

Latvian Ecolabel Green Certificate – an Example of Sustainable Rural Tourism in the Use of Ecosystem Services

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Abstract. The national ecolabel of tourist accommodation establishments and rural tourism enterprises of Latvia – the ‘Green Certificate’ (hereinafter the ‘Green Certificate’) celebrated its 20th anniversary in 2019. Its creation in 1999 was initiated by the Latvian Rural Tourism Association ‘Baltic Country Holidays’, and it is currently one of the oldest European ecolabels still in operation. One of the most significant tourism and rural tourism resources in Latvia is the natural and cultural heritage, which is the basis for the development of rural tourism products. In this process, ecosystem services used in tourism products play a major role. One of the goals of the ‘Green Certificate’ is environment, nature and local society friendly and sustainable farming, which means both a careful use of natural resources and their inclusion in the tourism product development process. The aim of this study was to find out which ecosystem services were used and the ways they were used by rural tourism companies to create the nature protection, social and economic added value. According to the respondents, 1/3 of the revenue of the ‘Green Certificate’ companies is generated by the use of the ecosystem services. It is an argument for further research on the possibilities of the ecosystem services to be used more effectively in future in developing new rural tourism products.

Key words: sustainable rural tourism product, ecolabels, ecosystem services, sustainable use of natural resources.

Introduction

The ecosystem services can be divided into three groups: 1) supply or provision services (food, raw materials, fresh water, medical resources); 2) regulatory and support services (climate, air quality, disaster prevention, soil fertility, habitats for species, genetic diversity); 3) cultural or intangible services – recreation, tourism, aesthetic inspiration, etc. (LIFE Ecosystem Services, 2019). Since there is a broad range of the ecosystem services, the authors mainly focused on those that are more typical for the rural tourism sector.

While exploring the experience of Latvia regarding the use of the ecosystem services in tourism, the authors of the publication discovered that particular areas related to the ecosystem services had been studied in other publications – cultural heritage, economic aspects of tourism in specially protected nature territories (SPNT), historical parks and gardens, important nature tourism destinations; however, the authors had not used the term ‘ecosystem services’

and had not looked at these resources in the context of the ecosystem services.

The authors of this publication believe that the natural and cultural heritage is closely linked; thus, while examining the use of the ecosystem services in tourism, both the natural and cultural heritage segment have been viewed since its integration into the rural tourism product has a fully untapped potential. This is confirmed by the conclusions made by Jeroščenkova (Jeroščenkova, 2017) in her doctoral dissertation. The author notes that farmers in the regions of Latvia have a great interest in improving the tourism product in the regions of Latvia, including in the context of the cultural heritage. The use of the ecosystem services in tourism (the term is not used in this work) is explored in the doctoral thesis of Grizāne (Grizāne, 2013), where the author studies the use of cultural and historical parks as a public value of the cultural heritage and the use of parks in the North Vidzeme Biosphere Reserve (hereinafter – NVBR). The author concludes that cultural and historical parks

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(hereinafter CHP) are a public value that is growing with the increase of quality and the use of CHP. Dreija (Dreija, 2013), who has studied the importance of the historical gardens and parks of Latvia as a cultural heritage in the modern rural landscape, concludes that an active advance of recreation at the turn of 19th and 20th centuries has contributed to the rise of the cultural and historical value of gardens and parks and the commercialization in the field of tourism. According to the author's statements, it can be concluded that recreation and tourism have contributed to the development of parks and gardens, and they provide further use of ecosystem services, as well as the development of the product related to them. The author points out that the landscape of the historic parks and gardens is currently a potential and untapped resource derived from natural and human activities.

Two of the authors have analysed the link between the use of the natural heritage and the tourism industry. The nature-related ecosystem services (without defining them as the 'ecosystem services') and their economic impact on the tourism industry in the regions of the national parks of Latvia have been studied and analyzed by Bērziņa (Bērziņa, 2012). The author has concluded that between 2005 and 2010 the total number of visitors to the national parks of Latvia exceeded 1 million annually. The author has investigated that there were 489 tourism companies and enterprises involved in tourism in the regions of the national parks of Latvia in 2010. Klepers (Klepers, 2013), exploring the spatial structures of tourism and the manifestations of their formation in his doctoral thesis, analyses the most important tourism destinations of Latvia and their statistical indicators. Klepers concludes that the Gauja National Park as a SPNT is one of the most active tourist destinations in the country. Vidzeme seashore, which is part of the NVBR and the Vidzeme Stony Seashore area, has pronouncedly attracted visitors, creating a new offer and developing new tourist accommodation establishments. The Gauja National Park with its tourism offer mainly based on the ecotourism services, according to the research by Klepers, ranks second after Riga in the market share of Latvia's tourism destinations.

Several authors have made economic calculations estimating the economic value of the natural and cultural heritage or its untapped potential. Jeroščenkova has estimated that the use of the cultural heritage in rural tourism can increase the number of tourist accommodation establishments in regions, as well as activate small business by contributing 4.6 EUR per capita to the general budget of each municipality (Jeroščenkova, 2017). Grizāne (Grizāne, 2013), using the method of value transfer, has predicted that the projected revenue from tourism in the territory of the

NVBR to be acquired in 10 years is 9,040,023 LVL (Latvian lats) (12,862,793.89 EUR), but applying the Willingness to pay method – 9,561,850 LVL (EUR 13,605,286.82) by using the 21 most valuable cultural and historical park located in it. Bērziņa (Bērziņa, 2012) concludes that in total 207,500 visitors to Latvian national parks have generated the economic significance of 50,126,920.48 LVL (71,324,182.10 EUR). Each lat spent by a national park visitor generated a resonance on average of 11.74 LVL (16.70 EUR) in the tourism and related industries of the national park regions.

Other authors (Ruskule, Klepers, & Veidemane, 2018) note that from a socio-ecological perspective, tourism and recreation are tightly connected with the perception of ecosystem services' supply and demand.

The authors of the publication looked at the practice of eco-certification in other countries. Currently, there are more than 50 different ecolabels in the field of tourism in Europe (Ecolabel index, 2019). In the Scandinavian countries, the most popular ecolabel for tourism is the 'Nature's best' (since 2002), which certifies active and nature tourism products that are intended for individual travellers. At present, 85 tours (Margaryan & Stensland, 2017) have been certified with the 'Nature's best' in Sweden. Certain authors (Acampora, *et al.*, 2018) point out that the eco-certification of coastal and beach bars can encourage customers' green thinking by developing particular action models. Some authors (Križaj & Sasidharan, 2018) analyse eco-certified companies noting that there is a lack of clear criteria for assessing the sustainability of the social sector, as well as the fact that eco-certified tourism companies can offer their services at more expensive prices, attracting customers with a higher purchasing power and hence a higher level of responsibility for the resources consumed. In the study on the eco-certified and non-certified hotels in France, the authors (Leroux, Pupion, 2018) point to the risks that strict eco-certification regulations on resource saving can reduce the number of customers who are less responsible concerning resource consumption. The topics of higher prices for tourism products that are eco-certified and the risk of non-certified companies attracting part of tourists is explored by other researchers in their studies (Kerstetter, Sasidharan, & Sirakaya, 2001). One of the EU ecolabels, which has so far been granted to only three tourist accommodation establishments in Latvia, is the EU flower, but it has not gained popularity in the field of tourist accommodation. Lithuania and Estonia has no ecolabel similar to the 'Green Certificate' in the field of tourism (Ziemele, 2019).

In the beginning of the research, the authors of the publication raised a **hypothesis** - the 'Green Certificate'

is an example of sustainable rural tourism, where the use of the ecosystem services plays an important role in the process of developing a tourism product and related services. The proposed **aim** of the study was to find out which ecosystem services were used by rural tourism companies. The research **objectives** implemented to achieve the aim were: 1) to analyse the existing research in Latvia conducted in the context of the use of the ecosystem services in rural tourism or related fields; 2) to look at the examples of eco-certification in other countries; 3) to conduct a survey of the 'Green Certificate' holders and an interview with a professional involved in the industry.

Materials and Methods

The following research **methods** were used for obtaining information and conducting the research: 1) the monographic or descriptive method; 2) the method of scientific induction and deduction; 3) the logical design and interpretation method; 4) the survey of the 'Green Certificate' enterprises; 5) an interview with Ziemele, Head of the 'Baltic Country Holidays'. One of the authors of this publication Juris Smaļinskis is the auditor of the 'Green Certificate' companies and the 'Baltic Country Holidays' Tourism and Environment Expert, who carries out the inspection of these companies and their compliance with the requirements of the 'Green Certificate' regulations; therefore, the author's practical experience since 2002 has been used in the preparation of this publication.

In February 2019, the authors of the publication conducted a survey of the 'Green Certificate' companies. An electronic questionnaire was sent to 75 companies by e-mail. 38 respondents (50% of all enterprises) participated in the survey, of which 96% were rural tourism accommodation establishments, 4% - open farms. One respondent was over the age of 70, 16% - aged 60 - 70, 47% - 46 - 60 and 16% - under the age of 35. 84% of the respondents were women, but 16% were men. 63% of the companies are located in a SPNT, while 37% - outside of them.

Results and Discussion

In 1999 in the framework of the European Commission (EC) LIFE programme, the 'Baltic Country Holidays' initiated the project, and in 2000 created the basis for the certification of rural tourism accommodation establishments by launching the ecolabel 'Green Certificate' (Baltic Country Holidays, 2019). During the implementation of the project, the regulations for awarding the ecolabel were developed and a commission was established to assess the applicants' compliance with the criteria of the regulations. To promote the products of the 'Green Certificate' companies, the 'Baltic Country Holidays'

created the 'Green Holidays' brand, prepared and published tourist information materials, and created a special section on the association's website www.eco.celotajs.lv. In the framework of the project, four rural tourism companies were selected in 2001 to test the progress in implementing the 'Green Certificate' criteria. A training film was taken and training materials were prepared. In 2000, the EC recognized the project implemented by the 'Baltic Country Holidays' as one of the most important nationally and successful projects in the LIFE programme (Baltic Country Holidays, 2019).

The principle of the 'Green Certificate' is based on rural tourism companies that follow the principles of 'green farming' and sustainability in their operation – the preservation of nature and other resources and the creation of an environment and local community-friendly tourism offer. In 2007, the project of the 'Baltic Country Holidays' as an NGO transformed into an initiative of national importance and scale by establishing the national evaluation committee of the ecolabel 'Green Certificate' of the tourism accommodation establishments of Latvia, which includes representatives from the Ministry of Environmental Protection and Regional Development (MEPRD), the Latvian Environmental Protection Fund Administration (LEPFA), the Nature Conservation Agency, Vidzeme University of Applied Sciences, the 'Baltic Country Holidays', Riga Technical University and other state and non-governmental organizations. In 2015, Raimonds Vējonis, the President of the Republic of Latvia, became the patron of the 'Green Certificate', but in 2016 Kaspars Gerhards, the Minister of MEPRD, awarded the five best projects of the EC programme LIFE, including the 'Green Certificate' project. In 2017, the 'Green Certificate' applicant areas were expanded and a second nomination was established – 'Rural Tourism Open Farm', which hosts visitors offering their products or introducing them to the production process. One of the aims of this activity was to show that also farms and other small rural entrepreneurs who were involved in tourism by diversifying their product were important players in rural tourism (Baltic Country Holidays, 2019).

The 'Green Certificate' has been in operation for 17 years after the end of the formal project, and, in terms of the length of operation, it is one of the longest-running ecolabels of European rural tourism establishments. It is awarded for a period of three years and after the expiry of the term, a re-certification of the rural tourism company is carried out by the auditor. The certification process is voluntary and free of charge. The continuation of the 'Green Certificate' as the ecolabel is supported by the Ministry of Environmental Protection and Regional Development,

and financially – by the Latvian Environmental Protection Fund Administration. In January 2019, the 20th anniversary of the ‘Green Certificate’ was celebrated in the Presidential Palace of the Republic of Latvia (Baltic Country Holidays, 2019).

According to the ‘Green Certificate’ regulations, companies qualifying for the ecolabel must meet the following 10 criteria groups (93 criteria in total) and the fields of sustainable development – environmental, economic and social: 1) energy saving; 2) careful use of water resources; 3) waste management; 4) household chemical management; 5) management of hazardous substances; 6) environmentally friendly transport services; 7) food and catering services; 8) environmental education and communication; 9) environmentally friendly tourism product; 10) support for people with special needs (Baltic Country Holidays, 2019). If we analyse these 10 criteria groups in more detail, we can see that each of them is related to the use of the ecosystem services.

Table 1 shows the number of rural tourism companies that have received the ‘Green Certificate’ in the five planning regions of Latvia (abbreviated as PR), the density of certified companies in each PR, and the number of questionnaires obtained.

Riga PR, which includes the area around Riga, Kemeru National Park, Tukums, part of the Abava River Valley, the River Daugava from Riga to Lielvarde Municipality (including) and Vidzeme coast, has the highest density of the ‘Green Certificate’ companies. Next is Kurzeme PR with the coasts of the Baltic Sea and the Gulf of Riga, three highland (landscape) territories, the valleys of the Rivers Venta and Abava, the Slītere National Park and such important tourist destinations as Kuldīga, Liepāja, Ventspils, Saldus, Talsi and others. The third place is taken by Vidzeme

PR with the diverse natural and cultural historical conditions of Vidzeme region with the River Gauja, Salaca, Ogre and Daugava valleys, the landscapes of Vidzeme highlands, the Gauja National Park, the NVBR and such tourist destinations as Sigulda, Turaida, Līgatne, Cesis, Valmiera, Āraiši, Limbaži and others. Unfortunately, the lowest number of the ‘Green Certificate’ questionnaires was obtained from Riga and Vidzeme PR. The fourth place is taken by Zemgale PR, which can be explained by some kind of stereotypes about Zemgale as a flat territory, as well as the fact that in Zemgale, compared to other regions, less diverse natural conditions can be observed. The attractions of the PR are the River Lielupe Valley, and important cultural tourism destinations – Jelgava, Bauska, Dobele. In Latgale PR (the largest PR of Latvia) only 15% of the ‘Green Certificate’ companies are located. It is distinguished by a great diversity of nature – the landscapes of Latgale highlands and lake areas, the Rāzna National Park, the Nature Park Daugavas loki and important cultural tourism destinations – Rēzekne, Ludza, Daugavpils and Krāslava.

42% of the respondents consider the location of the company in a SPNT as a benefit for themselves and their clients, but 55% consider that it does not affect their activity. 63% of the companies operate throughout the year, 37% – only during the tourist season. 76% of the respondents attend an educational event related to nature and environment at least once a year, but 24% do not. 92% cooperate with local tourist information centres, 53% – with nature guides, 34% – with tourist equipment rental service providers, 24% – with the Nature Conservation Agency, and 21% – with National Environmental Service inspectors. 76% of the respondents prefer buying products from

Table 1
Number of the ‘Green Certificate’ (GC) companies in the Planning Regions (PR) of Latvia in 2019

	PR area (km ²)	Number of the GC companies in the PR	Density of the GC companies (farms per km ²) in the PR	Number of the questionnaires received from the GC companies	Number of the questionnaires received from the GC companies, % from the total number of the GC companies in the PR
Kurzeme PR	14 771.7	20	1/738	13	65
Rīga PR	9 270.7	18	1/515	7	39
Zemgale PR	10 738.8	8	1/1342	5	62
Vidzeme PR	13 381.5	16	1/836	6	37
Latgale PR	16 423.3	11	1/1493	7	64
In total	64 586	73	1/884	38	

Source: Author’s construction from ‘Baltic Country holidays’, www.varam.gov.lv (planning regions) and the results of the research

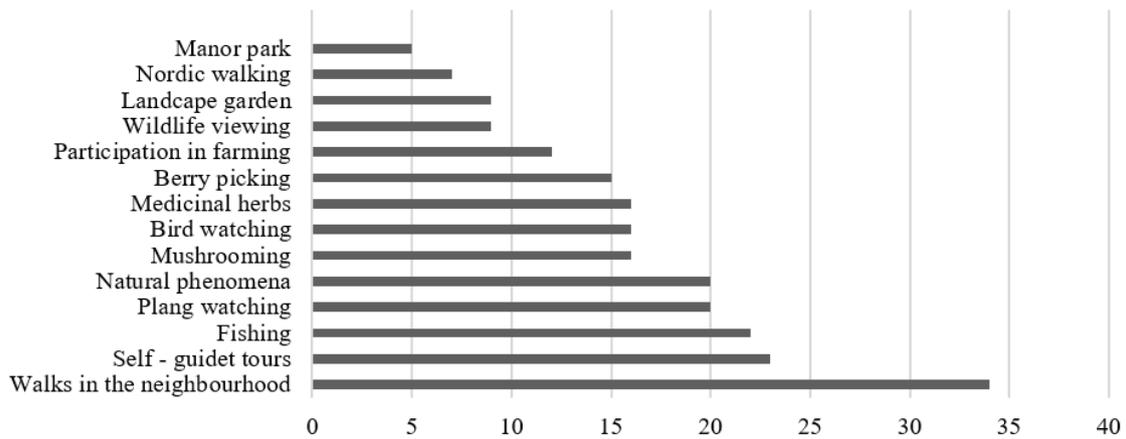


Figure 1. Tourism services offered by the 'Green Certificate' companies.

local producers when purchasing food products for themselves or for their customers, 50% prefer products produced in organic farms, 45% – products labelled with the quality label 'Green Spoon. The tourism services offered by the respondents are summarized in Figure 1. All service groups mentioned in Figure 1 are related to the use of the ecosystem services.

For the implementation of the services mentioned in Figure 1 and other services, 55% of the respondents offer bicycles, 32% – wooden boats, 16% – Nordic walking sticks, 11% – binoculars, 8% – plant and animal guides, 5% – canoe boats and 5% – cross-country skis. None of the respondents offer electric bicycles due to their high cost and maintenance expenses.

One of the uses of the ecosystem services in tourism is souvenirs, as they are often made of natural materials. 26% of the respondents offer souvenirs from wood, 13% – from clay, 11% – from wild plants, linen and wool, 8% – from leather and 8% – from stones. The respondents offer their clients products obtained and prepared in the wild or in the garden: 55% – products from medicinal herbs and related products, 53% – fresh or frozen berries, 29% – own produced

honey, and 26% – pickled or otherwise prepared mushrooms and smoked or otherwise prepared fish.

As one of the most important target audiences in the 'Green Certificate' companies (Figure 2), 89% of the respondents mentioned families with or without children. This is also one of the reasons why 90% of the respondents admitted that the presence of domestic animals was important for this target group. 20% of the respondents indicated that their company had domestic animals, but 66% mentioned they had a dog or cat or both.

16% of the respondents indicated that their services were used only by customers who were environmentally friendly and responsible, while 40% admitted such customers were more than ½ of their clients. To the question: 'What proportion of your customers use the natural resources of the neighbourhood - nature, landscape, forest and meadow goods, spending time in nature – while staying with you?', the respondents gave the answers presented in Figure 3. From these we can estimate the number of customers who use the ecosystem services. 76% of the respondents considered that the 'Green Certificate' status could be an additional criterion for a client in

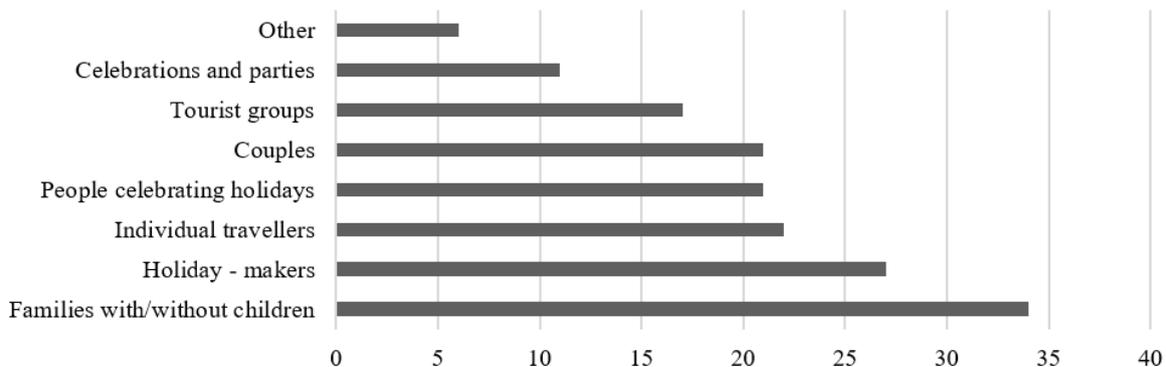


Figure 2. Target audience of the 'Green Certificate' companies.

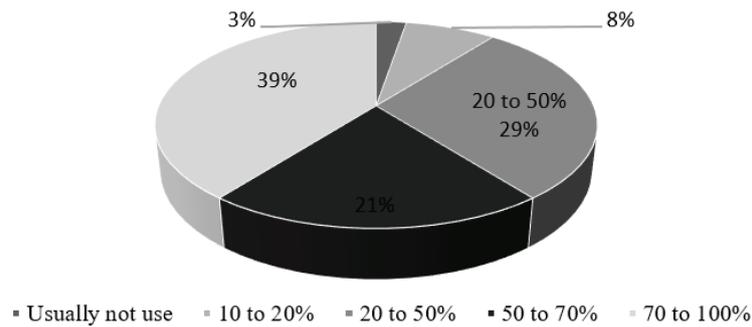


Figure 3. Proportion of the customers in %, who use the ecosystem services in the ‘Green Certificate’ companies.

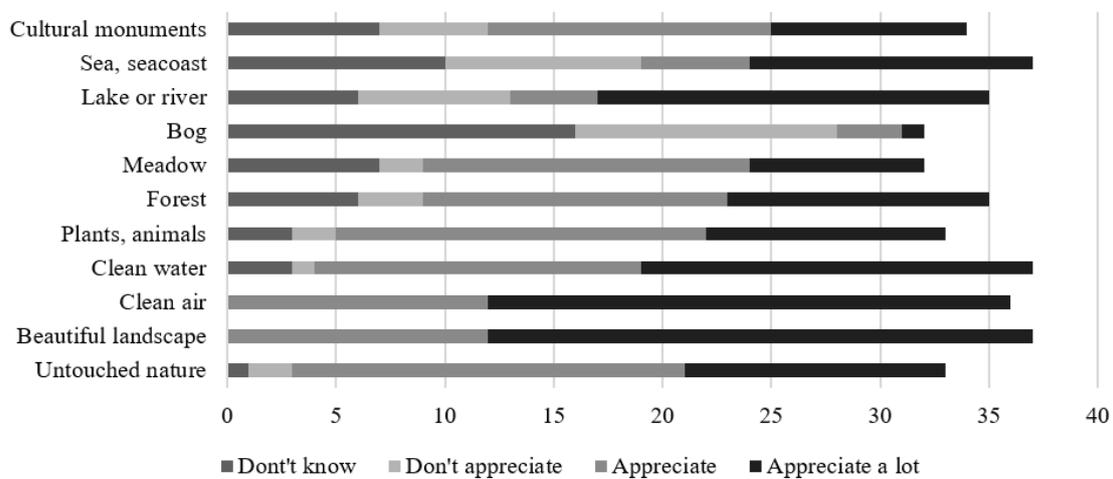


Figure 4. Respondents’ opinion on the assessment of different ecosystem services from the customer point of view.

taking a decision to choose the services provided by a particular company, 16% believed that it was not, and 8% had a different opinion.

Figure 4 shows the answers received to the question: ‘What and to what extent do customers appreciate in your company and in the services you offer?’

To the question: ‘How much of your company’s revenue in % is generated from tourism or tourism-

related field?’, 45% answered it accounted for 70 – 100%, but 21% indicated it made 50 – 70%. In other words, the revenue from tourism for 66% of the respondents constitutes at least half or more than half of their total revenue. 1/3 of the respondents indicated that the share of the tourism revenue is 10 – 50%. The answers to the question ‘What is the share (%) of the tourism field revenue generated thanks to the

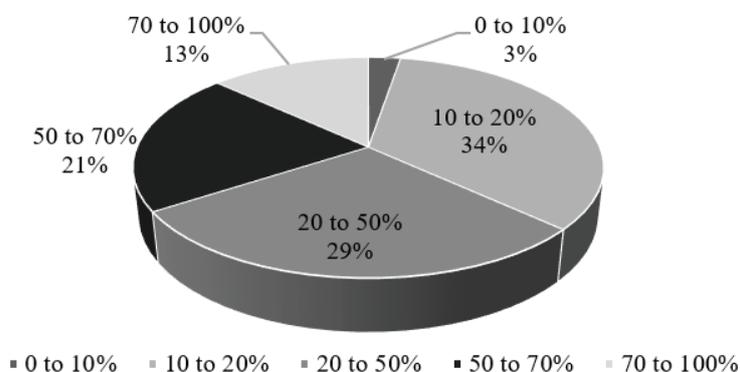


Figure 5. The share of revenue (%) generated by the use of the ecosystem services in the ‘Green Certificate’ companies.

natural resources and values?’ (hence, the ecosystem services) is visualized in Figure 5. 13% of the respondents indicated it accounted for 70 – 100%, but 21% – 50 – 70% of the revenue. The self-assessment by the respondents suggests that in 34% of the ‘Green Certificate’ companies half or more than half of the revenue from tourism comes from the use of the ecosystem services.

To the question ‘Does the status of the ‘Green Certificate’ bring additional customers to your company, also taking into account regular marketing measures?’, 45% of the respondents answered “yes”, 10.5% – “no”, 21% – “I have not thought about it”, but the rest provided other answers.

Conclusions

1. The ‘Green Certificate’ companies have a strong ‘older generation’ dominance and gender disproportion. More than half of the companies are located in areas with a nature conservation status, but just over ½ of the respondents believe that their presence in the specially protected nature territories does not affect their activities. The authors formulate a hypothesis that a part of the entrepreneurs does not appreciate the benefits of being located, for example, in a national park. More than 2/3 of the respondents visit nature-related educational activities that promote environmental awareness and the development of responsible tourism products.
2. An integral part of a rural tourism product is the ecosystem services that are used in product design, integrating elements of the natural and cultural heritage. It manifests itself in the services offered - various activities in nature, cooking or tasting food, and souvenirs offered to customers.
3. A friendly use of the ecosystem services has not only a role to play in education and raising environment awareness. According to the respondents, 1/3 of the revenue of the ‘Green Certificate’ companies is generated by the use of the ecosystem services. It is an argument for further research on the possibilities of the ecosystem services to be used more effectively in future in developing new rural tourism products.
4. Taking into account the nature conservation, economic and social aspects, the ‘Green Certificate’ can justly be seen as an example of sustainable rural tourism, and its practice and experience can be adapted in other European and world countries.

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