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Environmentally Preferable Products and the Tourism Sector in the Caribbean

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**Environmentally Preferable Products
and the Tourism Sector in the Caribbean**



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The CBTF workshop is being organized in cooperation with the secretariat of the World Trade Organization (WTO), the Institute for the Integration of Latin America and the Caribbean (INTAL) of the Inter-American Development Bank (IDB), the CARICOM secretariat and the Government of Jamaica. Invited countries include fourteen CARICOM member states: Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname and Trinidad and Tobago.

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I. INTRODUCTION

1. There has been growing interest in promoting opportunities for enhanced production and exports of environmentally preferable products (EPPs) and services to assist developing countries in taking advantage of consumer demand for such products and achieve sustainable development objectives. The Johannesburg Plan of Implementation adopted at the World Summit on Sustainable Development (WSSD) calls for voluntary market-based instruments for the creation and expansion of markets for EPPs and environmentally friendly services. Several intergovernmental organizations as well as Non-Governmental Organizations (NGOs) are promoting production and exports of these products and services and are assisting developing countries in exploring niche markets.¹

2. Small Island states in the Caribbean tend to face a number of constraints in achieving export diversification. Promoting production and exports may provide an opportunity for diversification, helping Caribbean countries to move towards more value-added products, as well as result in environmental and developmental gains.

3. The UNEP-UNCTAD Capacity Building Task Force (CBTF), with the financial support of the Ministry of Spatial Planning, Housing and the Environment of the Netherlands, is assisting Caribbean countries in enhancing their understanding of opportunities and constraints for the promotion of production and exports of EPPs and services as well as in exploring national and regional policies aimed at taking advantage of market niches. This training module is a tool to support such efforts. It is based on a module prepared for the UNCTAD TRAINFORTRADE training package on Trade, Environment and Development, which has been revised by the UNCTAD and UNEP secretariats and is being adapted to the needs and conditions of the Caribbean region.

A. Objectives and Target Groups

4. This training module aims at assisting stakeholders in identifying and promoting opportunities for the production and exports of EPPs and services. The module provides background information and analysis, facilitates policy dialogues and helps to identify specific capacity building needs.

5. Target groups for this module include:

- Government officials, with responsibilities in the areas such as trade, industry, agriculture and environment;
- (Potential) producers and exporters;

¹ Similarly, “with a view to achieving mutually supportive trade and environment policies” the World Trade Organization (WTO) Doha Ministerial Declaration calls for the reduction of tariff and non-tariff obstacles to trade in environmental goods and services.

- Chambers of commerce and export promotion agencies;
- Non-Government Organizations (NGOs) ;
- Research institutes;
- Funding agencies.

B. Structure

6. Section II defines the concept of EPPs and environmentally preferable services. It also addresses issues related to labeling and certification that can be used to differentiate EPPs and services from conventional products. Section III describes the increasing consumer demand for EPPs and services in developed countries. It examines selected categories of EPPs and services, including market trends and certification issues, where relevant. These categories are: organic products, certified timber, non-timber forest products, products derived from traditional knowledge, and fairtrade products. A section on tourism services is also included. Section IV identifies specific challenges in the areas of competitiveness, information and marketing faced by EPP producers and exporters and providers of services. It includes strategies aimed at overcoming them. The last Section then provides practical details about specific issues, such as contact addresses.

II. ENVIRONMENTALLY PREFERABLE PRODUCTS AND SERVICES

A. Definition

7. There is no universal definition of an EPP or of environmentally preferable services. They can be broadly defined as products and services that result in less environmental stress than similar products and services in the same category. This can be the result of inherent characteristics of the product (e.g. biodegradability, recyclability), certain methods of production, consumption or disposal of the product or service, or a combination thereof. Claims can be based on, for example, the length of the product's lifetime; its performance, the use or non-use of specific ingredients; and the use of specific waste management technologies. The lower environmental impact can refer to certain environmental impacts at one or several stages of the product life (see Box 1).

8. With the exception of some products (e.g. organic produce), EPPs are generally not distinguishable by rigid thresholds and limit values (reflected in standards, and enforced through the certification system), and often there is no undisputed scientific evidence of what would be a preferable product from an environmental point of view. While some environmental objectives are universal and apply to a large number of products (e.g. avoiding the use of chlorofluorocarbons - CFCs), in general the choice of EPPs on which to focus in a particular area is specific to the categories of products or production processes within that particular local context. Local conditions and value judgements may play a role. For example, whereas waste minimisation may be a priority in one region, priority may be given to alleviating water or air pollution in another area².

9. In practice, the terms "environmentally preferable" and "environment-friendly" are used interchangeably. The term "environment-friendly" is more commonly used. Some categories, such as products made from waste materials or non-wood forest products may result in environmental improvements, such as the reduction of waste materials normally disposed of in the environment or more sustainable forest management. In most cases, however, EPPs only result in relatively low environmental impacts. This is the case, for example, of products that are more efficient than others in terms of energy or material use. This module will employ therefore the broader term "environmentally preferable products" or EPPs.

10. Environmental characteristics cannot be seen in isolation from other aspects of a product or service, such as quality and safety. Two points should be stressed:

- Reduced environmental impact should not compromise product quality - the two should go hand in hand;

² UNCTAD (1995a).

- Environmental quality is increasingly becoming an integral part of product quality. It becomes a condition for doing business rather than a justification for price premiums.

Box 1: Criteria for Environmentally Preferable Products

Claims that certain developing country products are preferable from an environmental point of view in general relate to one of the following areas. The degree to which this is valid may depend on the adoption of certain technologies and practices.

1. Use of natural resources and energy
 - Lower consumption of energy along the whole life cycle of the product (natural-based products are usually less energy-intensive, particularly at the production stage, than synthetics);
 - Type of energy used (from renewable or non-renewable resources);
 - Lower material consumption in production and distribution;
 - Lower use of non-renewable resources, which are moreover preferably substituted by sustainably managed renewable resources;
 - Use of otherwise wasted products.
2. Amount of waste generated along the life cycle
 - Lower emissions of CO₂ and other environment-harmful gases, at the production, consumption and disposal stage;
 - Lower or zero contamination of water and soil (agriculture refraining from the use of chemical inputs has a good record in this respect);
 - Lower amounts of solid waste;
 - Products are reusable;
 - Products are recyclable or biodegradable (natural-based products have a certain edge in recyclability and are easily biodegradable).
3. Impact on human and animal health
 - No toxic substances are contained in the product and no toxic residues are released from it at the production, consumption and disposal stage;
 - No health hazards can occur at the production and disposal stage;
 - Only natural ingredients and inputs are used in the production process (organic food, organic textiles).
4. Preservation of the environment
 - Product comes from a sustainably managed natural source (timber from a sustainably managed forest);
 - Product contributes to a better preservation of an exhaustible natural resource (fish or shrimp bred on farms);
 - Product enhances the value of a natural resource, contributing to its better preservation (forest by-products, spices, raw materials for the pharmaceutical industry, etc., which, if commercially used, increase the interest in the preservation of the tropical forest);
 - Product has a beneficial impact, at its production stage, on the environment (products of organic agriculture improve soil fertility and affect positively the whole ecosystem, including biodiversity).

Source: UNCTAD (1995b)

11. Examples of EPPs, examined in Section III, include:

- Organically grown products;
- Certified timber and timber products;
- Non-wood forest products;
- Products based on traditional knowledge;
- Fairtrade products.

12. With regard to exports of “environmentally preferable” services, the tourism sector in various CARICOM countries is responding to environmental concerns actively supporting environmental certification of hotels and beaches. This services sector is added to the product sectors described in Section III

B. The Evolution of Green Consumerism

13. Throughout the western world, public support for environmental protection measures has grown consistently during the past three decades³, while public awareness has created a rising demand for EPP's since the late 1980s⁴. This trend has been encouraged by unprecedented exposure of the public to high profile environmental events (such as oil spills and climate change) through mainstream media, as well as by consumer awareness-building campaigns led by environmental NGOs and consumer groups, particularly in Northern European countries. In response to consumer pressure as well as for competitiveness reasons, producers, manufacturers and retailers have started to seriously take into account environmental considerations relating to the production process and the final product. In some countries, such as Japan, consumer demand for EPPs has influenced private companies, NGO's and governmental entities to create "green purchasing networks" to provide incentives for the usage of environmentally preferable inputs. In addition, NGO's and consumer organizations are promoting sustainable food production and consumption. WWF in Switzerland launched the Food for the Living Planet Campaign in 2000, targeting changing food consumption and people's eating patterns, striving to create a green demand for eating. Similar NGO, industry and government efforts can be seen throughout Europe and the USA⁵.

1. Consumer behaviour

14. According to a recent study, 54% of Americans agreed that protection of the environment should be given priority, even if economic growth was curbed. A similar study conducted in England showed that 48% of respondents believed that "almost every thing we do in life harms the environment" and more than half of respondents were "very worried" about issues such as loss of biodiversity and hazardous wastes⁶. Although there is a discrepancy between the verbally expressed attitudes of the general public and their individual environmental actions, these verbal-action gaps would tend to close as younger generations replace the elder ones. Environmental exposure through education⁷ makes younger generations more environmentally conscious than their predecessors.

³ Barr (2002).

⁴ Ottman (1998).

⁵ The Japanese Green Purchasing Network was established in 1996 and has 2150 member organizations, of which 1610 are private companies, 310 governmental entities and 236 NGOs (Kong et al. 2002).

⁶ Barr (2002).

⁷ 99% of American children have access to environmental education as part of their basic education (Ottoman, 1998).

2. Institutional and government purchasing

15. The market demand for EPPs can be greatly influenced by institutional purchasing and government procurement. In the United States, the Federal government is the nation's single largest consumer, purchasing over \$200 billion worth of goods and services each year⁸. Some government initiatives, such as Environmentally Preferable Purchasing Programs in the state of Connecticut made purchases worth more than \$11 million of environmentally preferable goods during 2000⁹. In Canada, eco-labels are used as tools for government purchasing to identify EPPs and as criteria in the purchasing of certain products, such as office equipment, paints and paper. Retail chains are another important driver of green purchasing. They can significantly increase both the availability of and demand for green products on the market.

C. Labelling and Certification

16. This section outlines the main categories of environmental labels and highlights their respective positive and negative aspects. Specific requirements developed for the labelling of organic products, timber, and fairtrade products are described in Section III.

1. Environmental claims and labels

17. In order to differentiate environmentally preferable products from conventional products, environmental claims are generally made through product labelling. Various types of environmental labels have been developed. These can help consumers and professional purchasers to make informed choices, as well as providing industries with an environmental marketing tool. In addition, they can also serve environmental and educational policy objectives.¹⁰

18. Increasingly, retailers in developed countries impose certain environmental requirements on their suppliers including those from developing countries. This applies to direct purchasers. In other cases, importers will impose requirements on the producers to comply with requirements imposed by the retailer.

19. For certain brands, environmental performance has become part of the overall image of their company and is no longer advertised through a label. Increasingly brands are meant to ensure a certain standard of quality, environmental protection and social considerations.

2. Types of environmental labels

20. The International Organization for Standardization (ISO) has classified environmental labels under three types:

⁸ UNCTAD (1995b).

⁹ <http://dep.state.ct.us/pao/grncrc/award/00gcgov.htm>.

¹⁰ OECD (1998).

Type 1 commonly referred to as eco-labels, have been the main focus of international debate. They are awarded by a third party to products that meet (multiple) environmental criteria. Once a product has been certified it may carry the symbol of the eco-labelling programme. Eco-labels are voluntary, therefore producers, manufacturers or importers may choose to apply or not for an eco-label. More than 25 eco-labelling programmes have been developed worldwide, including in certain developing countries, such as India, Singapore and the Republic of Korea. Examples include the "Blue Angel" in Germany or the "Eco-mark" in Japan. The degree of government involvement varies from case to case. For more details on labelling in organic agriculture, see below.

Type 2 concerns self-declaration of environmental claims made by manufacturers, importers, distributors or retailers. For instance, a company may decide to label its products as being "recyclable" or "CFC free".

Type 3 concerns quantified product information based upon independent verification using preset indices. The label in itself only provides environmental information that will allow the consumer to make his/her choice. These labels have not yet been widely used for consumer products. They are essentially used for institutional purchasing, where qualified representatives can make an informed choice based on the information they are provided.

21. Another type of environmental label that does not specifically fit into one of the categories mentioned above is that developed by industry associations. An industry association (e.g. textile industry) can decide to create a label for products manufactured by its members.

3. Concerns raised by environmental labelling

22. The potential trade effects of eco-labelling programmes have been a source of concern, particularly among developing countries. The criteria upon which eco-labels are awarded may reflect national preferences and not take into account the situation in the producing countries. Eco-labels are increasingly based on a life-cycle assessment of the product and include criteria for processes and production methods (PPMs). Also, the development of different eco-labels in various countries may create a burden for producers who need to adapt their products to the various requirements set by different eco-labelling programmes for the same product. Moreover, the diversity of environmental labels on the market has created considerable confusion among consumers. This has generated interest in international standards.

23. Only few type 1 eco-labels have been developed for products of export interest to developing countries (e.g. textiles, footwear and organic farming) and their trade effects are still difficult to measure.

24. Self-awarded environmental claims, i.e. type 2 labels, may have certain disadvantages for some stakeholders. For instance, a company may decide to put an environmental label on its product, advertising it as environmentally preferable to other competing products based on its own criteria without any third party endorsement of the validity or value of the criteria chosen. Also, a producer or retailer may decide to advertise its product on the basis of only one environmental advantage (e.g. recyclability), while another aspect of the same product may be more polluting (e.g. energy intensive) than of a competing product. To prevent misleading environmental claims, guidelines have been developed in a number of OECD countries on environmental labelling and advertising to protect consumer rights.

25. In order to reduce the trade concerns linked to eco-labelling, discussions have been carried out over transparency and the use of equivalency and mutual recognition between different eco-labelling programmes.

III. SELECTED CATEGORIES OF EPPS AND THE TOURISM SECTOR

26. This section examines the following selected categories of EPPs and one sector of specific interest for the Caribbean region, the tourism sector, in particular tourism certification. The selected EPPs are: organic products, certified timber and timber products, non-timber forest products, and products based on traditional knowledge, as well as Fairtrade products. It defines each type of EPP, and discusses market opportunities for developing countries as well as certification and labelling issues.

A. Organic Products¹¹

1. Definition

27. The International Federation of Organic Agriculture Movements (IFOAM)¹², the umbrella organization for those engaged in organic farming, describes the concept as follows:

28. ‘...an agricultural system that promotes environmentally, socially and economically sound production of food, fibre, timber etc. In this system soil fertility is seen as the key to successful production. Working with the natural properties of plants, animals and the landscape, organic farmers aim to optimise quality in all aspects of agriculture and the environment. Organic agriculture significantly reduces external inputs by avoiding the use of chemo-synthetic fertilisers, pesticides and pharmaceuticals. Instead, it works with nature to increase both agricultural yields and disease resistance. Organic agriculture also includes social considerations in its holistic approach recognising that people are as important as the organic system.’

29. Major objectives of organic agriculture include improving soil fertility and quality and enhancing biodiversity on the farm, in both time and space. Synthetic fertilizers and pesticides are seen as an impediment in this process, and are not allowed to be used in the production. These aims are integrated with the farmer’s primary objective of operating a viable farm.

30. Codex Alimentarius Commission¹³ describes “organic” in its Guidelines a labelling term that denotes products that have been produced in accordance with organic production standards and are certified by a duly constituted certification body or authority. Other terms can be used, such as "biological" and "ecological", depending on the country. “Biodynamic” is also covered under this term, but it includes additional practices.

¹¹For more information on organic agriculture in developing countries, see Vossenaar and Wynen (2003) and UNCTAD (2003) <http://www.fao.org/organicag/frame2-e.htm>.

¹²See: <http://www.ifoam.org>.

¹³Established in 1962 by FAO and WHO with the goal of establishing food standards at a global level.

2. Multiple benefits of organic agriculture

31. Organic agriculture can yield a range of income, environment and health, and social benefits. These include the following:

32. Income effects:

- Reduced on external inputs expenditures;
- Saleability of product;
- Price premiums.

33. Environmental and health effects:

- Enhanced bio-diversity (due to crop rotations and non-use of synthetic pesticides);
- Reduced nutrient leakage (that can threaten drinking water, lakes, rivers and the sea);
- Reduced soil erosion;
- Reduced water consumption;
- Long-term maintenance of soil fertility;
- Safer working conditions for farmers;
- Reduced food contamination by pesticides.

34. Social effects:

- Rural employment generation (labour-intensive practices);
- Improved household nutrition and local food security;
- Higher self-reliance;
- Lower urban migration.

3. Market opportunities

i). Supply

35. As of May 2000, over 130 countries were producing certified organic food and beverages. These include at least 90 developing countries, of which about 15 are least developed countries. Organic products produced in developing countries include fresh and processed fruits and vegetables, dried fruits and nuts, coffee, tea, cocoa, sugar, honey, spices and herbs, meat, dairy products, grains, and oil crops (e.g. sunflower, coconut, olive, sesame) as well as non-food products such as animal feeds, cut flowers and cotton¹⁴.

36. Developing country producers may have certain natural comparative advantages in organic products. Foremost among these are relatively abundant labour supply combined with the fact that traditional agriculture has not necessarily been using chemical fertilisers

¹⁴Kortbech-Olesen (2001).

and pesticides. Moreover, a rich body of traditional knowledge exists and can be drawn upon regarding traditional cultivars adapted to specific local conditions. In addition, in those parts of the world where synthetic fertilisers and pesticides are out of reach of most farmers anyway, organic agriculture can bring increased productivity per hectare through increasing yields.

ii). Demand¹⁵

37. Organic products provide a good example of market opportunities for developing countries. A change in consumer behaviour has been taking place since the beginning of the 1990s. Consumers are increasingly concerned about food safety and the environment, especially in the light of food scandals, e.g. the bovine spongiform encephalopathy (BSE) scare (also known as the mad-cow disease) that first emerged in 1996 and concerns about the use of growth hormones and antibiotics in meat. This resulted in an overall drop in consumer confidence in food safety in general and meat production methods in particular. Intensive farming practices and the quality and origin of food started to be questioned. Organic foods are also regarded as healthy, better tasting and of a higher quality than conventionally-grown products. Consequently, demand for organic products has grown rapidly. It is also to be noted that several governments have announced ambitious plans to promote organic agriculture.¹⁶

38. Increased demand for organic products in developed countries can provide opportunities for imports from developing countries. A review by the ITC indicates that in most developed countries the market share for organic agricultural products is between 1 and 2.5 per cent. In some countries market shares are higher. For 2003, the forecast for the world market for organic food and beverages is between US\$ 23 and US\$ 25 billion (see Table 1). This is a growth from an estimated value of US\$ 16 billion 2000, and US\$ 20 billion in 2001. The underlying growth rate was approximately 15 to 20 per cent per year in a number of countries.

39. The main markets for organic products are Northern and Western Europe, the United States and Japan. In Austria, Denmark and Switzerland, organic products account for 2.5 to 3 per cent of total food sales. This figure is approximately 2 to 2.5% for Germany and the United States, representing the largest European and world markets, respectively¹⁷. In Germany, organic products were initially sold in specialised health food shops or stores and are now increasingly being sold by general food retailers. The markets of the United Kingdom, France and the Netherlands hold a high potential. The Southern European markets, where consumer awareness is low, are less developed. Some of these countries, in particular Italy and Spain, are relatively important producers of organic food products. More recently, demand in Italy is also said to be growing.

¹⁵See <http://www.intracen.org/mds/sectors/organic/welcome.htm>.

¹⁶For example, the Government of Germany announced plans in 2001 to ensure that organic agriculture will obtain a 20 per cent market share within 10 years. Statement by Renate Künast, German Minister for Consumer Protection and Agriculture on 8 February 2001, see <http://www.bml.de>.

¹⁷Kortbech-Olesen (July 2001).

Table 1 Overview of world markets for organic food and beverages

Markets	Retail sales estimate (US\$ million) 2000	Retail sales forecast (US\$ million) 2003	Approximate share in total food sales (per cent)	Expected annual growth rates 2003–2005 (per cent)
Total	15 225–16 475	23 000–25 000	-	
Europe	6 950–7 650	10 000–11 000	-	
- Germany	2 100–2 200	2 800–3 100	2.0-2.5	5-10
- United Kingdom	1 100–1 200	1 550–1 750	1.8-2.3	10-15
- Italy	1 000–1 050	1 250–1 400	1.0-1.5	5-15
- France	800–850	1 200–1 300	1.0-1.5	5-10
- Switzerland	450–475	725–775	2.5-3.0	5-15
- Denmark	350–375	350–375	2.5-3.0	0-5
- Austria	200–225	325–375	2.5-3.0	5-10
- Netherlands	275–325	425–475	1.0-1.5	5-10
- Sweden	175–225	350–400	1.5-2.0	10-15
- Belgium	100–125	200–250	1.0-1.5	5-10
- Other Europe*	400–600	790–900	-	-
United States	7 500–8 000	11 000–13 000	2.0-2.5	15-20
Canada	500	850–1,000	1.5-2.0	10-20
Japan	275–325	350–450	<0.5	-
Oceania		75–100	<0.5	-

*Finland, Greece, Ireland, Norway, Portugal and Spain. For 2003 it includes Ireland.

Source:

ITC, (<http://www.intracen.org/mds/sectors/organic/welcome.htm>, click on 'overview'), compiled January 2003.

40. The most important category is organic fruits and vegetables¹⁸. In the United Kingdom in 2001, for example, it accounts for 33 per cent (or Euro 432 million) of the total organic market. However, the growth rate (at 15 per cent between 2000 and 2001) is considerably lower than that for other categories such as baby foods (65 per cent), dairy products (40 per cent) or meats and sausages (65 per cent), though these last groups start from a lower base. In Germany, the total organic retail market in 2003 is estimated at around US\$ 3 billion, which is over 2 per cent of the total retail market. Almost half of its consumption of organic fruit and vegetables are imported. A large part originates from other EU countries, but off-season and exotic fruits are imported from non-EU countries (see Box 2 for the situation in the Dominican Republic, and Box 3 for Haiti).¹⁹

¹⁸For details of imports, see UNCTAD (2003a).

¹⁹Since supermarkets currently play a small role, there is high growth potential in the German market. The introduction of a national logo in 2001 should facilitate the marketing of organic foods. The Government supported an information campaign for the new logo in 2002 (GAIN Report nr. GM2002, at: <http://www.fas.usda.gov/gainfiles/200203/135683621.pdf>).

Box 2 - Organic agriculture in the Dominican Republic

The Dominican Republic is the largest exporter of organic bananas and cacao in the world, accounting for around 60 per cent of the international trade. The total export rose from US\$ 9.6 million in 1999 to US\$ 24.9 in 2002. In 2001 the export of organic bananas made up 82 per cent of total organic export earnings, with cacao earning 14 per cent and coffee 2 per cent.

Of the total of 42,000 hectares under organic production in 2002, almost 10 per cent was under bananas. Most of it (80 per cent) was situated in the northern region, where large companies produced 90 per cent of the organic bananas. In the south, approximately 1,000 small farmers produced 10 per cent of the crop on 20 per cent of the total area under organic bananas.

Of the 16,000 organic farmers most (90 per cent) are small farmers. These dominate the production of cacao, coffee, coconuts, sugar cane and vegetables. Large farmers dominate mango and pineapple production.

The Dominican Republic does not have government organic standards (regulations) or an organic certification office. Most of the production is exported (for example, 70 per cent of the organic bananas), and foreign offices either certify farmers or groups of farmers. The small banana farmers in the south are mainly organised in groups, and the marketing firm that exports their products also looks after the certification.

Source: Damiani (2002).

41. For exporters, the news is not only good, though. Concerns have been expressed that the current high growth rates of demand are not sustainable in the long term and that government targets for increased production may be unrealistic. In addition, a growing product demand and government subsidies may well induce domestic processors to move towards organic farming and so decrease the need for imports. For example, in the UK the domestic market volumes doubled between 1998 and 2000. Also, according to some sources, there may be a risk of market saturation, though this will depend on the responsiveness of prices in the market.

Box 3: Haiti: exploring the potential for exporting organic products

In Haiti's traditional agricultural production low levels of chemical fertilizers and pesticides are used. This, combined with the country's rich biodiversity, gives Haiti the potential to develop a sound base of organic agricultural production and export. However, to take advantage of the growing organic world market, the country has to position itself as a credible producer. To achieve this, agricultural producers in Haiti need to implement certification mechanisms and procedures to ensure that they produce and process their agricultural goods in conformity with organic world-class standards. In May 2003 a Round-Table involving public and private sectors was held to discuss the main challenges and opportunities concerning the potential of exports of agricultural products from Haiti. The country identified some strategic goals related to the development of the sector in order to improve the market opportunities to export organic products.

Haiti: Agricultural Goods with Potential for Organic Production & Export		
I Essential Oils	Main goals	Potential
Vetiver	Recover former pool-position as a world exporter of Vetiver, an essential oil used as an input for cosmetics production.	The organic production of Vetiver can open new niche market opportunities. Potential exporters should take into account SPS requirements and organic certification costs.
Amyris	Maintain the country's position as the only producer and exporter of Amyris.	The main constraint for the development of the sector is transport accessibility and costs. Supply areas are far away from exporting centers, increasing transport costs.
Sweet lime (Limette)	Sweet lime can be used as a side-product raw ingredient for liquors and marmalades. It would be necessary to improve the technology to use the whole part of the lime, instead of a partial use as it the case when using it for essential oils.	The public sector could provide strategic support to promote the production of Sweet Lime for the international market addressing the different type of products.
Bitter Orange (Bigarade)	Reactivate the production of Bitter Orange, once an important input used by liquor factories through the country.	The production could start again taking advantage of still remaining infrastructure, with an orientation to the organics sector
Others oils:	Create the conditions for the development of production and export of other essential oils, namely citronella, geranium, chadeque and eucalyptus.	The production and export of essential oils would benefit from being organized under a sectoral umbrella. Also ,a public sector strategy to promote information on market access opportunities would be positive.

<u>Fruits and Vegetables</u>	Main goals	Potential
Mangoes	Export new varieties of mangoes such as Baptiste and Corne, in addition to Francisque, which is currently exported.	The mangoes are currently produced by small farmers without the use of pesticides. Certification systems should be set up to certify this production as organic.
Other fruits	Increase the production and export of pineapple, papaya, and avocado.	International market exists for the organic products, Production and export conditions should therefore be created.
Ethnic products	Reinforce the production and export of "ethnic products" that are consumed by a large number of diaspora migrants.	Products such as malanga, manioc, yam, fresh or processed pepper, among others, represent a big market in the US. Organic market could represent a good opportunity if certification requirements are met.
Other vegetables	Reinforce the production of products like tomatoes, pepper, and cucumber.	Organic market could represent a good opportunity if certification requirements are met

Source: Based on field project UNCTAD-ITC and report of the Ministère du Commerce et de l'Industrie de Haiti, 2003 (http://r0.unctad.org/trade_env/haiti.htm).

4. Challenges and constraints

42. To exploit the opportunities outlined above, potential and actual producers and exporters of organic products must overcome a number of challenges. These may include the following²⁰:

- Lack of awareness of benefits of organic agriculture by producers, consumers, governments, and other stakeholders;
- Lack of know-how and extension services for organic farming techniques;
- Limited research into organic varieties and techniques best suited to local conditions;
- Uncertain crop yields, particularly during the conversion period;
- Limited availability and cost of labour;
- Difficulty in securing credit;
- Uncertainty about landownership
- Lack of infrastructure, including for transport and storage;
- Limited market information;
- Difficult market access;

²⁰UNCTAD (2001) and other sources such as Vossenaar and Wynen (2003).

- Length of conversion period in which no premiums can be obtained;
- High certification costs, while unable to achieve economies of scale due to small holdings.

43. In cases where developing country producers have successfully overcome these challenges, NGOs, private sector partners, governments and the international community have often played important supportive roles.

44. A main issue is the impact of conversion to organic agricultural methods on crop yields. Results vary considerably depending on type of crop, soil fertility, presence of insects, and the starting point for comparison. In very rough terms, compared with industrial agriculture (e.g. in Western Europe, etc.) yields on organic farms tend to decrease, often in the range of 15 per cent. In Green Revolution agriculture (irrigated lands in Asia, Mexico, etc.), and in developing countries with less intensified agricultural methods (such as in USA, Canada and Australia) yields tend to be the same. In less-developed agriculture (small farmers, traditional agriculture), yields tend to increase²¹.

45. Another major issue is that of certification and marketing. Because of the importance of certification in the marketing possibilities, the rest of this section is devoted to this issue.

5. Certification of organic products

46. Certification can be a main hurdle for organic producers, particularly for smallholders and those wishing to export their products to Northern markets. Certification of organic products confirms that these have been produced in conformity with organic production standards. These standards can be private (set by producer associations or companies) or official (regulations; set by governments).

47. To ensure compliance with standards, certification bodies carry out certification. In that way, when products are certified, consumers and producers alike know that that produce is grown according to organic principles. Standards exist for all operators in the production chain, including farmers, processors, importers, retailers, etc. Certification is not a one-time procedure, but rather a continuous monitoring and inspection process.

48. Once certified, the product can be labelled with a certification mark or logo. These may be private marks (issued by organic associations or companies with their own certification programmes) or national marks (designated by governments). There can be considerable consumer confusion regarding the dozens of different logos used.

49. Certification for the domestic market can be carried out by local certification organizations that are not accredited by importing countries. Standards used can be those of a private organization, such as by the Jamaica Organic Agriculture Movement (JOAM). For the situation in Jamaica, see Box 4.

²¹Source: http://www.grolink.se/org_agriculture.htm.

Box 4: Organic agriculture in Jamaica

The Jamaica Organic Agriculture Movement (JOAM) was established in 2001. Its major objectives are to promote and facilitate the development of organic agriculture in Jamaica. The aim is to promote environmental and human health. Priorities mentioned include focussing on standards, and mapping the existing agricultural management systems used by farmers. JOAM maintains links with the organic movements in Guyana and the Dominican Republic.

Just over 30 farmers have stated that they produce according to organic principles, and that they are interested in certification for the domestic market. Supermarkets have indicated that they are willing to offer shelf space if certified organic produce were available. To cater for this market, JOAM is in the process of setting up standards and a domestic certification scheme, which it expects to be in operation early 2004.

At present, three farmers are certified – by BCS – for the organic export market and seven more have applied to be certified in the next round later this year. Costs of certification may be (partly) funded by agencies such as the Centre for Development of Enterprise (CDE). Two of the present exporters produce coffee, the third exports several products, such as pimento, coconut, cocoa and other tropical products. Crops that may be exported in the future include fruit, such as papaya; vegetables; and herbs and spices.

Source: JOAM (October 2003).

50. For exporting countries to sell organic products, the importing countries need to be satisfied that those products that are imported with an organic label indeed are organic under their own standards. This requires domestic certification in the exporting country that is acknowledged ('accredited') by the importing country, or certification by international bodies that are accredited. (For more details of the major importers, see below.) Costs vary but can be significant.

51. For accreditation of the domestic certification body, an authoritative body in the importing country gives formal recognition that it is competent to carry out certification. The certification body's management, standards, inspection and certification procedure are evaluated according to criteria such as competence, independence, objectivity, confidentiality and non-discrimination. There is no international regulation on who may carry out accreditation. Several countries have official accreditation bodies. At the international level, IFOAM has an Accreditation Programme for organic agriculture.

52. Historically, organic production standards developed in a highly decentralized manner. In many cases, an organic producer association would define the standards for its members. Slightly different perceptions of the definition and criteria of organic production combined with different environmental and social conditions resulted in a plethora of similar but not identical standards.

6. *International standards*

53. There is no organic product regulation that is applicable worldwide. Hence, producers must have a fairly clear idea of where they want to sell their product and then ensure that their production is in conformity with appropriate standards and certification requirements. If the producer wishes to export to several markets (s)he must be certified against several different standards. This can be costly, although the exact costs depend on local conditions. A number of countries have special arrangements for group certifications of small farmers, so that the cost per farmer is minimised. Exporters would greatly benefit from increased harmonization of these disparate standards or an international procedure that establishes the equivalence of standards. The International Task Force – an IFOAM/FAO/UNCTAD initiative – is working towards such international co-operation.²²

54. At the international level, standards exist and are being continuously updated in two main forums: IFOAM and the Codex Alimentarius Commission. Many national and private guidelines are based upon these international guidelines.

i). **IFOAM Basic Standards of Organic Agriculture and Food Processing**

55. IFOAM Basic Standards (IBS)²³ are developed by the IFOAM Standards Committee (SC) in close cooperation and consultation with the IFOAM member organizations and other interested parties. Basic standards have been developed, for example, for:

- Crop production;
- Animal husbandry;
- Aquaculture production;
- Food processing and handling;
- Processing of textiles; and
- Forest management, including non-timber forest products.²⁴

56. IFOAM Basic Standards are presented as follows:

- *General Principles*, which set out the goals of organic production and processing;
- *Recommendations*, which provide “standards” that IFOAM promotes, but does not require to be incorporated into certification standards; and
- *Standards*, which are the minimum requirements that must be fully incorporated into certification standards.

57. The IBS cannot be used for certification. However, they provide a framework for certification bodies/standardizing organizations worldwide to develop their own certification

²²See: http://r0.unctad.org/trade_env/test1/openF1.htm.

²³See <http://www.ifoam.org/standard/>.

²⁴Forest management covers both the extraction of timber and the harvesting of non-timber forest products (NTFPs). This includes products from both natural forests (i.e. primary forest and well-developed secondary forest) and plantations. These organic draft standards for forest management have been adapted from the Principles and Criteria of the Forest Stewardship Council.

standards. These take into account local conditions and may well be more detailed than the IFOAM Basic Standards.

58. The IFOAM Basic Standards are also used in the IFOAM Accreditation process. In evaluating a certification body for IFOAM Accreditation, the International Organic Accreditation Service (IOAS) evaluates the standards used against the IBS, and the performance of the certification body against the IFOAM Accreditation Criteria.

ii). Codex Alimentarius Guidelines

59. The Codex Alimentarius Commission has developed guidelines for the production, processing, labeling and marketing of organically produced goods²⁵. These Codex guidelines apply to:

- Plants and plant products;
- Livestock and livestock products;
- Handling, storage, transportation, processing and packaging of items under (a) and (b).

60. The Codex Alimentarius Commission considers these guidelines as “a first step into official international harmonization of the requirements for organic products in terms of production and marketing standards, inspection arrangements and labelling requirements”. However, experience with such requirements and their implementation is still very limited. Moreover, consumer perception on the organic production method may differ from region to region. Therefore, in the guidelines it is recognized that:

- at this stage the guidelines are a useful instrument in assisting countries in developing national standards;
- the guidelines need regular improvement and updating in order to take into account technical progress and the experience with their implementation;
- the guidelines do not prejudice the implementation of more restrictive arrangements by member countries in order to maintain consumer credibility and prevent fraudulent practices, and to apply such rules to products from other countries on the basis of equivalency to such more restrictive provisions.

61. According to the Codex Alimentarius Guidelines, import requirements should be based on the principles of transparency and equivalency as set out in the Principles for Food Import and Export Inspection and Certification.²⁶ In accepting imports of organic products, countries would usually assess the inspection and certification procedures and the standards applied in the exporting country. Imported products may be marketed as “organic” only where the competent authority or designated body in the exporting country has issued a certificate of inspection. According to Article 7.4, an importing country may:

²⁵See Codex Alimentarius (2001), and ftp://ftp.fao.org/codex/standard/en/CXG_032e.pdf. The Codex Committee on Food Labelling (CCFL) shall review these guidelines on a regular basis.

²⁶CAC/GL 20-1995.

- Require detailed information, including reports established by independent experts;
- Arrange, together with the exporting country, for site visits to examine inspection, certification and production in the exporting country; and
- Require, to avoid consumer confusion, that the product is labelled in accordance with the labelling requirements of the importing country.

7. *Main importing countries*

i). **European Union**

62. The European Union Council Regulation No. 2092/91 on organic production and labelling entered into force on 22 July 1991.²⁷ The Regulation covers the production, processing, labelling and inspection of agricultural products and foodstuffs from organic agricultural production. Recently it was amended (Regulation No. 1804/1999) to harmonize the rules for organic production of the main species of animals (e.g. their origin, feed, veterinary care and environment) and also to harmonize the labelling and inspection standards.

63. Imports of organic produce into the EU are based on Article 11 of Regulation 2092/91/EEC. This opens up the EU organic food market to products from third countries based on the concept of equivalence. There are three ways to export organic products to the EU:

- *Paragraph 1:* Establishes a “third-country” list, indicating countries with which equivalence is established. However, only eight countries are on the list: Argentina, Australia, Costa Rica, the Czech Republic, Israel, Hungary, New Zealand and Switzerland;
- *Paragraph 6:* Organic products from countries which are not on the “third-country” list can be marketed in the EU, provided the importer submits documentation to confirm that the products are produced and certified according to rules equivalent to those of EU. Such authorization shall be valid only as long as these conditions are shown to be satisfied. Over 70 developing countries export to the EU under this provision.
- *Paragraph 7:* An EU member State assesses an inspection body in a third country and requests the Commission to approve it. The Commission can then add that inspection body to the Article 11 list.

64. European Commission Regulation No 1788/2001 of 7 September 2001 defines detailed rules with regard to the certificate of inspection for imports from third countries under Article 11.²⁸ Since 1 July 2002, import procedures have been harmonized throughout

²⁷European Commission, Directorate-General for Agriculture. *Organic Agriculture, Guide to Community Rules.*

²⁸This Regulation defines detailed rules with regard to the certificate of inspection required pursuant to Article 11(1)(b) and (3) of Regulation (EEC)No. 2092/91, and with regard to the submission of such a certificate for imports undertaken in accordance with the provisions of Article 11(6) and 11(7) of the same Regulation.

the EU. For each consignment, the approved authority or inspection body in the third country from where the goods are exported must produce an original “*certificate of inspection for import of products from organic production*”. It must be submitted to and endorsed by the authority of the EU member State where the product is imported, after which the product will be able to enter for free circulation within the EU.

ii). United States of America

65. The Organic Foods Production Act (OFPA) of 1990 required USDA to develop national standards for organically produced agricultural products and to establish an organic certification program, based on recommendations of the National Organic Standards Board (NOSB). The National Organic Program (NOP)²⁹ first proposed a draft standard in December 1997. A revised proposal was issued in March 2000. The final regulation was adopted in December 2000³⁰, and implemented in October 2002.

66. Accreditation of goods to be imported into the United States from foreign countries can occur in three ways:

- Certifying agents operating in foreign countries may apply for USDA *accreditation*;
- The USDA determines, upon the request of a foreign government, that that country’s authorities are able to assess and accredit certifying agents as meeting the *requirements of the NOP*; or
- The USDA and a foreign government agree upon equivalency of standards and certification procedures, so that organic imports from this country are acceptable in the United States.

67. As of end December 2002, there were 74 USDA-Accredited Certifying Agents.³¹

iii). Japan

68. In Japan, the Ministry of Agriculture, Forestry and Fisheries (MAFF) issued organic regulations in early 2000 (Notifications No.59 and 60).³² They provide three options for imports of organic products into Japan.

- Certification by a MAFF-registered certification organization (RCO) in Japan, where the RCO in Japan certifies the production/processing in the exporting country.
- Certification by a MAFF registered foreign certification organization (RFCO) in the exporting country.
- Recertification, carried out by an RCO in Japan, and needed for imported goods destined for use as ingredients in finished products marketed as organic in Japan.

²⁹The National Organic Program (NOP) is a marketing program housed within the USDA Agricultural Marketing Service (AMS), the agency that sets marketing standards.

³⁰<http://www.ams.usda.gov/nop>.

³¹See <http://www.ams.usda.gov/nop/CertifyingAgents/Accredited.html>.

³²See: http://www.maff.go.jp/soshiki/syokuhin/hinshitu/organic/eng_yuki_top.htm.

8. Summary

69. There are a number of advantages of organic agriculture. Although many see possible price premiums for organic produce as the main advantage, decreased soil degradation and increased productivity as compared with traditional agriculture may be even more advantageous in the long-run.

70. Over the past decade it has become clear that developing countries can provide both the products and quality on demand in importing countries. However, the growth in demand that has been considerable in the recent past may not continue at the same pace. There are a number of other constraints, related to growing and marketing organic products. Perhaps one of the major obstacles at present is the certification process, needed to export to the different importers. It is important to clarify these issues in good time, before investments are irreversible.

B. Certified timber and timber products

1. Background

71. The unsustainable management of all kind of forests is a growing concern worldwide. Between 1990 and 2000, around 16.1 million hectares was lost annually, of which 15.2 million hectares were in the tropics.³³ Deforestation results in biodiversity loss. It may also contribute to global warming through the emission of greenhouse gases (among which CO₂ is the most important) when trees are burned. In addition, biomass loss reduces the global forests carbon sink capacity.

72. A number of factors contribute to deforestation and forest degradation, which are considerably exacerbated by population pressures, particularly in developing countries:

- conversion of natural tropical forests lands into agricultural areas (e.g. as in Jamaica and Haiti) or for other uses such as urban development (e.g. in Puerto Rico) and tourism;
- use of forests to extract fuelwood;
- the practice of shifting agriculture; and
- unsustainable commercial logging.

2. Sustainable Forest Management and Certification

73. There has been increasing international attention given to sustainable forest management (SFM). As stated in the "Forest Principles" adopted in 1992 by the United Nations Conference on Environment and Development: "Forest resources and forest lands

³³FAO (2001).

should be sustainably managed to meet the social, economic, ecological, cultural and spiritual needs of present and future generations. These needs are for forest products and services, such as wood and wood products, water, food, fodder, medicine, fuel, shelter, employment, recreation, habitats for wildlife, landscape diversity, carbon sinks and reservoirs, and for other forest products."³⁴

74. Over 150 countries are participating in a number of regional and international processes aimed at establishing criteria and indicators for SFM. The International Tropical Timber Organization (ITTO) was the first organization to elaborate agreed guidelines for sustainable management of natural tropical forests³⁵.

75. The certification of timber and timber products can ensure that certain criteria for SFM have been met. Certified products are generally identified by an eco-label³⁶. An increasing number of producer countries, such as Malaysia, Indonesia, Finland, Sweden and Canada, are developing or have developed certification schemes. For example, 21.9 million hectares of Finland's forests have been certified under the Finnish Forest Certification System³⁷. Regional initiatives for timber certification include those of the African Timber Organisation and the Pan-European Forest Certification Framework. The International Standards Organisation (ISO) and the Forest Stewardship Council (FSC)³⁸ have elaborated international certification systems. Depending on how one defines "area certified", it is estimated that certified forests account for approximately two percent of the world's forests.³⁹

76. Under the ISO 14000 Series of standards on environmental management systems, work is being carried out to develop a system for the certification of sustainable forest management. The overall purpose is to develop a tool for forestry organizations to continually improve their management systems and thereby their environmental performance. It is a process, not a performance, standard. Thus it draws criticism from some consumers and environmental organizations since improved environmental performance is not guaranteed.

77. The FSC, established in 1991, encourages global forest management which is sustainable from an environmental, economic and social point of view. It favours a performance-based approach. The FSC has developed a set of criteria for sustainably managed forests and for plantations. The FSC certificate is internationally recognised and generally supported by environmental and consumer organizations. FSC-certified forest land is increasing rapidly, nearly doubling between 1998 and 2001. As of September 2001, 24.6 million hectares had been certified, of which 17% were in 21 developing countries.⁴⁰

³⁴UNCTAD (1992).

³⁵In 1990, the ITTO set out the "Year 2000 Objective", with the aim that by 2000 total exports of tropical timber products should come from sustainably managed resources.

³⁶A certain number of eco-labels have also been developed for specific timber products (e.g. German eco-label for low-emission composite wood panels, Dutch eco-label for office chairs).

³⁷FAO (2001).

³⁸See <http://www.fscoax.org/principal.htm>.

³⁹FAO (2001).

⁴⁰Quoted from previous entries on: <http://www.fscoax.org/principal.htm>.

78. The FSC certificate guarantees the “chain of custody” of timber. FSC certified timber, traced back to its origins will demonstrate that the certified timber has not been switched with non-certified timber throughout its life cycle (e.g. during transport or processing). The FSC is an accreditation organization. It does not certify forest products itself. Timber certification is to be carried out by accredited organizations that must adhere to the FSC principles. Accredited organizations include the following: Soil Association (UK), Rainforest Alliance (USA-Smartwood), Scientific Certification Systems (USA, Green Cross), SGS Qualifor (UK), SKAL (Netherlands, EKO label). The FSC certificate is currently the most widely recognised at the international level.

79. The certification systems mentioned above make use of the life cycle concept and include two main components: (a) certification of sustainability of forest management and (b) product certification. The former covers the extraction stage of forest operations, whereas the latter examines log transportation, storage, processing and distribution of end products. Consumption and disposal stages are not dealt with in timber certification schemes⁴¹.

3. Consumer demand for certified tropical timber and timber products⁴²

80. Developed countries dominate global trade in wood products, with some 75 per cent of the value of total exports and imports. Tropical wood products, mostly from developing countries, make up only a small share of trade in most forest products, with the exceptions of plywood (71 per cent) and wood-based panels (39 per cent). However, although their share in global trade is small, tropical wood products comprise a significant share of developing country exports.⁴³

81. Certified timber and timber products comprise a small but growing segment of the market. The European market for certified tropical timber is better developed than the American market. In recent years, environmental NGOs, particularly in Germany, the Netherlands and the United Kingdom, have led extensive media campaigns against the use of tropical timber, as this was perceived to be encouraging the destruction of the tropical forest. NGOs were favouring trade in tropical timber from sustainably managed sources. These initiatives have brought unprecedented pressure upon the timber trade, since public opinion has become much more sensitive to this issue. As a result, trade in tropical timber that does not come from sustainably managed resources has been discouraged.

82. Certified timber and timber products could provide market opportunities for developing countries. According to the Centre for the Promotion of Imports from developing countries based in the Netherlands (CBI), the demand for sustainably produced timber presently exceeds the European supplies⁴⁴.

⁴¹UNCTAD/COM/70.

⁴²This section is largely based on UNCTAD (1995a).

⁴³Twarog, S. (1999).

⁴⁴CBI (1998a).

83. Presently, certification is used primarily as a marketing tool, to increase or maintain market share. There are concerns, however, that certification could act as a trade barrier against those unable to become certified. This could particularly affect small forest owners in developing countries, for whom certification may be disproportionately costly.

4. Certification in the Caribbean

84. Until the year 2000, the only CARICOM countries involved in initial forest certification processes were Belize, Suriname, Trinidad and Tobago and Guyana. The latter is the most advanced CARICOM country in the capacity building and certification processes⁴⁵. Several national consultations and workshops have been organised with support of the PROFOR⁴⁶ project. This resulted in January 2002 in legalisation of the Guyanan National Working Group, which is working with FSC in the development of national standards. Two timber companies are in the process of forest certification in this country⁴⁷.

85. Forest Certification is in an initial stage in Suriname. A Capacity Building Strategy, to improve the quality of decision-making of individuals and organizations in the process of Forest Certification was formulated and agreed upon in July 2002. After two national stakeholder workshops held in 1998 and 2000, a Forest/Wood Certification group was established. This group has brought together different stakeholders and drafted the outline of the Forest Certification Action Plan. No forests have been certified yet, although one timber company is working towards certification⁴⁸.

86. In Belize, Forest Certification efforts have been led mainly by The *Programme for Belize* (PFB), a non-profit organization, established in 1988. The *Rio Bravo Conservation and Management Area* (RBCMA) is its flagship project including pilot programs for timber certification and carbon sequestration. The operation of this area is subjected to annual external audit and the timber is certified by SmartWood and WoodMark under the rules of the FSC⁴⁹.

C. Non-wood forest products (NWFPs)

1. Definition and background

87. Nonwood-forest products comprise promising niche markets for many developing countries. But their commercial development must be carefully managed so that over-exploitation and extinction of valued species do not occur.

⁴⁵See http://www.gtz.de/capacity_building/praesentationen/survey/surv-car.pdf.

⁴⁶PROFOR is an independent program established in 1997 and hosted at the World Bank within the Environmentally and Socially Sustainable Development (ESSD) Network.
See: <http://www.profor.info/about.html>.

⁴⁷<http://www.iac.wageningen-ur.nl/ForestCertification/pagina/index.cfm?fuseaction=showevent&pagina=99>.

⁴⁸Idem.

⁴⁹<http://www.pfbelize.org/about.html>.

88. As defined by the FAO, NWFPs⁵⁰ are "goods of biological origin other than wood, derived from forests, other wooded land and trees outside the forest". NWFPs include many food items⁵¹, such as honey, nuts, berries, mushrooms, essential oils, spices, and animal fodder, construction materials, medicinal plants, other health care and cosmetic products, and items of cultural and spiritual significance.

89. NWFPs are primarily consumed at the local or national level. Particularly for the poor in developing countries, NWFPs can be of crucial importance, both for the material needs of the family and as a means to generate income. Around 80 per cent of the populace in developing countries use NWFP to meet nutrition and health needs (FAO 1999).

90. Developing the commercial extraction of NWFPs is often seen as a way to generate income for local communities while conserving biodiversity. The use of NWFPs for household consumption and income generation increases the value of the forest relative to the opportunity costs associated with other land-uses. Harvesting, processing and marketing NWFPs can be important for local employment and often provide the basis for local craft production and small-scale industries. However, external entrepreneurs often appropriate a large part of the revenues of NWFPs⁵². Efforts must be made to enhance the value-added accruing to the local communities, for example by promoting local and regional processing. Moreover, adequate control mechanisms must be put in place to ensure that the harvesting of NWFPs does not lead to depletion of the resource.

91. Constraints to the development of this sector include the often low density of the resources as they naturally occur, a lack of awareness of the commercial opportunities and how to seize them, and the danger of over-harvesting. The most promising NWFPs for commercial development are those with a high-yielding resource base that can be exploited in a sustainable manner. Many NWFPs can flourish on secondary forest land and farmland. Promoting the domestication of these NWFPs is an option for generating local household income while at the same time reducing pressure on the wild resource.

2. Trade in NWFPs

92. Exports of NWFPs are a significant source of foreign exchange earnings for several developing countries⁵³. Some 150 NWFPs are traded internationally in significant quantities, including cork, essential oils, forest nuts, gum arabic, rattan and plant and animal components

⁵⁰Several terms are used to describe products other than industrially produced timber or wood that are gathered from the wild and in forests. These include non-timber forest products (NTFPs), biodiversity products, wild-crafted products, minor forest products, etc.

⁵¹Bushmeat is another NWFP, but the issues surrounding vertebrate wildlife management will not be discussed here.

⁵²Developing countries seek to obtain a fair and equitable share of the economic benefits derived from the commercial use of certain NWFPs by foreign companies (e.g. medicinal plants, essential oils, pesticides, biochemicals). These issues are elaborated in more detail in the module on Traditional Knowledge, Trade and Development.

⁵³In India, for example, non-wood products account for around 60 per cent of forestry exports. Indonesia, Malaysia and Thailand have also witnessed rapid growth of export revenues from NWFPs.

of pharmaceutical products. The general direction of trade is from developing countries to developed countries.

93. Statistical data on the production and trade of NWFPs is indicative at best. Most production and consumption takes place in the informal sector and is thus unreported. Country trade data generally does not differentiate between wild-gathered or domesticated resources. Bearing these caveats in mind, it has been estimated that world trade in NWFPs is roughly US\$ 11 billion. Table 2 contains trade data for several important categories of NWFPs.

Table 2: Value of Trade in Selected NWFP world-wide

Product	US\$ (million)
Natural honey	268.2
Mushrooms and truffles	210.7
Nuts	593.1
Spices	175.7
Ginseng roots	389.3
Gum arabic	101.3
Plants used in pharmacy	689.9
Essential oils	312.5
Cork and cork products	328.8
Rattan	119.0
TOTAL	3,188.5

Source: Vantomme (2001).

94. Export opportunities could be enhanced if environmentally and socially conscious consumers become more aware of the contribution of NWFPs to forest preservation and the well-being of forest dwellers. Certification⁵⁴ of NWFPs as organic, fairtrade, or sustainably harvested could raise this awareness. Efforts in this arena are beginning.

3. *Selected examples of market opportunities*⁵⁵

95. *Alternative wood sources.* Alternative wood sources of forest provenance (rattan, bamboo) are important in terms of direct and indirect employment and export earnings. Rattan is one of the world's most important non-wood forest products (NWFPs). Indonesia supplies over 90% of the world's commercial rattan cane, although this product is also an important commodity for other Asian countries. Although the majority of rattan is collected from wild over-exploited forests, there is evidence to suggest that it can be successfully managed as a common property resource by traditional forest dwelling peoples that live in small and stable communities. Current declining world supply and strong market demand suggest improved market opportunities for sustainable small-scale rattan producers. Additionally, the government and construction industry in countries such as Costa Rica have

⁵⁴For more information, see Vantomme (2001).

⁵⁵This part is based on UNCTAD (1995b).

been promoting the replacement of traditional wood with bamboo or rattan, as an alternative that is not only more cost-effective, but also generates increased income and employment⁵⁶.

96. *Food products.* Foods include a wide range of exportable items, such as nuts, spices, sweeteners, food additives and aids, fruits or mushrooms. For example, a vogue for health foods in the EU, Japan and United States has boosted demand for natural sweeteners like honey in recent years. Apiculture is an attractive and promising income-generating activity for small agricultural communities. It can increase the producers' income, without requiring them to abandon their previous agricultural activities. Additionally, the capital required in such projects is very low. In terms of market access, in 2001, the EU Commission adopted a new legislation (2001/158/EC) to prevent honey containing undesirable residues⁵⁷ from being imported into Europe. Although this could limit the market potential of mainstream honey producers such as the Philippines and Brazil, beekeepers working in remote areas of poor countries have possibilities to produce top-quality, non-contaminated honey and beeswax that can comply with the EU regulation. These producers could also have the opportunity to obtain top prices for their premium products⁵⁸.

97. Great market potential also exists for tropical fruit, especially in the production of tropical fruit juices where new and more sophisticated non-alcoholic drinks are in demand. Mushroom can be an important source of foreign exchange for some countries as well. This is the case of Bhutan, for example, with target markets in India, Nepal and Bangladesh. Morels are also widely gathered in Pakistan and trade internationally in large quantities.

98. *Medicinal substances.* Among the best known of NWFPs are medicinal substances like the antimalarial drug quinine. Even today, when the pharmaceutical industry can synthesise most naturally occurring substances, the active ingredients in 25 per cent of all prescription drugs come directly from medicinal plants. Not all of them, however, grow in forest habitats. Remedies for diseases that currently baffle the world's medical researchers, such as cancer or AIDS, are being actively sought by botanists and pharmacologists in woodlands, forests and other wild plant habitats around the world. For more details see the module on Traditional Knowledge, Trade and Development.

99. *Cosmetics and perfumery.* Another significant use of forest chemicals is in cosmetics and perfumery. There is a huge market for essences, particularly ones that are new and exotic. The cheapest perfume contains at least 40 of them, the more expensive ones being even more complex. The essential oils of many forest trees and plants (bay rum tree from West Indies, camphor tree from East Asia or eucalyptus from China, Ylang ylang from Madagascar for example) find markets in perfumes, soaps, shampoos and other personal care products.

100. *Bio-pesticides.* Some toxins contained in forest plants and trees can be used as pesticides. This is the case of safrole (traded as sassafras oil), obtained from the wood of a

⁵⁶http://www.inbar.int/la_office/otros.htm.

⁵⁷Including antibiotics, pyrethroids, organochlorines and heavy metals.

⁵⁸http://www.fao.org/DOCREP/004/Y3660e/y3660e04.htm#P757_129932.

wild-growing species of Lauracea. Safrole is converted into piperonyl butoxide which plays a critical role as synergist for natural pyrethrum-based insecticides which are much less effective alone. Today, China is the major producer of sassafras, having overtaken Brazil.

101. Another examples is pyrethrum, a flower which contains a natural insecticide. The seeds and leaves of the neem tree also provide an oil extract that can be used as an insecticide. Kenya is a major exporter of pyrethrum. The neem tree, native to India and Myanmar, is also grown in Africa.

102. *Biochemicals*. Biochemicals include substances replacing synthetic chemicals in their various end-uses. Natural dyes such as indigo belong to this group, as well as tannins with colouring properties (mangrove tannin, for example). Tannins, which are generally extracted from barks of trees, can also be used to preserve and soften animal hides and leathers in an environmentally more friendly way. The bark of acacia may be the source of glues used in the manufacture of particle boards and plywood, both valuable sources of foreign exchange, as in southern Africa. Lac, the resinous secretion obtained from the body of a hemipterous insect and produced in India, Thailand, China, Indonesia, Viet Nam and the Lao People's Democratic Republic, finds a variety of uses in plastics, adhesives, wood finishing, polish and others.

D. Products based on traditional knowledge

103. As discussed in the module on Traditional Knowledge, Trade and Development, protection of the traditional knowledge, innovations and practices of indigenous and local communities needs to be supplemented *inter alia* by measures to explore the opportunities for commercialisation of TK-based products and services. This can best be achieved on the basis of comprehensive national strategies to harness TK for development and trade, reflecting the national development objectives and interests of traditional communities. Besides the promotion of the use of adequate instruments of TK protection, such national strategies may comprise institutional mechanisms (both at intra-ministerial level and consultative mechanisms with non-governmental stakeholders) and a set of policy and economic instruments to promote TK-based innovation and commercialisation of TK-based products and services.

104. NWFPs described above are one example of TK-based products. Local and indigenous communities often have considerable traditional knowledge about NWFPs, including their location, harvesting times and methods, and uses for food, medicine, et.al. Countries can take advantage of this knowledge in developing this sector. In Australia, the growing bushfood industry is based upon traditional knowledge of wild food sources. However, the original holders of this knowledge have not benefited from this development, highlighting the importance of equitable benefit-sharing in the use of TK.

E. Fairtrade products

1. Definition

105. In addition to the increasing demand for green products, there is also an increasing demand for products from developing countries which are produced in a manner which takes into account social equity and justice in the producing country, through "Fairtrade".

106. Fairtrade is an alternative approach to conventional international trade that aims at sustainable development for excluded and disadvantaged producers. It seeks to do this by improving market access, strengthening producer organizations, paying better prices and providing continuity in the trading relationship. It promotes development opportunities for disadvantaged producers, and seeks to protect human rights and the environment. It also raises awareness among consumers so that they can exercise their purchasing power positively and campaigns for changes in the rules and practice of conventional international trade.⁵⁹

2. Background

107. The concept of Fairtrade emerged some 40 years ago through alternative trade organizations offering to consumers in developed countries products purchased directly from small producers in developing countries. Initially, these products were sold mainly through world shops and catalogues.

108. Yet, selling through niche outlets put a limit on market growth. In the mid-1980s, the importance of bringing Fairtrade products into the mainstream outlets, particularly supermarkets, became clear. In response, the first Fairtrade labelling initiative, Max Havelaar, was launched in the Netherlands in 1988. The Max Havelaar model has been largely followed in other European countries. Today there are 17 fairtrade labelling organizations that included initiatives in 14 European countries, plus USA and Japan. In 2003 there are 360 fairtrade certified producer groups (including many umbrella bodies), representing 550,000 small scale producers in 40 countries.

109. The efforts of these organizations are coordinated by the Fairtrade Labelling Organizations International (FLO), which was founded in 1997 to coordinate efforts and to ensure the audit of all Fairtrade labelled products from the producer to the supermarket shelf. It also aims at the introduction of a single international Fairtrade label⁶⁰.

⁵⁹This is a shortened version of the definition of Fairtrade adopted in April 1999 by FINE, an umbrella organization of the four main international Fairtrade Networks, see http://www.traidcraft.co.uk/fs_fine.html.

⁶⁰For more information, see the FLO website at <http://www.fairtrade.net>.

110. Efforts to further expand the market availability of Fairtrade products have recently introduced them to alternate distribution channels such as restaurants, cafes, offices and even vending machines, further growing their market potential out of "nich" products⁶¹.

3. *Fairtrade labelling*⁶²

111. Like other eco-labels, fairtrade labels guarantee consumers that certain criteria are met. But unlike other certification systems, producers do not pay for their certification by FLO. The FLO has developed criteria for coffee, cocoa, tea, honey, sugar, bananas, and preserves, as well as some fruit juices and snacks. Criteria for each product are developed in consultation with the producers to reflect differing conditions. For example, coffee is generally cultivated by small farmers, whereas tea is grown in plantations. FLO is currently developing generic fairtrade criteria for smallholders and for the hired labour sector (e.g. plantations). These will provide the basis for all fairtrade labelling in the future and should allow for rapid expansion of product coverage.

112. The fairtrade label guarantees fair trading relations, including:

- a price that covers the cost of sustainable production;
- social premium for development purposes;⁶³
- partial payment in advance to avoid small producer organizations falling into debt;
- contracts that allow long term production planning;
- long term trade relations that allow proper planning and sustainable production practices.

113. It also guarantees fair production conditions, including:

- for small farmers' co-operatives a democratic, participative structure;
- for plantations/factories the workers should have:
 - decent wages (at least the legal minimum);
 - good housing, where appropriate;
 - minimum health and safety standards;
 - the right to join trade unions;
 - no child or forced labour;
 - minimum environmental requirements.

114. There are five main actors in Fairtrade:

- Producer organizations produce a range of handicraft and food products;
- Fairtrade importing organizations buy products at a fair price directly from producers and give them various forms of advice, support and training. They sell

⁶¹Giovanucci(2003).

⁶²This section is based upon information on the FLO website at <http://www.Fairtrade.net>. For an example of more detailed criteria, please consult <http://www.maxhavelaar.org>.

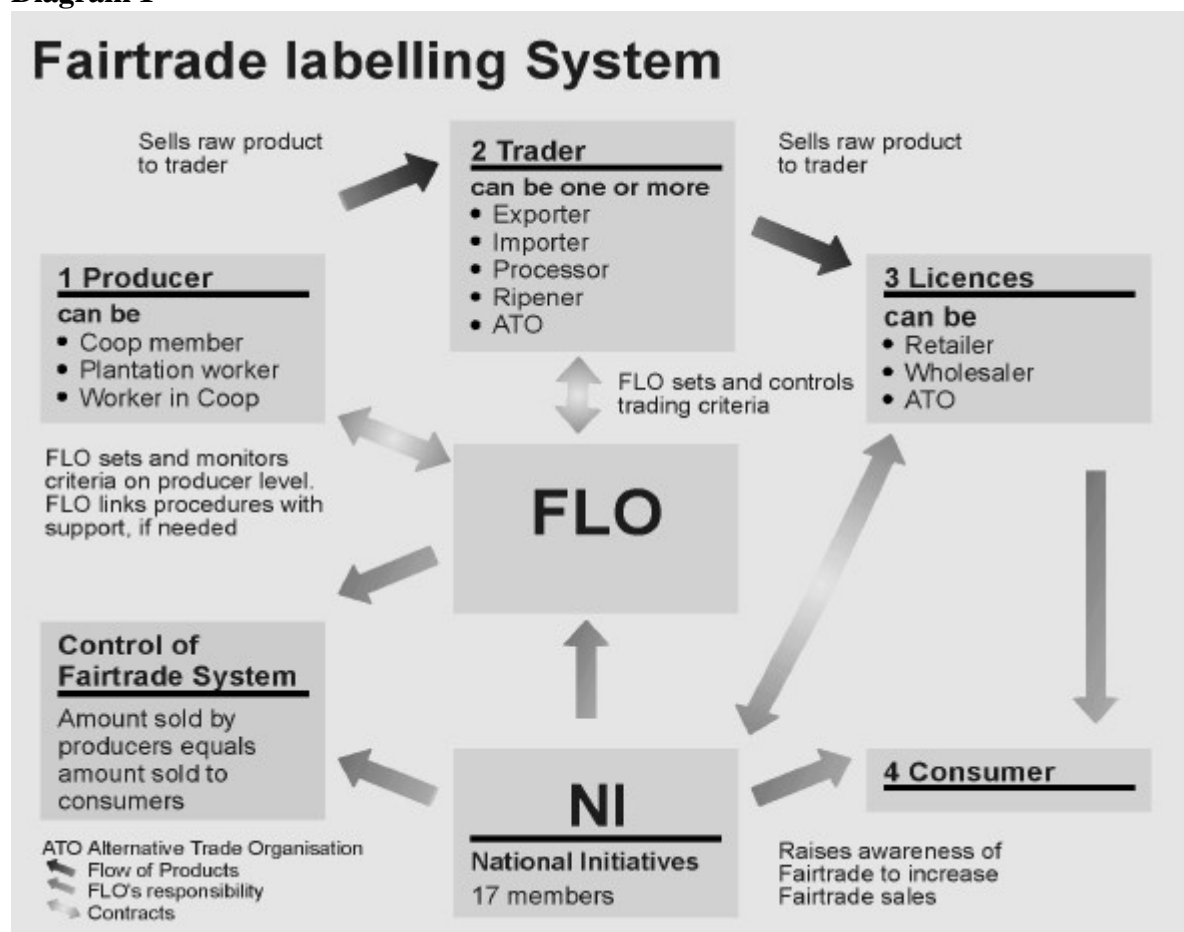
⁶³For example, for coffee the guaranteed minimum price is US\$126/100 lbs FOB, inclusive of a US\$5 social premium. When the market price is above this minimum, the surcharge for coffee is US\$5 per 100 pound. For details on other products, consult the FLO website at <http://www.fairtrade.net>.

the products either directly to consumers (e.g. through mail-order catalogues) or to retailers. They also engage in awareness-raising campaigns;

- Retailers, such as world shops, supermarkets and some Fairtrade importing organizations, sell Fairtrade products to end consumers. They may also engage in awareness raising activities. Other retailers include restaurants, offices, universities and vending machines;
- Consumers buy fairtrade products;
- Fairtrade labelling initiatives seek to enlarge the market for fairtrade products by bringing them into mainstream sales outlets while at the same time offering consumers an independent guarantee of fairtrade standards.

115. The FLO monitoring programme ensures that all the trading partners continue to comply with fairtrade criteria and that the individual producers really do benefit. FLO lists producers who meet these criteria in a register, which is distributed to fairtrade importers. Diagram 1 shows how the fairtrade labeling system operates.

Diagram 1



Source: FLO website, <http://www.fairtrade.net>.

4. *Market opportunities*

116. Fairtrade labelling initiatives sparked rapid market growth. In the year 2000, the total European fairtrade market was at least \$US240 million⁶⁴. Products including coffee, chocolate, tea, honey, sugar, bananas, preserves, snacks and fruit juices were available in more than 43,000 outlets throughout Europe. Market shares of these products are expanding, with top performers like Switzerland, the Netherlands and UK, showing the way. In these three countries, fairtrade roast and ground coffee enjoys market shares of 2.7%, 3.3% and 14% respectively. In Switzerland, fairtrade labelled bananas capture a full 15% of the market; and in the Netherlands the figure is 4.2%. The market share of fairtrade tea is 4% in Switzerland and 2.5% in Germany.

117. In the USA, the market is less developed than in Europe but expanding more rapidly. The fairtrade label was introduced in 1999, becoming a major imported good after only two years. TransFair USA is a non-profit organization, and the only independent, third-party certifier of fairtrade practices in the United States. It currently handles three certified products - coffee, tea and chocolate- imported from 22 different countries. Fairtrade products are sold in 10,000 outlets around the USA⁶⁵.

118. A number of NGOs, such as OXFAM,⁶⁶ are supporting fairtrade in CARICOM countries, such as for bananas in the Windward Islands⁶⁷ and coffee in Haiti. Belize exports organic and fairtrade chocolate to the United Kingdom, while Dominican Republic exports sugar, coffee and cocoa. For more details on fairtrade coffee and opportunities for the Caribbean countries, see Box 5.

⁶⁴Raynolds et al. (2002).

⁶⁵<http://www.transFairusa.org>.

⁶⁶<http://www.maketradeFair.org/default.asp>.

⁶⁷Farming in the Windward Islands has had to adapt to the terrain. The steep hillsides and narrow valleys of these volcanic islands have encouraged small plots to be owned and farmed by individual families. A five-acre banana farm can provide for a family's needs on a year-round basis.

Box 5: Fairtrade coffee and the Caribbean

Although coffee is the main fairtrade product sold in Europe and USA, it is still a small market. To put it into perspective, the total annual exports of conventional Caribbean coffee stands at 281 thousand bags. This is 17% larger than the global market for fairtrade coffee⁶⁸. However, the market is expanding rapidly, bringing new opportunities, especially in the USA where consumption of fairtrade coffee grew 79% between 2000 and 2001. Further, predictions show that the US will become the world's largest fairtrade coffee market once the fairtrade brands become widely available. In addition, activist groups such as Rainforest Alliance, Oxfam and FLO have been pushing for large companies to purchase and sell fairtrade products. In response, several multinational companies have announced their intentions of launching fairtrade coffee brands, as well as buying fairtrade coffee from small producers⁶⁹.

Fairtrade coffee producers can benefit from higher prices. They can receive up to double the price that conventional producers receive, especially if the coffee is double certified (organic and fairtrade)⁷⁰. The latter is relevant as there is a trend for fairtrade products to move to more premium segments of the market. For example in the US, 80% of the fairtrade coffee is also certified organic, and the vast majority would be considered gourmet coffee⁷¹.

Fairtrade coffee production is highly concentrated in Latin-America and the Caribbean. The region's 181 FLO producers associations are located in 14 countries and together exported 84% of the world's fairtrade coffee in 2000. Production comes mainly from Mexico, Peru and Colombia⁷². To date, the only Caribbean countries that have been exporting fairtrade coffee are Haiti and Dominican Republic, representing a minor percentage of the world's fairtrade exports⁷³.

Although fairtrade coffee markets have been growing, there already appears to be excess production capacity among existing suppliers⁷⁴. This excess capacity raises questions of whether new producers can join and benefit from the fairtrade markets. However, growing fairtrade markets in USA, Canada and Japan may offer additional opportunities for existing producers and new entrants. Further Caribbean countries may explore export opportunities in a growing diversity of agricultural fairtrade produce, such as sugar, apples, bananas, pineapple and fruit juices. Expansion of Caribbean fairtrade production could be an option to diversify from commodity exports that rely on preferential agreements, such as conventional bananas and sugar, bringing long-term social and environmental benefits.

⁶⁸ITC (2002).

⁶⁹2003, Eco-Friendly Coffee Finds Favor with Big Business, Washington <http://news.tradingcharts.com/>

⁷⁰ITC (2002).

⁷¹Raynolds et al. (2002); from TranFair USA (2002).

⁷²Raynolds et al. (2002).

⁷³Raynolds et al. (2002); from FLO (2002).

⁷⁴On average, producers registered under the FLO are currently selling only 20% of their eligible coffee with fairtrade labels, selling the rest at conventional market prices; Raynolds et al. (2002).

F. Tourism⁷⁵

1. Background

119. As with a number of other industries, the international travel and tourism sector has negative environmental impacts associated with its business activities. Over the last decade, this industry has highlighted the value of voluntary initiatives in reducing these effects. In response, a wide range of voluntary initiatives has emerged from the sector. Codes of conduct in the 1980s and early 1990s, have been replaced by self-help guides and manuals, and latterly by certification and benchmarking programs. There are currently over 100 tourism certification companies worldwide. However, certification is just one in a range of tools, which can also be complimentary, that seek to encourage sustainable business performance. Among these we can include life cycle assessments and benchmarking processes.

2. Definition

120. Certification is the process of assuring consumers and industry that the company being assessed has met the standards set⁷⁶. Tourism certification programs cover a wide range of initiatives that provide a logo to those companies that exceed (or claim to exceed) a baseline standard. Certification programs include eco-labelling programs that can occur through self-assessed accreditation, third-party auditing and externally verified initiatives.

3. Certification

121. Most certification systems focus mainly on the environmental aspect of sustainability, and thus, by strengthening the level of awareness of these issues among tourists and industry, bring environmental benefits to communities as a whole. Particularly, the main beneficiaries of certification systems are consumers, private industry and taxpayers.

122. For consumers, certification and eco-labels provide them with more information and guidance for their decisions on travel choices, as well as assurances for product and service quality, albeit possibly at a somewhat higher price than without labelling.

123. For the industry, certification can bring several benefits:

- companies may expect to generate cost savings by reducing inputs such as energy and water, while minimizing waste⁷⁷;
- participation helps to signal specific commitment to environmental, social and economic improvements. This may in turn help to defer the need for further direct regulation by governments, which are likely to be less flexible and cost-efficient; and

⁷⁵Much in this section is based on Synergy (2000).

⁷⁶Xavier Font (2003).

⁷⁷A study conducted by the International Hotels Environmental Initiative (IHEI) in 1996 showed that environmental management programs can cut utility costs by up to 25% (Synergy 2000).

- protection of the environmental and cultural assets upon which the tourism industry depends for its continued prosperity. Importantly to mention, certification does require initial capital investment, the financial returns of which are not always guaranteed (i.e., there is risk attached).
- Certification can also help address demands of international tourism operators to comply with sound environmental practices, and thus enhances the national competitiveness and image in international markets.

124. For the government, voluntary certification can be an effective alternative to direct regulation, which could prove politically difficult to implement and less cost-efficient. Although the government might choose to support the industry in financing the certification process, this should prove more cost efficient than a command and control approach, and in turn can help reduce the financial burden of regulation on the taxpayer.

125. Finally, certification systems can result in benefits for the local environment and, to the extent that some mass tourism activities can impact biodiversity and climate change, also the global environment.

126. There are several types of certification. Tourism certification programs fall into two broad categories with subtle but significant differences.

i). Process Initiatives

127. Process initiatives award certification based upon the implementation of a process or system that addresses the environmental and sustainability impacts of tourism industries. They provide an action programme for sustainable tourism' and encourage gradual improvement in individual company performance. They aim to encourage performance improvement over time rather than awarding the best companies, or setting a specific standard. As this is the predominant form of certification, some examples of this initiative are discussed below.⁷⁸

ii). Performance Initiatives

128. These initiatives seek to identify products and services that are sustainable, and exceed a specific level of performance considered to represent best practice. It is argued that this approach helps consumers to choose those products, services or operators that have less impact on the environment. However, those tourism businesses or destinations that have a higher level of environmental impact (especially the mass market and transport operators) are less likely to apply for membership of such programs because they may find it difficult to meet the stringent criteria. The potential for such initiatives to bring about initial change across the entire industry is more limited.

129. Some examples are:

⁷⁸ See <http://www.greenglobe.org>.

- The Australian Nature and Ecotourism Accreditation Programme is an example of a performance driven initiative.
- The ECOTEL⁷⁹ Certification is based on five separate inspections each which correspond with the five globe awards: Environmental Commitment, Solid Waste Management, Energy Efficiency, Water Conservation and, Employee Environmental Education and Community Involvement. ECOTEL has certified hotels in the USA, Asia, and Central America (Belize, Guatemala, Honduras and Costa Rica)⁸⁰.
- Benchmarkhotel.com is an Internet tool developed by the International Hotels Environment Initiative (IHEIA) and WWF-UK with funding from Biffaward⁸¹. This tool has been designed specifically to help hotels improve environmental performance and make cost savings in the areas of energy management, fresh water consumption, waste minimization, waste water quality and purchasing programs. The tool has been developed and tested to be useful for small, medium and large independent hotels as well as major brands.

130. Both process-led and performance-led initiatives have a number of elements in common. They include:

- Award of a logo, recognizable to consumers, differentiating the sustainability or environmental credentials of the product or service from those of other providers;
- Compliance with local regulations as a minimum requirement of membership;
- A published commitment to the environment and/or sustainable development as a minimum requirement of membership;
- An environmental management system or set criteria which must be met or exceeded by members, which may indicate continuous improvement in process and/or performance;
- A scoring, reporting, auditing or verification system to guarantee that standards are met;
- Technical help and support to assist organizations to make progress; and
- A fee structure to support the operation of the system.

4. Drawbacks and opportunities

131. Although some certification schemes are credible and genuinely address environmental concerns, the proliferation of over 100 schemes worldwide makes it difficult to maintain the quality and consistency of the certification criteria. Further, less than one per cent of tourism businesses worldwide have joined up to these schemes, probably due to the fact that sustainability issues are not perceived to be a key factor in tourist decision-making processes. An additional point is that most certifiers allow companies to use their logos when they commit to make changes, before sustainable interventions are actually achieved. The combination of the above can undermine the potential of certification to bring about environmental sustainable tourism.

⁷⁹Ecotel is run by HVS international, a Global Hospitality Consulting firm, see <http://www.hvsecoservices.com>.

⁸⁰See <http://www.hvsecoservices.com/ecotelnorthamerica.htm> for further information.

⁸¹See <http://www.benchmarkhotel.com> for further details.

132. Separately, given that most programs focus primarily on those issues that will deliver cost savings to businesses, other aspects of environmental management (e.g., noise reduction and minimizing the use of non-renewable resources) as well as social and cultural issues, are addressed in a less direct way.

133. An important limitation of environmental certification may certainly be the cost of certification as well as the initial investment needed to achieve both the specified environmental standards and the more cost-efficient management of resources. The initial investment might be unaffordable to most tourism companies, while long-term savings are dependant on the adequate implementation of the management systems, and thus can't be guaranteed.

134. Finally, although environmental certification is a step in the right direction, it might be a limited answer to the long-term sustainability issues of the tourism industry. For an industry that is predicted to double in size over the next decade, it is questionable whether individual corporate certification has the potential to ensure sustainability of the tourists' destinations as a whole.. Sustainability of the entire tourism service chain from, *inter alia*, transport to food supply, should be somehow included in a more efficient environmental management system.

135. In response to this, Synergy recommends the following improvements for the future development of tourism certification programs:

- Increased participation of all sectors of tourism industry in credible and strict certification programs;
- Increased support of government and financial aids to environmental certification projects;
- Awarding achievement on sustainability progress, not on plans or commitments;
- Promoting sustainable (not just environmental) improvement;
- Actively working with stakeholders; and
- Improving transparency to the consumer.

5. Process initiatives

i). What is Green Globe 21?

136. Green Globe 21⁸² is an international environmental awareness and management program originally established in 1994 by the World Travel and Tourism Council as a direct response to the Agenda 21 at the Earth Summit in Rio de Janeiro in 1992. It is the world's largest certification programme in the tourism industry.

137. Green Globe 21 enable those businesses or destinations that become members of the initiative to display a logo from the day that their membership commences. Companies then

⁸² See <http://www.greenglobe.org>.

have a specified time period (twelve months) in which to implement the actions necessary to comply with the conditions of 'full' membership, including undergoing third party verification. A different logo is awarded once the conditions of membership have been met. Green Globe 21 membership is open to any travel and tourism company of any sector, size or location.

138. Certification is based on the ISO 14001 Management System Standard, and thus, it is a "process" based certification. The Green Globe 21 standard differs from the generic ISO 14001 standard by specifying the environmental aspects that tourism businesses should address⁸³.

139. Green Globe 21 has 4 certification standards available, which are tailored to cover all sectors of the travel and tourism industry. The standards are⁸⁴:

- The Company Standard provides travel and tourism organizations with a framework to enable the benchmarking, certification and continuous improvement of their operations in terms of environmental and social performance. This standard is available to operations in 20 different sectors of the travel and tourism industry⁸⁵. However, at least in the Caribbean Region, its certifications programs have been focused on hotels and tour operators.
- The Standard for Communities provides communities with a framework to benchmark, certify and continuously improve their environmental and social performance. In order to be part of this program, communities should contain an important travel and tourism industry sector.
- The International Ecotourism Standard provides a basis for assessing a baseline environmental management performance standard for eco-tourism products and recognising best practice eco-tourism⁸⁶.
- The Design and Construct Standard facilitates environmentally sustainable design and construction of travel and tourism infrastructure.

ii). The certification process

140. Green Globe 21 is based in a three-phase process, consisting of affiliation, benchmarking and certification.

⁸³ISO 14001 requires businesses to identify their own environmental impacts independently, while only implicitly including stakeholder consultation.

⁸⁴See <http://www.greenglobe.org>.

⁸⁵Accommodation, Administration Offices, Aerial Cableways, Airlines, Airports, Bus Companies, Car Hire, Convention Centres, Cruise Boats, Exhibition Halls, Farmstays, Golf Courses, Marinas, Railways, Restaurants, Tour Companies (Wholesale), Tour Operators, Trailer Parks, Vineyards, Visitor Centres.

⁸⁶Ecotourism can be defined as ecologically sustainable tourism with a primary focus on experiencing natural areas that fosters environmental and cultural understanding, appreciation and conservation.

- **Affiliation**

This first step of the process consists on becoming a member of Green Globe 21 and paying an introductory fee. At this stage new members are provided with a copy of the requirements of the standard, to become aware of the certification process, and commit to start the benchmarking process within a 12-month period.

- **Benchmarking**

Benchmarking is a means by which the environmental performance of the business operations is assessed. During the period between signing up for Green Globe 21 membership and gaining the certification, companies must develop and implement a full environmental management system, which comprises a number of processes designed to:

- Ensure compliance with local, regional and national regulations, step which is specially important in countries where environmental regulation is lax or unclear.
- Assess the environmental performance effects of the company in nine key areas:
 1. energy efficiency;
 2. conservation and management;
 3. management of fresh water resources;
 4. ecosystem conservation and management;
 5. management of social and cultural issues;
 6. land use planning and management;
 7. air quality protection and noise control;
 8. waste water management; waste minimization, reuse and recycling;
 9. storage and use of hazardous substances.
- Ensure consultation with, and encourage feedback from, key stakeholders (including customers) on their environmental programs.

On successful completion of the Benchmarking process, the company receives the Benchmarked Certificate and obtain the right to use the Green Globe 21 benchmark logo. If the performance is below the required level, the company is encouraged to make the improvements needed and to resubmit the Benchmarking measurements for a new assessment.

- **Certification**

After a period of no more than 12 months after obtaining the benchmark status, the tourism company must go through an assessment process (audit). A qualified third party auditing company undertakes this. The audit process checks that the operations of the company in the nine key performance areas mentioned above comply with its environmental policy statement, that the environmental management system is operating appropriately, that the company is making continuous improvements, and that there is a process for stakeholder consultation. If the company complies with the conditions it is awarded the Green Globe 21 certification logo, if it fails to comply it is given the option of rectifying the situation. After obtaining certification, members are subject to annual audits to ensure their continuous compliance.

iii). Membership fees and other required investment

141. As with other international standards, tourism certifiers charge some type of membership fee. In the case of Green Globe 21, the membership fee varies according to the company size and phase of the certification process (Affiliate, Benchmarking or Certification) applied for. The membership cost to achieve certification at the company level can go from US\$300 to US\$6,000, depending on the size of the tourism company. For community certification, the fees can go up to US\$12,000 for a community of 250,000 people⁸⁷. For most small and medium businesses, the membership fee is a significant barrier to entry, especially where it cannot be offset against guaranteed cost savings on an on-going basis. The Green Globe 21 programme is one of the more expensive schemes to join and this limits membership significantly.

142. On top of the membership fees, companies must pay for an audit process which can cost around US\$3000 for a large business. Additional services from consultants, such as management system implementation, hosting of stakeholder group meetings and staff training are also provided at additional cost.

143. Given the strong barrier to entry that the membership fees and additional costs imply, tourism certifiers such as Green Globe 21 in New Zealand and Certification for Sustainable Tourism in Costa Rica seek to reduce costs through partnerships with governments, where the cost of certification is subsidized partially or wholly by the public sector.

144. Additionally, several international aid agencies are giving grants to fund environmental certification in most geographical areas, including the Caribbean. See *Financial Aid links* at the end of this section for further details.

iv). Caribbean certified countries

145. From the fourteen Caribbean Anglophone countries attending the UNEP-UNCTAD Capacity Building Task Force Meeting in Jamaica, seven are affiliated with the Green Globe 21 environmental certification programs. These countries are: Antigua & Barbuda, Bahamas, Barbados, Dominica, Jamaica, St. Lucia and Suriname. As showed in Table 3, only 51 hotels in these countries are members of Green Globe 21, of which 74% are in Jamaica and 12% in Barbados. Given that Green Globe 21 is the biggest certifier in the Caribbean, these figures show the relative novelty of certification schemes in the region. Table 3 highlights the number and status of each country's certification programs.

⁸⁷ See <http://www.greenglobe.org> for more details.

Table 3 - Caribbean Anglophone Countries with Green Globe 21 Membership⁸⁸

Country	Affiliation	Benchmarking		Certification		TOTAL	
		<i>In process</i>	<i>Approved</i>	<i>In process</i>	<i>Approved</i>		%
Antigua & Barbuda					1	1	2
Bahamas					1	1	2
Barbados					6	6	12
Dominica	1					1	2
Jamaica	6	1		1	30	38	74
St. Lucia					3	3	5
Suriname	1					1	2
TOTAL	8	1		1	41	51	100

v). Alliances and partnerships in the Caribbean

146. Green Globe 21 has accredited several organizations worldwide to carry out assessments and handle parts of the certification process on its behalf⁸⁹. Further, it has also trained professional consulting firms around the world to conduct independent consulting assessment to help members achieve the environmental certification. These consulting firms work with hotels and nature attractions through a series of audits, training, and the implementation of environmental management systems. the Caribbean certified consultant is currently working in projects in Barbados, Dominica, Grenada and Jamaica⁹⁰.

147. Green Globe 21 has established formal alliance with the Caribbean Alliance for Sustainable Tourism (CAST)⁹¹ to promote and recognize the achievements and performance of properties and provide information and support to travel and tourism businesses in the region pursuing Green Globe 21 Benchmarking and Green Globe 21 Certification⁹².

vi). Other process initiatives in the Caribbean

148. Blue Flag⁹³ is an eco-label awarded to beaches and marinas with high environmental standards as well as good sanitary and safety facilities. It also includes environmental education and information for the public, decision makers and tourism operators. For

⁸⁸ <http://www.greenglobe.org>.

⁸⁹ see <http://www.sgs.com/sgsgroup.nsf/pages/about.html>.

⁹⁰ see <http://www.paconsulting.com>.

⁹¹ CAST is a non-profit organization established by the Caribbean Hotel Association (CHA) Environmental Committee in 1997, undertakes collaborative environmental activities within the hotel and tourism sector, promotes effective management of natural resources and provides access to expertise in operational efficiencies and sustainable tourism. CAST has 225 members throughout the wider Caribbean. See <http://www.cha-cast.com> for further details.

⁹² http://www.hospitalitynet.org/news/Association_Update/4017413.html.

⁹³ See <http://www.blueflag.org/index.asp>. Blue Flag is owned and run by the independent non-profit organization Foundation for Environmental Education (FEE).

2003/2004, Blue Flag is having a pilot project in the Caribbean, in beaches/marinas in Puerto Rico, Dominican Republic, Jamaica, Bahamas and Barbados.

149. The "Greening of Bayahibe"⁹⁴ is a combined effort of five hotels in the Dominican Republic to achieve international recognition as a clean, green and pristine destination by obtaining Green Globe 21 certification for the individual hotel properties and Blue Flag certification for the four beaches of Bayahibe. The project has been actively supported by CAST and the National Association of Hotels and Restaurants of Dominican Republic (ASONAHORES) and co-financed by the Economic Business Assistance Scheme (EBAS).

150. Caribbean Hotel Environmental Management Initiative (CHEMI)⁹⁵ - This program, sponsored by the United States Agency for International Development (USAID) focuses on providing key environmental management, improvement, and efficiency services to small hotels in 6 countries of the Organization of Eastern Caribbean States (OECS) - Antigua and Barbuda; Dominica; Grenada; St. Kitts and Nevis; St. Lucia; St. Vincent and The Grenadines; and in Barbados.

151. Environmental Audits for Sustainable Tourism (EAST) Project, Phase IV⁹⁶. This is a project to develop and implement a plan for Port Antonio, Jamaica, to achieve Green Globe 21 certification as a sustainable tourism destination. The objective of the project is to reposition Port Antonio as an environmentally sustainable destination and attracting new segments of the international market.

vii). UNCTAD's initiative on promoting Tourism for Sustainable Development

152. In June 2003 UNCTAD's Secretary-General established a cross-divisional task force in order to coordinate, guide and foster the work of the organization on tourism and development in developing countries with a special focus on the least developed, landlocked and island developing countries. The task force proposes to develop an integrated approach for an UNCTAD-wide comprehensive capacity-building and technical assistance programme on sustainable tourism for development. This action-oriented programme is based on: (i) enhancing local institutional and training capacities to facilitate tourism development and promote sound and sustainable tourism policies; (ii) encouraging local entrepreneurial initiatives and ownership; (iii) facilitating the establishment of regional and international tourism networks; and (iv) promoting the use of information technologies and electronic commerce in tourism development, including advertising and sales through the Internet.⁹⁷

⁹⁴ <http://www.cha-cast.com>.

⁹⁵ <http://www.paconsulting.com>.

⁹⁶ <http://www.paconsulting.com>.

⁹⁷ See: <http://tourism.unctad.org>.

IV. CHALLENGES AND OPPORTUNITIES

153. The development of EPPs environmentally preferable services may be hindered by several factors, in particular: lack of financial support; lack of specific knowledge and experience in the export business; lack of government support for product promotion and technology dissemination, and absence of adequate national infrastructure. This section⁹⁸ focuses on factors related to higher costs and associated reduced competitiveness, insufficient access to information, and conditions for effective marketing.

A. Competitiveness Issues

154. EPPs often are more expensive than conventional competitor products. For example, in some countries biomass fuels, if not subsidized, may cost twice or even three times more than their fossil substitutes. Organic production may imply reduced input costs or cost increases, depending on local conditions.⁹⁹ The costs of sustainable logging can be 25 to 100 per cent higher than those incurred within conventional logging practices

1. *Internalization of environmental costs and benefits*

155. Environmental benefits provided by environmentally preferable practices are not fully remunerated through price premiums. Competitors who do not implement environmentally preferable measures are not penalized for environmental damage they cause since the related costs are not fully reflected in the prices of these competing products. The resulting cost disadvantage for EPPs and services might be rectified, in the longer run, by getting these prices right, for example by imposing taxes on polluting practices.

2. *Adjustment costs*

156. The shift towards environmentally preferable practices often entails costs, e.g. investment in new equipment and acquisition of new skills. In the case of organic agriculture, yields may fall during the conversion period because of lower chemical inputs and also as a result of the learning process needed to absorb fully the new production practices.¹⁰⁰

157. Financial assistance to producers may help them bridge this transitional period. This is the usual practice in the EU, where temporary subsidies are granted to farmers to encourage

⁹⁸ The following section is based on UNCTAD (1995b).

⁹⁹ For more information on organic agriculture production, and other issues, see: Vossenaar and Wynen (2003), UNCTAD (2003) and <http://www.fao.org/DOCREP/005/Y4137E/Y4137E00.htm>.

¹⁰⁰ However, yields may also increase due to organic management, depending on the history of the field and previous management methods.

them to shift toward organic agriculture. Given the financial constraints faced by developing countries, subsidies may frequently not be feasible. Governments could nevertheless try to facilitate access to rural credit by small farmers or producers in order to enable them to invest in alternative technologies or to bridge the conversion periods.

158. External assistance may be sought from international institutions and/or consuming countries in the framework of their development assistance programmes. The funding could take the form of long-term assistance programmes such as long-term concessionary loans, guaranteed by the government of the recipient country. In a number of cases the initiative to use environmentally preferable practices in developing countries has come from developed country companies which were looking for suppliers, or from NGOs which are specifically involved in fair or organic trade. In these cases, either a partnership or joint venture made it possible to absorb the costs of transition.

3. Production costs

159. Some EPPs entail higher production costs beyond the initial adjustment. This may be due to the lack of competitive technologies, as in the case of biomass fuels and sustainable logging. Costs can be relatively high under organic management, although this depends largely on the particular industry, location and available techniques.¹⁰¹

160. The situation may change in the longer run. More research is needed on ways and means to reduce the production costs of EPPs and increasing crop yields. There is large scope for technology transfer, both North-South and South-South, and for drawing on traditional environment-preferable practices in developing countries. New more cost-effective technologies could be developed, for example, for biomass fuel production. In the case of jute, yield levels may be increased through the development of new varieties and the application of cost effective agricultural practices. At the stage of processing of EPPs, costs can be reduced through the use of more efficient machinery. The use of by-products, such as agricultural waste, in the country may have the same effect.

4. Certification costs

161. Unless products and services are intrinsically “environment-friendly” and easily recognised by consumers at the point of purchase, certification is needed. The cost for this service may be significant. For example, certification costs can represent a serious burden for organic farmers and small forest owners in developing countries, especially when they have

¹⁰¹ For example, where weed or insect control with pesticides is changed to control with labor only, increased labour costs are likely to be the result. However, there where use can be made of livestock and mulching for weed control, for example, or predators are set in against insects, it is likely that input prices decrease as compared with high chemical input agriculture.

to rely on foreign certifiers.¹⁰² Costs of certification adds to the overall price disadvantage of environmentally preferable practices.

162. It is important to identify ways to reduce certification costs in developing countries (see Box 6). Capacity building can make an important contribution in this context.

Box 6: Reducing certification costs in developing countries

Several ways can be explored to reduce the cost of certification of environmentally preferable practices in developing countries:

- Seek assistance from donors, as well as cost-sharing with developed country partners, for example in the framework of fairtrade and development projects. This may be the preferred option for small countries, in particular LDCs, as well as small rural and indigenous communities;
- Train local inspectors and other personnel working for international certification bodies operating in developing countries. This could involve a form of co-certification;
- Develop of a national certification system, with the assistance bilateral/multilateral donors, as well as government support;
- Seek international accreditation of national certification bodies;
- Negotiate equivalency agreements, including, for example, recognition under EU Regulation 2092/91 on organic products.
- Group certification;
- Explore regional cooperation.

Source: adapted from UNCTAD/COM/88, pages 32-33.

5. *Distribution costs*

163. Since environmentally preferable products and services often remain niche products and are traded in small quantities, producers have to bear higher transport, storage and marketing costs. Organic products, for example, need to be transported and stored separately

¹⁰² However, with increased competition between certifying offices, costs have decreased in some countries in the last few years. Another reason for decreased costs, at least for small farmers, is the possibility of ‘group certification’, developed in the recent past. Under such a scheme a group of farmers pays fees, often comparable to those of one large farmer. Costs per farmer would then depend on the number of farmers in such a scheme.

and under stricter conditions than conventional produce. For these reasons, fixed costs related to the distribution and marketing of EPPs are higher per unit. Where feasible, it would help to increase traded volumes so as to be able to take advantage of economies of scale. Moving from niche markets to mainstream production would help to cut the distribution costs.

B. Information

164. The full potential of environmentally preferable products and services is often not duly exploited. First, producers may not be aware of the market opportunities for these products and lack knowledge of potential markets. Second, consumers may be insufficiently informed about the technical and environmental attributes, as well as about potential suppliers.

1. Information for producers

165. Producers need information on environmentally sound technologies (ESTs) and production practices. Governments could support applied research focussed on ESTs and tailored to their country needs. New uses for traditional products (such as the use of jute for the production of geo-textiles, pulp and paper or composites) could also be looked into. New products and services might be developed, on the basis of local resources, to the stage of commercialization. There is, for example, a large untapped potential for creating niche markets for rainforest products with environment-preferable attributes.

166. Concomitantly, governments could contribute to a wider adoption of ESTs by disseminating information via extension services and education and training programmes for producers. Moreover, as successful EPP production ventures may induce other producers to follow the same path, model farms or production sites could be set up, with assistance from the government. External advice on the establishment of such farms could also come through a South-South exchange process. International, regional and local organizations can also contribute to the dissemination of knowledge through training programmes or the setting up of databases.

167. Marketing intelligence is another type of knowledge of utmost importance to producers. General data on production, exports, imports and prices and data related to market access (e.g. certification and packaging requirements, import regulations) need to be provided on a regular basis.

2. Information for consumers

168. Consumers may not have enough information about the existence and availability of particular environmentally preferable products and services. At the same time they may lack knowledge about the positive environmental attributes of these products, as well as about their quality and performance, which is expected not to be inferior to conventional products.

169. Information about quality is particularly important for those who use EPPs as inputs in agriculture and industry. In this case, reliable scientific information about a product's physical and chemical properties and its performance is indispensable for increasing EPPs competitiveness. Moreover, there is often reluctance to changing an input even if no major technological problems exist and no additional costs are involved. Thus, it falls primarily upon the producers of environment-preferable inputs, as well as on public institutions, professional associations and NGOs, to provide the scientific data needed by users.

170. Information must be perceived as credible. Although there may be no undisputed proof of products' environmental friendliness, this should not prevent the acceptance of a product by the market. In the longer run, the credibility of environmental claims may be better documented by using the results of life-cycle analysis (LCA). In order to raise the consciousness of consumers, it would help if the NGO community and other public pressure groups such as the media were involved.

171. Information on environmental attributes of environmentally preferable products and services must be disseminated. This can be done in generic or product-related marketing campaigns that promote a product on environmental grounds. Since these usually exceed the capabilities of one national producer, it might be advisable for developing country producers from one or more countries to cooperate among themselves, or to use the services/assistance of an international producers association or an organization that specializes in this area.

C. Marketing

172. Many environmentally preferable products and services, such as NWFPs, are new products, and introducing them to the market is therefore an important step. As this is a costly and time-consuming operation (it takes 5 to 20 years according to various estimates), without guaranteed success, it is easier to start off with developing the potential of products or services that are already on the market. The resultant profits could then be reinvested in diversification.

173. Although this trend is changing, certain EPPs are still mostly sold in niche markets, such as third world, fairtrade or organic food shops. Two problems arise from the niche character of these products. First, consumers may be very interested in buying EPPs, but not willing to look for them in the few specialized shops and to travel some distance to reach these shops. Product availability is therefore an impediment to growth in sales. Second, low traded volumes are normally associated with higher unit transaction costs which make EPPs less price competitive and, hence, less attractive to traders and consumers.

174. An obvious solution is to promote these products from the niche to the mainstream market, thereby increasing the quantities supplied and reducing the corresponding unit prices. For fairtrade products, this is well under way thanks to the efforts of fairtrade labelling initiatives which have brought fairtrade products to the shelves of some 43,000 European supermarkets.

175. But the shift to the mainstream is often hampered by lack of reliable supplies of adequate quantity and consistent quality, especially for products used as inputs in production processes. The problem is often exacerbated by high dependency on climatic conditions and seasonal factors. Supply-side measures to increase the volume and reliability of supplies are therefore important, especially to achieve acceptance of such products by large producers, distributors and supermarkets in developed countries. The supply of commercially viable quantities of EPPs can be achieved by associating small producers in cooperatives, for example. As regards NWFPs, where collection from dispersed places may not be profitable, a solution might be to set up a commercial system of cultivating these wild forest products within the framework of integrated agro-forestry farming.

176. Direct marketing channels may eliminate intermediaries and allow for a higher part of the final price to be passed on to producers, thereby motivating them to increase production. The same effect could be attained if a fairtrade or environmental premium could be achieved.

177. For developing countries, exporting fresh products may be the source of additional difficulties due to distances in transport in order to guarantee the final quality of the products. It may be more appropriate or less risky to focus exports of products such as dried fruits, herbs, spices and processed products (e.g. cosmetic products or substances used in their preparation). Post-harvest losses could also be reduced as a result of faster shipment to final customers and better storage and transportation facilities. Such changes are likely to require technical and organizational assistance from governments or, in particular, buyers.

D. The gender dimension in trade of EPPs and services

178. The key role of women in development has been assessed by both academics and organizations working on technical cooperation programmes. In general, women are considered key actors in daily household life and as producers. This is the case in developing as much as in developed countries. Less recognition of their economic relevance as being part of the informal economy often occurs.

179. Particularly, the role of women in sustainable development is a key factor. They most often are the ultimate actor to implement plans with the objective to change the use of natural resources in a significant way. For instance, when attempting to change patterns of use of natural resources related to energy and water, women are instrumental targets to be trained. Their learning can be immediately implemented in real activities on a daily basis, when taking care of their small-production units or when using these natural resources for family subsistence.

180. When dealing with EPPs, many of the opportunities related to the commercialisation of these products are closely related to the development of fair trade networks and the preservation of local indigenous knowledge, often in areas such as use of plants and agricultural products, textiles and handicrafts.

181. Although the awareness of the role of women in development was introduced several decades ago, its political relevance and opportunity as an issue to be taken into account within other policies –mainstreaming- has proved to have a cyclical behaviour. It could be said that recent developments in international programmes are giving a signal of a positive window of opportunity for this dimension to be upgraded to a level that would empower women in a much more rooted way than it was in the past. Several initiatives in this sense seem to prove that there is progress in the recognition of the mutual supportive gains for women and for development in broad terms to happen by adding a gender-specificity in development policies.¹⁰³

182. According to the ILO (ILO 2002), self - employment is more important as a source of employment among women workers than among men workers. In 1990/2000, in every sub-region of the developing world a greater proportion of women than men in non-agricultural employment were self-employed. Trade is the most important source of employment among self-employed women in the Caribbean (51 per cent). Services are important for self-employed women in Latin America, especially in Central America (64 per cent) and South America (60 per cent).

183. Women in the Caribbean confirm the world picture of women as net contributors to the wealth of the countries. Their contribution is done in the form of services of sales outside of the formal economy, mostly. An example is the case of Jamaican street sellers of cooked shrimps for tourists, an activity that is taught by mothers to their daughters, and allows for self-subsistence for the family (WIEGO, 2000) The tourism sector is an opportunity for women to trade their local products, often harvested and processed in a way that does not harm the natural environment. Most traditional activities have been preserved through generations by maintaining a balanced relationship between the ecosystem and the economy, so that the natural resources are available in harmony and in a compatible way with the human exploitation of these resources.

184. The issue of gender and trade is addressed in the region by the network Caribbean Gender and Trade Network (www.genderandtrade.net) and it is an area of growing concern for its very economic implications in terms of growth and development in the region¹⁰⁴.

¹⁰³UNCTAD (2003), Inter-agency Task – Force on Gender and Trade.

¹⁰⁴Gender and Trade: A Caribbean Perspective. This workshop will take place at Montego Bay, Jamaica, December 6-7, 2003. It is organized jointly by Friedrich Ebert Stiftung (FES) Jamaica and the CARICOM Regional Negotiating Committee and will include the participation of representatives from the Caribbean Gender and Trade Network (CGTN). Further information <mailto:cafrainfo@wow.net>

V. THE WAY FORWARD

185. In order to take advantage of trading opportunities for EPPs, business and governments in developing countries and countries in transition, must analyze trends in the market for environmental goods and services. Governments may take additional initiatives to support national industry in their efforts to penetrate "green" markets. International organizations, particularly ITC(WTO/UNCTAD), UNCTAD and UNDP may also have a role to play in promoting exports of EPPs from developing countries.

186. While the market for ecological products and organically grown products in developed countries may expand quickly, it is subject to very strong competition and strict regulations. There may also be supply constraints. For example, it may be technically difficult to produce significant quantities of "eco-garments" due to the limited supply of organically grown cotton and environment-friendly dyes.

187. As highlighted above, although a number of factors must be taken into consideration, environmentally preferable products present excellent opportunities for developing countries from an environment, trade and development perspective. Capacity-building should be geared towards identifying markets for environmentally preferable products, raising awareness of these opportunities among producers, increasing the supply and improving the marketing of such products.

188. The first step would be to identify which national products could be marketed as environmentally preferable.

189. Once a selection of products has been identified, research is to be carried out to determine:

- the importance of the demand on foreign markets for these products;
- the requirements to be met, depending on the country, to satisfy the demand;
- price levels on the different markets;
- possible importing and/or distribution partners.

190. Once the markets and their requirements have been identified, the national supply capacity for each product must be determined.

191. The product must meet the market requirements of the importing country and, if applicable, be certifiable. In order to certify EPPs for export:

- If national certification bodies exist, determine whether these are accredited for the certification of the particular type of EPPs (e.g. organic products, certified timber) for the importing country;
- If this is not the case, consider the creation of a national certification body, including the training of local inspectors;

- If potential suppliers seem few, consider carefully which foreign certifier may be best for needs.

192. It is very important to identify ways and means for affordable certification.

193. A marketing strategy must be elaborated which may involve a variety of actors. The following factors should be taken into consideration:

- For small producers, consider setting up a cooperative with a group of producers;
- The producer or cooperative will deal with an exporter and/or importers and be responsible for the marketing of the product;
- Exporters/importers must be well informed of product availability.

VI. USEFUL INFORMATION

International organizations

ITC	International Trade Centre (UNCTAD/WTO) http://www.intracen.org/
	The Enterprise Development Website: Export marketing and Trade http://www.enterweb.org/market.htm
UNCTAD	http://www.unctad.org
	UNCTAD Trade, Environment and Development Section http://www.unctad.org/trade_env/index.htm
UNEP	http://www.unep.org
FAO	http://www.fao.org/

Organic products

International organizations:

IFOAM	http://www.ifoam.org/
IFOAM-accreditation	http://www.ifoam.org/accredit/index.html
Codex Alimentarius	Guidelines for the Production, Processing, Labelling and Marketing of Organically Produced Foods. GL 32 – 1999. ftp://ftp.fao.org/codex/standard/en/CXG_032e.pdf

Specific countries:

United States	http://www.ers.usda.gov/emphases/harmony/issues/organic/organic.html http://www.organic-research.com/Laws&Regs/legislation.htm
US Department of Agriculture, National Organic Program (NOP)	http://www.ams.usda.gov/nop
Europe	http://www.organic-europe.net/

Trade

BIOFACH	World Organic Trade Fair http://www.biofach.de/d/index.html
OrganicTS	Organic Trade Services (UK/EU) http://www.organicTS.com/
OTA	Organic Trade Association (USA/Canada/Mexico) http://www.ota.com/

Certified timber

FSC	Forest Stewardship Council http://www.fscoax.org/principal.htm
FAO Forestry	http://www.fao.org/forestry/Forestry.asp

Non-wood forest products

FAO NWFPs	http://www.fao.org/forestry/fop/fopw/nwfp/nwfp-e.stm
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Fairtrade products

Fairtrade	Fairtrade labeling Organizations International http://www.fairtrade.net/
	European Fair Trade Association http://www.eftafairtrade.org/
	North American Fair Trade http://www.transFairusa.org
	Max Havelaar http://www.maxhavelaar.nl/

Environmental tourism

Financing Agencies

Centre for the Development of Enterprises	www.cde.int
PROINVEST	http://www.proinvest-eu.org/index.html
European Investment Bank	Internet www.eib.org
International Finance Corporation - Environment Division (World Bank)	www.ifc.org/about
USAID	www.usaid.gov

Others

1. Voluntary initiatives for sustainable tourism

(May 2002)- by the World Tourism Organisation, ISBN: 9284405092. Publication and CD-ROM that contains detailed descriptions of 104 Voluntary Certification Initiatives for Sustainable Tourism.

<http://www.world-tourism.org/cgi-bin/infoshop.storefront/EN/product/1232-1>

2. The tour operators' initiative, for sustainable tourism development

The Initiative (see <http://www.toinitiative.org/reporting/reporting.htm>) has been developed for tour operators with the support of the United Nations Environment Programme (UNEP), The United Nations Educational, Scientific and Cultural Organization (UNESCO) and the World Tourism Organization (WTO/OMT), who are also full members of the Initiative.

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