conduct systematic **outreach to rise public awareness**
- **Involvement of retailers** in informing consumers in commercial networks about environmentally friendly / ecofriendly / energy efficient products
- Apply for the **technical assistance** to conduct the **survey** to assess the real **capacity of environmental goods and services market**, develop **road map** based on EU experience

**Thank you for
your attention!**

