

Carbon Footprint Labels An Emerging Trend... Are they Part of the Problem or Solution?

Mark A. Cohen

Vice President for Research & Senior Fellow
Resources for the Future

Professor of Management & Law
Vanderbilt University

Two Issues

- ❑ How to Engage non-Annex Countries in Serious Carbon Emission Reduction Strategies
- ❑ How to Avoid “Leakage” that would Undermine Domestic GHG Reduction Policies

Legal Boundaries for Carbon Footprints: Three Scopes

- Scope 1: Direct
 - Scope 2: Indirect Energy, etc.
 - Scope 3: Supply Chain, etc.
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- Legal boundaries for current & new proposals include only Scope 1 & 2

Physical Boundary

Matthews et al. (2008)

TABLE 1. Summary of Carbon Footprint Estimates for Protocol Tier and Total Emissions

	tier 1 (% of total)	tier 2 (% of total)	tier 1 + 2 (% of total)
book publishers	5	1	6
power generation	92	1	93
average sector	14	12	26

Two Potential Sources of Leakage

- Movement to facilities “below threshold”
- Movement to countries with less stringent carbon emission policies

- Estimates vary – 10-25% or more
- Experience with modeling trade flows *ex ante* has not been good (e.g. NAFTA)

Carbon Footprint Labels

- ❑ Only one of many complementary policies
 - ❑ Unlikely to replace government regulations to cap or tax emissions

- ❑ Can be implemented voluntarily through multi-stakeholder process (or through government or international body)

Carbon Trust / Tesco

working with
the Carbon Trust



per 1000 hrs of use

The carbon footprint of this lightbulb is **34kg** per 1000 hours of use and we have committed to reduce it

By comparison the footprint for the equivalent energy saving lightbulb (11w) is **6.5kg** per 1000 hours of use



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UK Consumers can choose...



Japan – Life Cycle Carbon Footprint (testing 2009)



CO2 Labels Proposed for Beer Cans by '09



www.goodguide.com

Emerging
technology
in U.S.



Will Carbon Footprint Labels Work?

- Creates competition for “low carbon” suppliers
- Opportunities for consumer pressure
- Incentive for non-Annex countries to reduce carbon footprint of export industry
 - Likely spill-over to domestic production



Questions?

