



Are single score indicators preferable?

The use of weighting in the Italian policy initiative
“Made Green in Italy”

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Disclaimer:

The presentation contains personal views of the author only.

Weighting in the policy context

- Well-known need for simple and clear-to-understand way for communicating the outcomes of life cycle-based studies, to ease their use in the decision-making process;
- The delivery of single score outcomes somehow exempts/alleviate the pressure on decision makers?
 - Who should bear the responsibility for a decision?
 - Mixing up the means (method) and the ends (policy application)?
- Example of application of weighting in the Italian policy context: the “**Made Green in Italy**” (MGI) labelling scheme
- MGI: National voluntary labelling scheme for the evaluation and communication of the environmental footprint of Made in Italy products

The policy demand and main drivers in the Italian context

- Promote the competitiveness of the Italian production system in the national and international markets;
- Reward those producers who have innovated their production systems from the environmental point of view;
- Communicate the environmental quality of products in an easy and clear way to consumers (B2B and B2C);
- Rely upon recognised methods and approach at international level (go beyond the national boundaries), recognised in the Better Regulation toolbox (COM/2015/0215 final);
- Promote continuous improvement of production processes;
- Coordinate and create synergies among the existing environmental policies at national level.

Which answer to the policy demand?

The Made Green in Italy (MGI)

Decree 21st March 2018, nr. 56. Regulation for the implementation of the national voluntary scheme Made Green in Italy (Law 221/2015)

- Based on the Product Environmental Footprint (PEF) method;
- Based on the definition of Product Footprint Category Rules (PEFCRs):
 - The ones developed within the PEF pilot initiatives;
 - New ones developed at national level (mirror approach);
- Applicable to any kind of products for which the “Made in Italy” applies;
- Based on continuous improvement principle;
- Synergies with the GPP: it can include (where applicable) declaration of conformance to the environmental minimum criteria;
- Built upon the definition of a benchmark and classes of performances;
- Landscape safeguard and social sustainability for agricultural products

Made Green in Italy



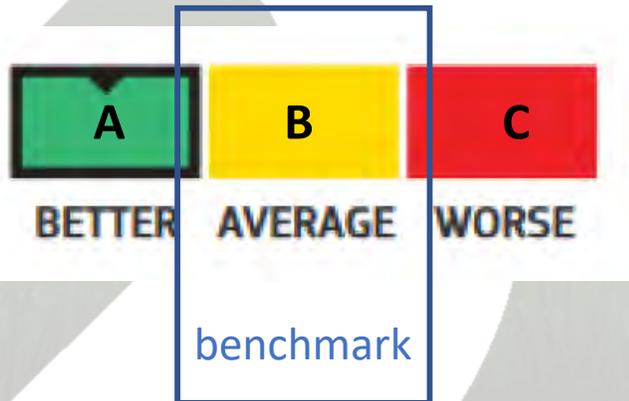
- Identification of a benchmark and 3 classes of performances (A/B/C), where B represents the benchmark
- The label is awarded to products in class B and A
- Product with “B” shall commit to improve their environmental performance
- Details in the Environmental Product Declaration, to be made available
- Programme Operator: The Italian Ministry of Environment

The Regulation has been published recently, and the label has not been awarded yet.

Use of single score in the MGI scheme

The single score is used to define the benchmark

Benchmark = sum up of the 3 most relevant environmental impact categories results which result from a PEF study according to the PEFCR



The class of performance is not displayed on the label.

- Choice of 3 impact categories:
 - expected outcomes of the PEF studies' results during the pilots (the legislative process of the MGI started in 2015, when the pilot phase was at the beginning)
 - requirements set in the PEFCR Guidance (*"at least three relevant impact categories shall be considered"*)
 - High data quality requirements for the most relevant processes (of the most relevant impact categories)
- The most relevant categories are identified according to the PEF methodology, i.e., those that cumulatively contribute to at least 80% of the total environmental impact
- They shall be based on the normalized and weighted results

Use of single score in the MGI scheme

- The characterization, normalization and weighting factors adopted are those developed in the framework of the PEF initiatives
 - Fazio S, Castellani V, Sala S, Schau EM, Secchi M, Zampori L, Diaconu E (2018) Supporting information to the characterisation factors of recommended EF Life Cycle Impact Assessment method. ISBN 978-92-79-76742-5
 - Global normalisation factors for Environmental Footprint
 - Sala S, Kim Cerutti A, Pant R (2018) Development of a weighting approach for the Environmental Footprint. ISBN 978-92-79-68041-0
- The benchmark is the starting point for defining classes of performances
- The benchmark and the classes of performances have to be defined in the PEFCR (no applications available yet)

Use of single score in the MGI scheme

- Once defined the benchmark, the classes of performances are not defined mathematically but based on considerations such as:
 - Level of technology innovation, to avoid barriers and unfair competition;
 - Market characteristics (type of enterprises, market shares, etc);
 - Promote and create synergies with existing quality labels (PDO, PGI, TSG) in the agricultural sector;
 - Promote the continuous improvement;

Examples of potential situations:



Homogeneous market situation



A few key players on the market; need to support the enterprises in the innovation process while rewarding their efforts;



Most of the enterprises have an average performance; push toward improvement

Use of single score in the MGI scheme

- The single score is not communicated on the label;
- Easy recognition by consumers of the environmental quality of a product, supported by the authoritativeness of the Programme Operator (national label);
- The calculation of the benchmark is updated in line with the development in the PEF initiative;
- Need to revise the initial choice of calculating the benchmark out of the 3 most relevant impact categories;

Considerations

- The weighting in the MGI was adopted for a twofold purpose:
 - Simplifying the message for consumers (logo vs no logo)
 - Easing the evaluation process of non-technical experts in assigning the label
- Using single score does not mean that the midpoint indicators are not shown → Environmental Product Declaration
- The weighting is the initial step of the scheme but it is coupled with market/technology/innovation/competition-related considerations, to avoid distortions and to fulfil the overarching goal of the national environmental policy
- Importance of ensuring coherence with the technical developments and initiatives at EU level

Considerations

- The approach could also support the implementation of other policies that are currently lagging behind → Directive 2014/24/EU (EU public procurement): lowest price award and life-cycle costing (LCC) - Awarding public contracts on the basis of the most economically advantageous tender
- No doubt that weighting is relevant and also necessary for the decision-making process, but:
 - Midpoint indicators are necessary to check and support the direction of the implemented improvements
 - The outcomes are always to be framed in the specific context, no matter the robustness of the method



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