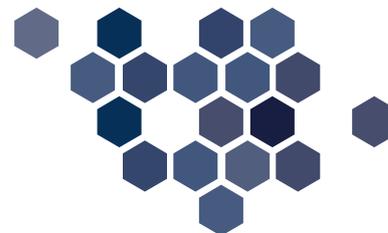


# POLICY SUMMARY: GOVERNMENT SUPPORT FOR INSTITUTIONAL DEVELOPMENT OF ORGANIC ASSOCIATIONS



## OVERVIEW

This policy summary provides recommendations on why and how to provide support for institutional development of organic associations. It outlines options for providing this support, followed by examples from various countries.

## SUMMARY OF POLICY OPTIONS

Governments provide institutional support either indirectly or directly.

- **Indirect support:** Project funding for organic associations is the most common instrument for supporting their institutional development. There are many examples of this in other policy summaries in this toolkit.
- **Direct support:** Core support can be given to associations, and is especially helpful to associations in early stages of their development. Core support can include both financial allocations and services such as providing office space and equipment. ensure continuity of PGS in the country.

## RATIONALE

### *Implementing public interest activities:*

Organic (national) associations play a decisive role in the development of the organic sector. Historically, organic associations have initiated most elements of the organic sector, ranging from certification to training and advice to farmers, organic consumer fairs, national organic logo, and consumer awareness campaigns. Organic associations, particularly if they are federated at the national level, and provided that they are strong politically and financially, can take on a lot of the “public interest” tasks that are necessary to build the organic sector. Hence, as civil society organizations, they can relieve the government from directly managing some of those tasks, even though they will still benefit from overall government support.

### *Facilitating public-private dialogue and cooperation:*

A well-federated organic sector at the national level is also key to involving the private sector in policy making, and to setting-up public-private partnerships for organic development. In terms of policy development, a national organic association can play a strong role in resolving divergences of opinion within the organic community, and forming consensus and compromises needed for advancing policies, for example the details of standards.



### ***Supporting conversion to organic farming:***

The risk of exclusion by the local farming community is still a factor for many farmers considering to convert to organic farming. Organic farming associations play a vital role in offering a community in which organic farmers can feel a sense of belonging and interact with fellow organic farmers. Thus, government support for organic associations is connected to policy aims to convert more producers and land to organic farming.

## **SCOPE**

National organic associations are useful in all cases. This means, regardless of the stage of development of the sector, of the regulatory framework or even of the policy objectives, supporting the institutional development of organic associations will be a suitable and relevant measure. Direct support may be politically challenging for governments that avoid market interventions, and indirect project support is more easily justified.

## **POLICY OPTIONS**

### **Indirect support via projects**

This is by far the most common instrument for supporting organic associations. Governments may provide funding for specific projects

that are wholly implemented by the association, or for shared projects where both parties are engaged and government also provides funding for the association to participate in project planning and implementation. Such projects build the knowledge and capacities of the associations as they learn by doing, and funding for administrative overhead along with project activities is a building block of the association's core financial resources.

### **Direct support**

Some governments have provided ongoing institutional support to organic associations by funding their core activities and expenses such as staff salaries, contribution to administrative costs, or purchase of office equipment. General institutional support empowers the members of the organization to democratically set its priorities, while funds given for specific projects tend to impose external (government) priorities. Time-limited direct support may also be given in a project format where the project objective is to strengthen the association.

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.

Many of the organic umbrella organizations in developing countries have received support not from their government directly but from foreign donors, usually in the form of projects.

Local governments can facilitate this by prioritizing the inclusion of such support measures in their action plan for organic agriculture – which increases the association’s chance of being supported by external donors – and in their own negotiations for development cooperation projects.

## COUNTRY EXAMPLES

### *Indirect support*

Examples of indirect project support are found in the country examples of many other policy summaries in this toolkit, including the following:

- Export Support – United States
- Public Procurement – Denmark
- Consumer Education and Promotion – Austria, Denmark, Brazil, Canada

**The Philippines:** In 2012 the Organic Producers and Trade Association (OPTA) received about EUR 15,000 funding from the Philippines Department of Agriculture to implement several activities including national and regional events, as well as market research.

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### *Direct support*

**EU:** The EU Commission has been funding IFOAM EU (the umbrella association for organic agriculture in the EU) for many years. About 60% of the IFOAM EU budget comes from EU grants, of which half is provided in the form of operational grant by DG ENV (the Environment department of the EU Commission).



**Austria:** The 1988 Agriculture Act and subsequent legislation provided for support (at the rate of 50% of eligible salary and other costs) for the development of appropriate sector structures, including organic farmers' organizations.

**Belgium:** Since 2009 the Flanders region government has given annual structural funding to BioForum, the regional sector association. In 2015 and 2016, this amounted to EUR 612,000 per year, funding BioForum core activities, and allocated from the organic action plan budget.

**Denmark:** Prior to 2002 eight non-governmental organizations, focused on developing various aspects of Denmark's organic sector. A funding decision by the Danish government in 1999 was an exception to the rule of no direct organizational support, and one that led to positive outcomes for building government cooperation with the organic sector. That year the government allocated about EUR 670,000 towards establishing the House of Organics, wherein the offices of the eight organizations came together in one building and formed a joint secretariat. The resulting knowledge and trust among these organizations, with complementary expertise in organic production, marketing, policy advocacy etc., led to their consolidation in 2002 into one new organization, Organic Denmark. The consolidation enabled government agencies to focus funding and other support for organic sector development.

**Brazil:** In 2014, as part of the PLANAPO (the government plan for organic agriculture development), Brazil launched a program named ECOFORTE (Program to strengthen and increase the networks on agroecology, wild collection and organic agriculture). The program allocated EUR 70 million to support 30 organic agriculture, agroecology and wild collection networks of organizations within 2 years. The government issued public calls for proposals to select networks of organizations (with at least three members, associations cooperatives etc.) to be supported. Each network applicant could request up to EUR 504,000 to implement their activities: which could include, for example: purchasing of machinery and equipment; building or infrastructure development; institutional capacity building through exchanges, workshops, training, meetings; feasibility and impact studies; The financial assistance requested included 50% of infrastructure development costs and 50% of management, capacity building and technical assistance costs.



**Canada:** The government of the Québec province has provided various supports to the *Filière Biologique du Québec*, the provincial umbrella organization representing the organic sector. For example, in 2014, it received around EUR 33,000 from the Ministry of Agriculture for an institutional funding project aiming to strengthen the association's role as a sector organization within the organic industry.