



ARC Briefing Note on the Development of an African Eco-Labeling Mechanism

Note on the Joint Side-Event Organized by AUC, UNECA and UNEP
Published in cooperation with the UN Environment Programme

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ARC BRIEFING NOTE ON THE DEVELOPMENT OF AN AFRICAN ECO-LABELING MECHANISM

The joint side-event on the development of an African Eco-Labeling Mechanism was held on Tuesday 23 October 2007, in conjunction with the Fifth Session of the African Committee on Sustainable Development (ACSD-5) in Addis Ababa, Ethiopia. Jointly organized by African Union Commission (AUC), United Nations Economic Commission for Africa (UNECA) and UN Environment Programme (UNEP), the side-event provided an opportunity for ACSD-5 participants to discuss and review progress on the establishment of an African Eco-Labeling Mechanism (AEM). The side-event, moderated by the AUC, included a focus on emerging trends in environmental labeling and their impact on Africa, and the proposed structure and functions of the AEM and was followed by a general discussion among participants.

This *ARC Briefing Note* provides an overview of the joint-side event.

BACKGROUND TO THE AEM

The African 10-Year Framework Programme (10YFP) on Sustainable Consumption and Production, which was approved by the African Ministerial Conference on Environment (AMCEN) in March 2005 and officially launched in May 2006, underscores the need to expand the market access of African products in regional and international markets by improving their environmental profiles and establishing a mechanism that promotes their marketability. To assist in the implementation of the African 10YFP, UNEP in collaboration with the Marrakech Taskforce on Cooperation with Africa, facilitated by the German Ministry of Environment, Nature Conservation and Nuclear Safety, have developed a project to establish an African Eco-labeling scheme.

Based on the outcomes of the High-Level Launch of the African 10YFP and the Fourth Meeting of African Roundtable on Sustainable Consumption and Production (ARSCP), held in Addis Ababa, Ethiopia, from 29-31 May 2005, the Regional Steering Committee for the further development

and implementation of the African 10YFP decided at their December 2006 meeting in Arusha, Tanzania to prioritize the development of an African Eco-Labeling scheme aimed at enhancing the benefit of eco-labeling for the region.

Launched in January 2007, preparatory activities in the development of the AEM have included an assessment and review of existing eco-labeling initiatives at the global and continental levels, which is outlined in the joint UNEP/ARSCP publication *Eco-Labeling as a Potential Marketing Tool for African Products*.

From 11-13 June 2007, UNEP/ECA organized the Regional Expert Meeting on the Development of an African Eco-Labeling Scheme, in Addis Ababa, Ethiopia. The meeting, which included participants from over 30 countries, took stock of lessons from the major eco-label related initiatives from within and outside the region and provided input to the development of an AEM. Key conclusions and recommendations emerging from the experts meeting included that:

- development of the AEM can make a contribution to expanding the market access of African products;
- political ownership and guidance of the African Union (AU) in the process is vital;

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- efforts need to be made to promote the AEM as part of Africa's sustainable development agenda;
- the initial focus of the AEM should be on adaptation, validation, harmonization, and facilitation of existing eco-labeling initiatives;
- the AEM needs to ensure the active engagement and participation of business communities, consumer organizations and other relevant stakeholders; and
- existing capacities on standardization, certification, and cleaner production need to be enhanced and effectively utilized.

REPORT OF THE SIDE-EVENT ON THE DEVELOPMENT OF AN AFRICAN ECO-LABELLING MECHANISM

Strike Mkandla, UNEP, welcomed participants and introduced the joint organizers of the programme. The moderator of the side-event Nadir Merah, AUC Division on Trade and Investment, welcomed participants and introduced the two speakers.

EMERGING TRENDS ON ENVIRONMENTAL LABELLING AND THEIR IMPACT ON AFRICA

Kwadwo Tutu, Food Security and Sustainable Development Division, ECA, identified the reasons why African countries should consider eco-labeling, namely that: ecolabelling is a market access avenue and Africa should take advantage of the current minimal use of chemicals in food production and expanding world markets in organic products. He said other advantages include that it will address misperceptions and potential use of environmental considerations as technical barriers to trade and help countries to access information on eco-labels relevant to Africa.

Tutu identified a number of opportunities for African countries, including: premium prices for labeled products; increased access to export markets; improved environmental management in production; and available international and policy support to eco-labeling.

Among the challenges facing eco-labeling in Africa, Tutu identified: capacity constraints in developing standards and certification in various sectors; information gaps around eco-labeling opportunities, especially in the textiles sector; and high certification costs. Regarding the emerging threats to African products he highlighted the recent proposal made by the UK Soil Association which promotes labeling agricultural products with 'Food Miles' on the basis of the distance it has been transported. He said that the International Trade Center, UNEP and UN Conference on Trade and Development issued a joint statement indicating that the selective and piecemeal application proposed as 'Food Miles' is methodologically flawed besides being socially detrimental to the promotion of sustainable development in the developing world. He said this

case highlights the need for African countries to be involved in eco-labeling, and for an African mechanism to lobby against actions such as the proposed labeling.

Tutu also identified a number of key issues which governments should focus on, namely: standards and certification; communication; capacity building; markets; institutional support; and funding.

PROPOSED STRUCTURE AND FUNCTION OF THE AEM

Desta Mebratu, Regional Industry Officer, UNEP Regional Office for Africa, provided an overview of the objectives, key functions, organizational setup, activities and modalities for implementation of the AEM.

Regarding the AEM's objectives, Mebratu, stated that it would: contribute to the AU/NEPAD objectives on expanding access for African products to regional and international markets; develop a cohesive approach for the effective management of trade and environment relationship; and stimulate appropriate environmental health related standards within the design and production of African products. Additional aims of the AEM, include: enhancing Africa's ability to meet the MDGs; supporting the implementation of the African 10YFP, protecting existing product markets from distortionary application of labeling instruments; facilitating regional cooperation; demonstrating Africa's proactive engagement in emerging environmental markets; promoting Africa's branding; and addressing misperceptions and potential misuses of environmental considerations as technical barriers to trade. Mebratu said the key functions of the AEM focus on: validation and harmonization; accreditation and certification promotion and market facilitations; and research and advocacy.

On the AEM's organizational structure, Mebratu said the AEM is proposed to have a: Regional Advisory Board as the overall governing body of the AEM; Technical Advisory Group, consisting of experts to provide technical guidance and monitoring input on the development and promotion of eco-labeling programmes; and Sectoral Working Groups that will be working on specific sector priorities. Regarding follow-up activities, Mebratu stated that key activities include: securing regional and political support through the AU; developing a detailed strategy document for the AEM; mobilizing financial resources; and establishing and launching the AEM Secretariat.

DISCUSSION

During the discussion, all participants who made interventions underlined the importance of having such a regional mechanism in place. A participant said it was important not to confuse organic farming with ecological agriculture, which he said is a broader concept that looks at marrying sustainable agriculture and with products and market access and addresses policy and institutional arrangements for natural resources management. He said Africa should be more proactive in telling the world what we are doing in terms of

ecological agriculture and noted that ecological agriculture is more concerned with ensuring future agriculture legacies than just ensuring meeting present food needs.

A participant addressed issues related to capacity building, and stressed the need for focus on building capacity at the national level and then share experiences at the continental level. He outlined the work of Morocco's national cleaner production centre and asked if UNEP/ECA will help countries to establish such centers. He expressed Morocco's willingness to work with other countries to establish such centers, including through providing technical support and capacity building.

A participant stressed the need to focus on developing African criteria and standards for eco-labeling and how to simplify transaction costs of certifying products. He outlined current efforts in Mali to develop clean cotton labeling, which, he said includes addressing issues such as phasing out harmful subsidies.

A participant underscored the need to address issues of south-south collaboration, and utilizing initiatives such as the China Africa Cooperation Forum and the Tokyo International Conference on African Development, as well as Latin America-Africa Cooperation. He stressed the importance of assessing the potential of Africa's internal food market and urged focusing on inter-African market cooperation for such products.

A participant stressed that issues of market access are crucial for Africa and requested more information on the Tunisian experience on developing an energy efficiency label.

A participant requested UNEP/ECA to clarify how the AEM is linked to issues addressed under the World Trade Organization and the Doha Development Agreement, particularly paragraph 32 which deals with environmental measures in relation to market access.

A participant identified the importance of helping countries to develop specialized markets related to ecological products.

Another participant cautioned against making the justification for an eco-labeling mechanism based on the need for accessing western markets, and said there was a need to make the justification for creating African markets and then look at external markets instead.

In response, Desta Mebratu informed participants about the two working groups that have been established to further develop the AEM, and requested participants to substantively engage in the activities of the working groups. He said the issues of inter-African and regional markets had been recognized in the background assessment and regional experts meetings and that it was a key focus area for the AEM.

Regarding the development of standards and criteria, he said the principal focus of AEM will be on facilitating the development of applicable criteria that are consistent with the internationally accepted methodologies and responsive to the region's specific conditions. The second focus would be to ensure the consistent application of the agreed criteria in

all labeling activities. He further noted that existing problems are associated with the used of fundamentally flawed and piece-meal applications of selected elements of the criteria. On validation, he underscored the importance of re-applying existing criteria and making them compatible and relevant for use in Africa, noted that the AEM would not be promoting wholesale application existing criteria.

On capacity building, he noted that this is a key component under the accreditation and certification function and the draft mechanism indicates the possibility of twinning arrangements between national institutions and institutions that has experiences on certification supplemented with targeted capacity building programmes. Regarding south-south cooperation, he said once the AEM has been established activities will focus on developing such partnerships with other regions and countries. On the links with the WTO, he noted that one of the AEM's focus areas is on research, and said that activities under this focal area would focus on addressing emerging issues in relation to trade and environment within the WTO context.

In response, Kwadwo Tutu underscored the importance of having a continental mechanism to advocate for Africa's interests and assist with market access of environment-related products. He said Africa's food market is already large, and the process of regional integration needs to explore avenues for increasing inter-African cooperation. He noted that the AEM is about stressing activities that will not undermine sustainable development in Africa, and said environmental issues will continue to grow in importance on the continent, particularly countries and populations whose economic power is increasing.

In his closing remarks, side-event moderator, Nadir Merah, stressed that the AEM was consistent with the objectives of the AU, namely to ensure regional integration and sustainable development. He said there was a need to increase inter-African markets before focusing on external markets and urged putting in place mechanisms and encouraging African producers and exporters to reach a higher level of quality products in order to expand market access.

ADDITIONAL INFORMATION

For further information on the AEM, contact:

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