

POLICY SUMMARY: GOVERNMENT SUPPORT FOR PARTICIPATORY GUARANTEE SYSTEM DEVELOPMENT



OVERVIEW

This policy summary provides recommendations on why and how to support the development of Participatory Guarantee Systems (PGS). It outlines options for providing this support, followed by examples from various countries.

SUMMARY OF OPTIONS

Two categories of policy options can support PGS development:

- Political options: These include recognizing in law and regulation, the equal status of PGS with third party certification in providing locally focused verification for organic markets.
- PGS-development options: Financial and technical support can be provided to establish, build capacity, and ensure continuity of PGS in the country.

RATIONALE

Participatory Guarantee Systems (PGS) are locally focused quality assurance systems. They certify operators (mainly producers) based on active participation of local stakeholders and are built on a foundation of trust, social networks and knowledge exchange.

PGS represent an alternative to third party certification, and are specially adapted to local markets and short supply chains. Participatory Guarantee Systems share a common objective with third-party certification systems in providing a credible guarantee for consumers seeking organic products. The difference is in the method to accomplish this, with the emphasis being on stakeholder participation and transparency. PGS offer improved access to organic markets for small-scale producers (those systems are more affordable and less paper-heavy than third party certification), increased education and awareness among consumers (by involving them in the guarantee process), promotion of short supply chains and local market development, and farmer capacity building and empowerment. Supporting PGS development is a way to promote organic agriculture adoption, but also livelihood improvements of smaller farmers. As the concept of PGS is not yet widespread in all countries and regions, there is a need for public support in the initial stage of PGS development, to provide resources for investment in capacity building and organizational development, after which those systems can operate in self-sufficient ways.

SCOPE

Support to PGS development is suitable to all stages of organic sector development in the absence



or presence of a regulation, and in different cultures of government intervention. PGS development provides many public goods, but it is not relevant where the main policy objective is to earn foreign currency through exporting organic products, for which PGS is not suitable in most cases.

POLICY OPTIONS

Political Recognition

In a few countries central government organic regulations exclude PGS, either deliberately and specifically or inadvertently by not mentioning them. In these situations, the first action is to review and revise regulation to enable PGS to function for the domestic market. Governments considering to develop new organic regulations should take PGS into their scope. Concrete recommendations on how to develop pro-PGS organic regulations can be found in the Organic Regulation Toolkit published by IFOAM-Organics International. Governments that do not have an organic regulation can show support in other ways, for example, through including PGS in training about organic agriculture systems, and endorsements for PGS by government officials at events and in general communications.

Support to PGS Development

A common way to do this is to finance projects that set up PGS groups. This

is particularly relevant in countries where the PGS concept does not exist yet. It can however remain relevant at later stages, where PGS projects can be replicated and even possibly scaled up into a very large national PGS program, as in the case in India.

PGS setup projects should last at least three years in order to give the PGS groups a better chance of being self-sustaining after the project period ends. If the full funding of multi-year PGS setup projects is not possible for the national government, it may consider submitting a proposal for international cooperation projects and external donor funding, or explore cooperative funding by several levels of government. Also, the scale of a PGS setup project can be adapted to the size of the budget available, and it is possible to do something even with low budgets (setup one small PGS in a municipality, for example).

Financial support can also be given to existing PGS initiatives which are partly self-funded or funded through other sources. This is, for example, what Mexico did with the support to the national PGS network in 2010. Funding is particularly relevant to cover expenses such as farmer training, committee meetings, development of standards and operating manuals, as well as communication and networking.



COUNTRY EXAMPLES

Costa Rica: The government provided technical and financial support to the establishment of PGS groups. The national accreditation body for organic certifiers conducts annual audits of the PGS groups, which is needed for their official recognition according to the law. Currently, four PGS groups are officially approved and can make organic claims.

Mexico: In 2010, the government gave support of around EUR 82,000 to the national PGS network Red de Tianguis Orgánicos to form 20 PGS groups.

Peru: PGS initiatives have been promoted for more than 11 years by various stakeholders including the public agricultural university of La Molina (UNALM). Although the national organic competent authority and regulation do not recognize PGS, various regional authorities have officially recognized it. To date, PGS are implemented in 10 regions of the country, often with the support of the local governments.

Brazil: The Ministry of Agrarian Development supports PGS initiatives and social control organizations (the other form of alternative verification systems allowed for direct marketing under the Brazilian organic regulation). For example, the Ministry, in partnership with the Federal South Minas Institute, carried out research to identify existing

initiatives engaged in alternative verification, and potential new ones. In 2016, around EUR 91,000 were allocated to support family farmers and technicians involved in those initiatives. For 2017, the government plans to consolidate the 18 existing PGS initiatives, train 300 extension agents in participatory certification, support the establishment of 10 new PGS initiatives and publish various resources for PGS promotion, for a total allocated budget of around EUR 268,000.

Argentina: The municipality of Bella Vista has taken an active part in setting up PGS as a tool to raise awareness about agroecology and organic agriculture, eating healthy foods and sustainable production. The municipality recognized the public value of PGS in a council resolution. Following this, the municipality council approved by municipal decree the creation of a PGS Committee and has defined its functions. The Committee is formed by public organizations, producer's organizations and NGOs. Its role is to promote the creation of the PGS, to ensure the compliance of the system with its charter and the requirement set by the PGS Committee. The same decree also commits the municipality to promote organic agriculture within its area. Twenty smallholder families are currently involved in the projects together with local consumers and several NGOs.



India: The Ministry of Agriculture initiated a PGS technical cooperation project with FAO in 2005 and launched in 2011 a nationwide PGS development program implemented by its National Center for Organic Farming (NCOF) under the Ministry of Agriculture. The government PGS program was not aimed to compete with, but rather to complement the NGO PGS system, with the advantage that the government bears the cost of institutional networking, surveillance and monitoring as well as data management. NGOs can participate in the system and receive financial support to cover the work of data collection and upload on the central PGS website. This program has shown impressive outcomes, including the participation of more than 130,000 farmers at the end of 2016. The government has an ambitious vision to reach 200,000 PGS certified organic farmers by November 2017. Additionally the Indian government has introduced various financial assistance schemes for the promotion of PGS. For example, the PKVY scheme (EUR 55 million allocated for a 3-year period starting in 2016) promotes organic farming through an organic village cluster approach and PGS certification. The Ministry of Agriculture is also opening a series of PGS-shops throughout the country, to specifically promote PGS products.

Philippines: The language of the 2010 Organic Agriculture Act

prohibits PGS-verified products to be labeled as organic. However, the government has extended grace periods, with the effect that this requirement is not being enforced. Meanwhile, the government (for example through the Department of Agriculture-Bureau of Agriculture Research) has supported PGS implementation in the country through funding some projects including PGS development. In parallel, local governments in the provinces have played an important role to support PGS. The PGS initiatives in the provinces of Quezon, Nueva Vizcaya, Nueva Ecija, Negros Occidental, Lanao del Norte and Davao City were all developed and supported by their local government units, with some even allocating funds to support the initial operation, including training, committee meetings, and development of standards and manual of operations.

Lao: The Department of Agriculture (DoA) has adopted PGS as part of its certification portfolio of activities, under the responsibility of the Department's organic certification program. The DoA issues the logo and conducts the training, as well as the audits of PGS groups. PGS certification under this model is free of charge for the farmers, as the government subsidizes all the costs through a grant it receives from an Asian Development Bank project to support PGS development.