



## SIDEBAR

## The impacts of eco-labelling schemes

Eco-labels provide self regulation or “soft” regulation, and tend to be less strict than certification schemes. Because of their lower requirements, they are easier to obtain by producers, including small-scale groups, or through new management approaches. Many eco-labelling schemes aim to validate “green” claims, guide appropriate purchasing and improve the environmental sustainability of producers. However, there has been concern that some eco-labels fall short in providing transparent mechanisms that enhance the positive impacts of producer organizations, due to their voluntary nature and generally lower requirements.

Forest and farm producer organizations can contribute to increased food security and rural livelihoods through management choices that promote positive social impacts such as reducing poverty. They can also contribute to environmental impacts, both positive (e.g., incentives for sustainable forest management) and negative (e.g., forest degradation).

Participating in an eco-label scheme can give individual producer organizations better access to certain markets and a stronger position when negotiating with buyers. Although labelling schemes can influence the delivery of social, cultural and environmental benefits, their impact depends strongly on the type of certification scheme chosen.

There appears to be a lack of robust methodology in assessing the transparency, democracy, impartiality and sustainability impacts of eco-labels. A study by the European Forest Institute suggested a practical standardized rating scale to empirically assess the effectiveness of eco-labelling schemes. The rating scale has five categories: 1) transparency and democracy; 2) comprehensiveness of social and environmental criteria; 3) strict and effective assessment; 4) level of corrective actions based on performance discrepancies; and 5) regular measurable impact monitoring.



Despite possible limitations regarding available data, such a rating offers producer organizations better information on which to base their decisions. Initial results from the rating of 91 eco-labels relevant to forest products showed that they scored between 2 and 25 out of a possible maximum score of 30.

Such a rating scale could be used to assess the suitability of an eco-label scheme for certain purposes and its potential impacts on the economic, environmental and social viability of the forest sector and the management of forests. The rating scale could also serve as a guideline for developing or adjusting new certification schemes.

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