



# Participatory Guarantee Systems (PGS): overview and reflections

Bangkok, Thailand – 06 October 2015

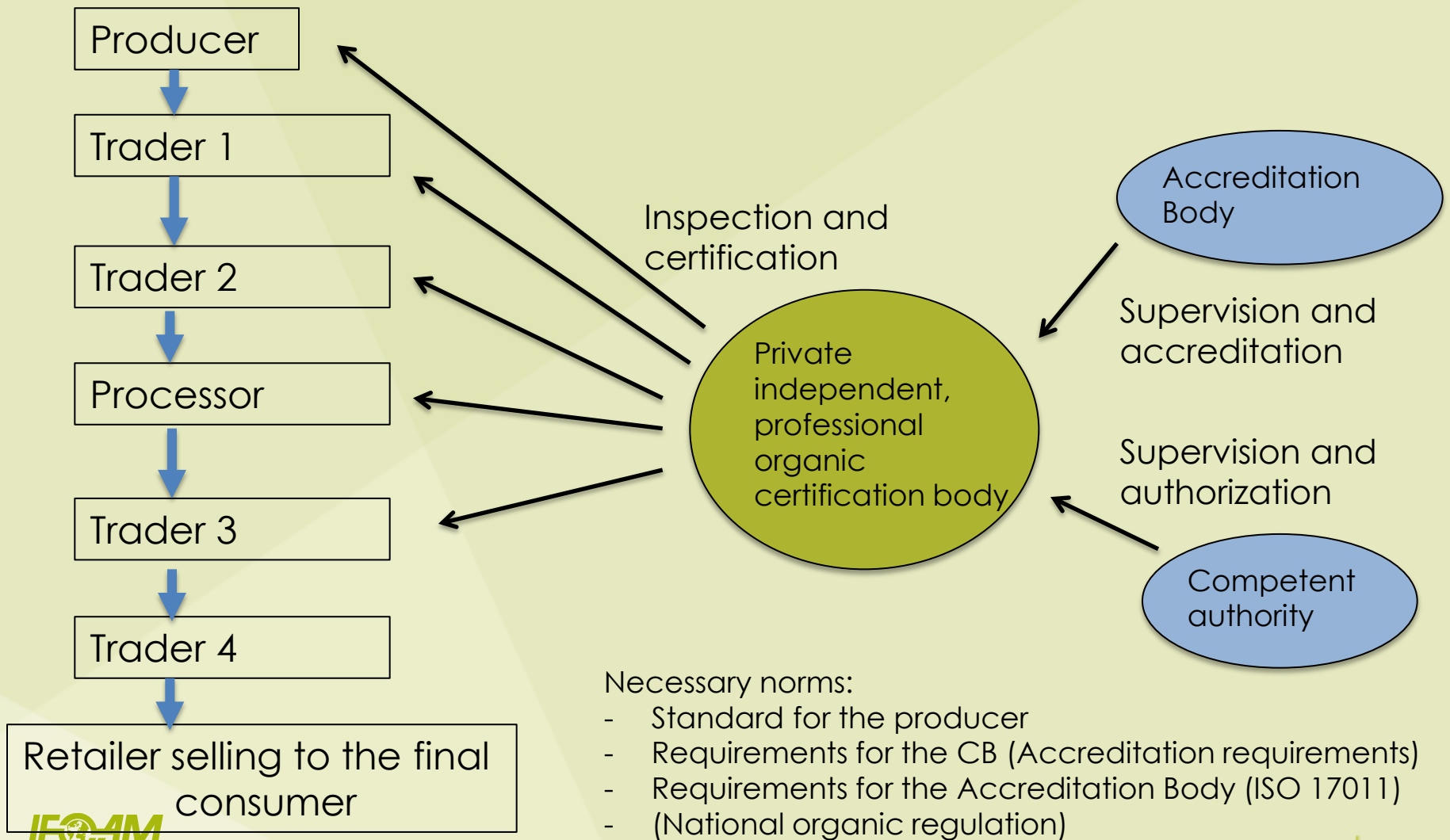
# **What is a guarantee system for organic agriculture?**

**The different types of guarantee**

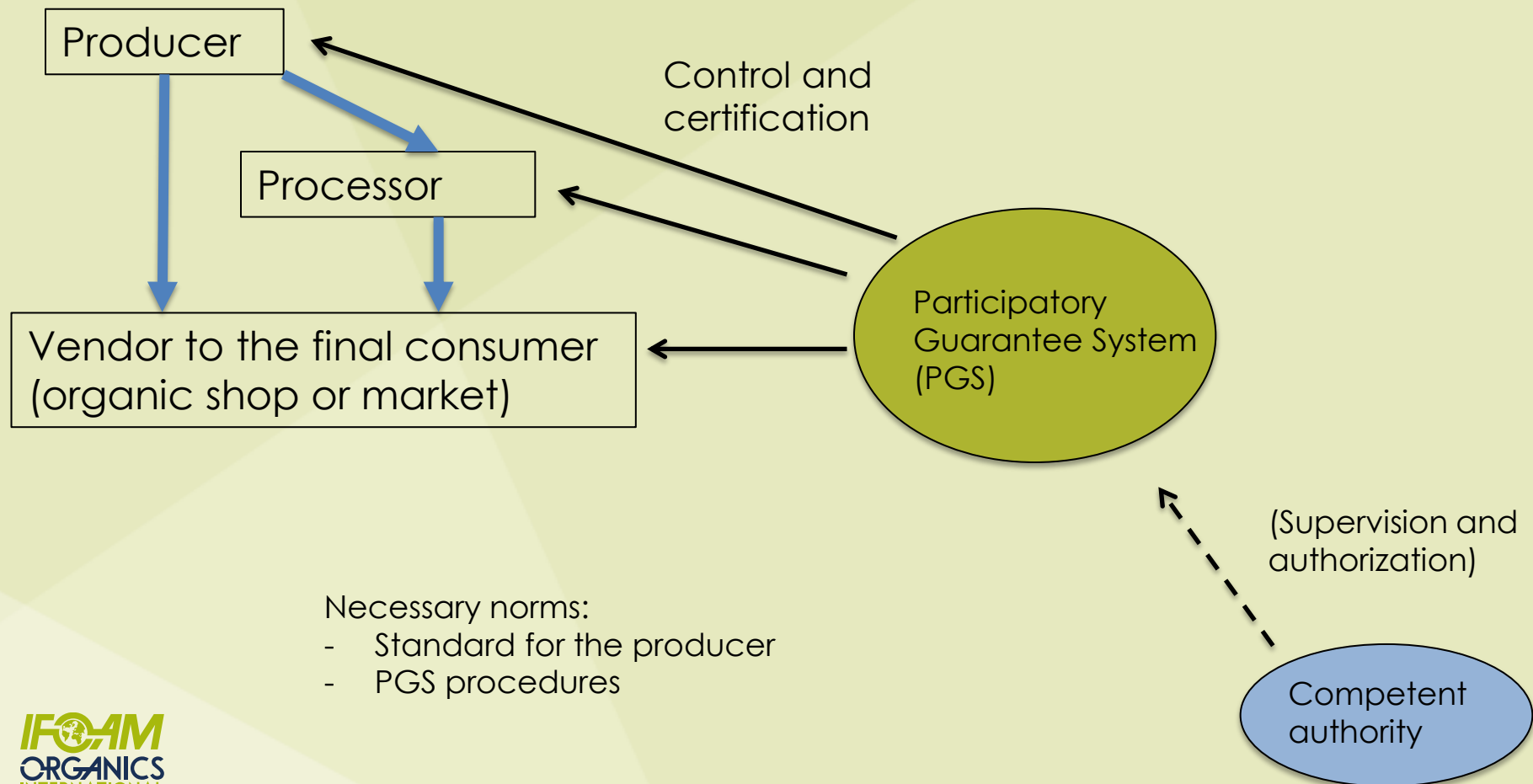
# How can you assure integrity and quality?

- Third-party certification: Independent certification body
- Second party: e.g. Participatory Guarantee System
- First party: Self Claim

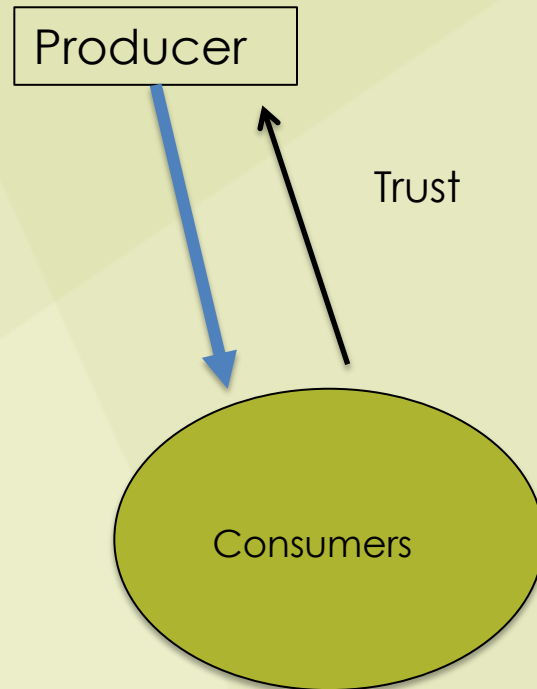
# First scenario: long value chain, with 3<sup>rd</sup> party certification



# Scenario 2: short value chain, with PGS



# Scenario 3: Direct sales, without formal guarantee system



Necessary norms: none

# **Introduction to PGS**

# PGS Definition

Participatory Guarantee Systems (PGS) are locally focused quality assurance systems.

They certify producers based on active participation of stakeholders and are built on a foundation of trust, social networks and knowledge exchange.

-- Official IFOAM PGS Definition --



# Why IFOAM promotes PGS



IFOAM is actively promoting PGS as a way to ...

... ensure that the smallest farmers can have access to markets

... ensure the integrity of organic products in a cost effective, transparent way

... facilitate local production and consumption of organic food

# **History and current status of PGS**

# PGS history

PGS even existed before 3<sup>rd</sup> party certification.

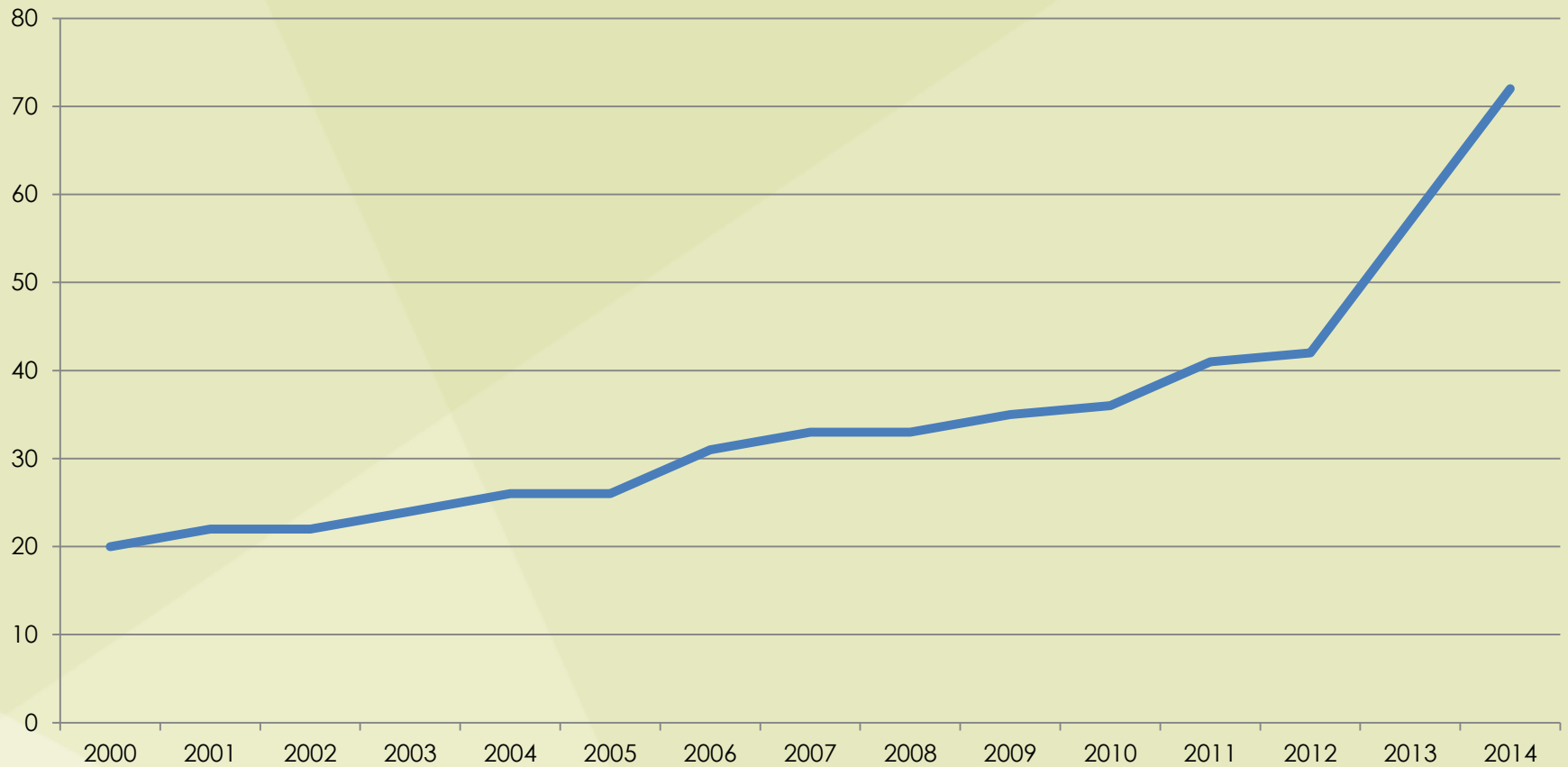
It was developed and practiced independently in different countries around the world (e.g. France, Brazil, New Zealand)

In 2004 IFOAM and MAELA organized an international workshop on alternative certification in Torres/Brazil. During that meeting, participants realized that they follow the same basic approach and share many common elements  
→ PGS as a concept was born.

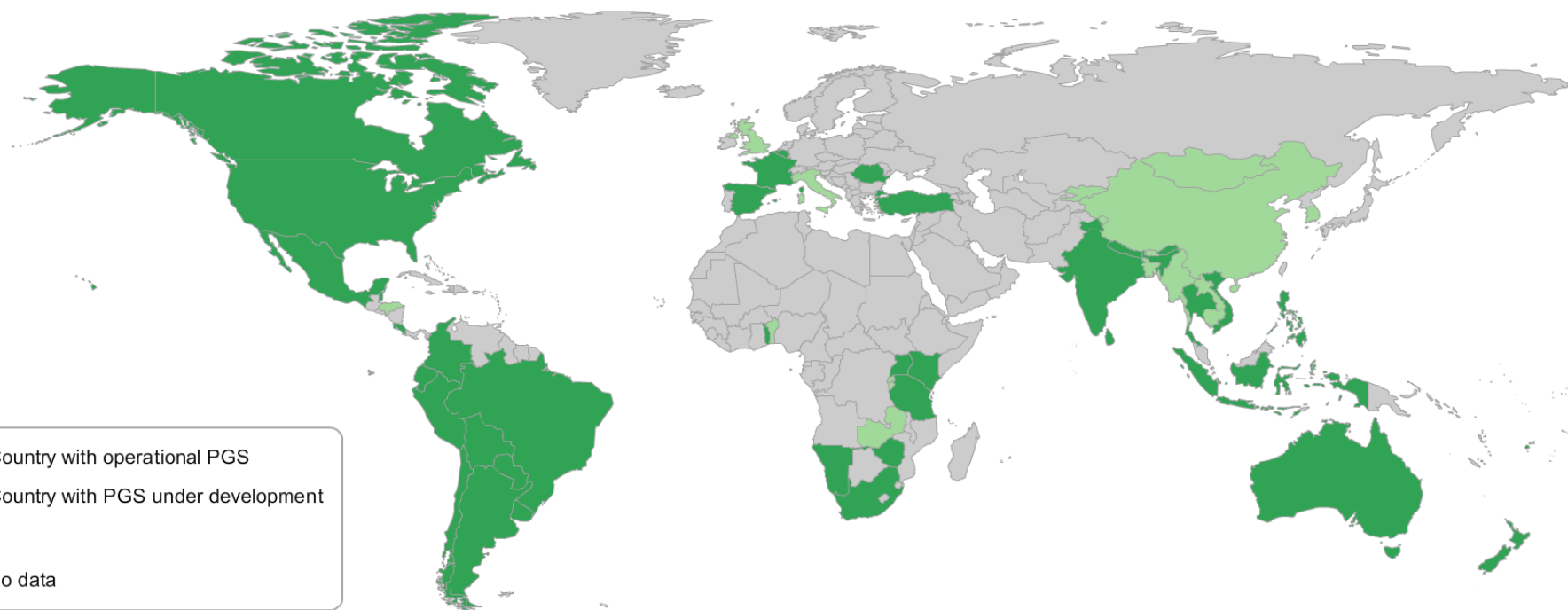
Since 2004 there has been a steady growth in the number of PGS initiatives launched every year.

# The growth of PGS

## Number of functional PGS initiatives worldwide



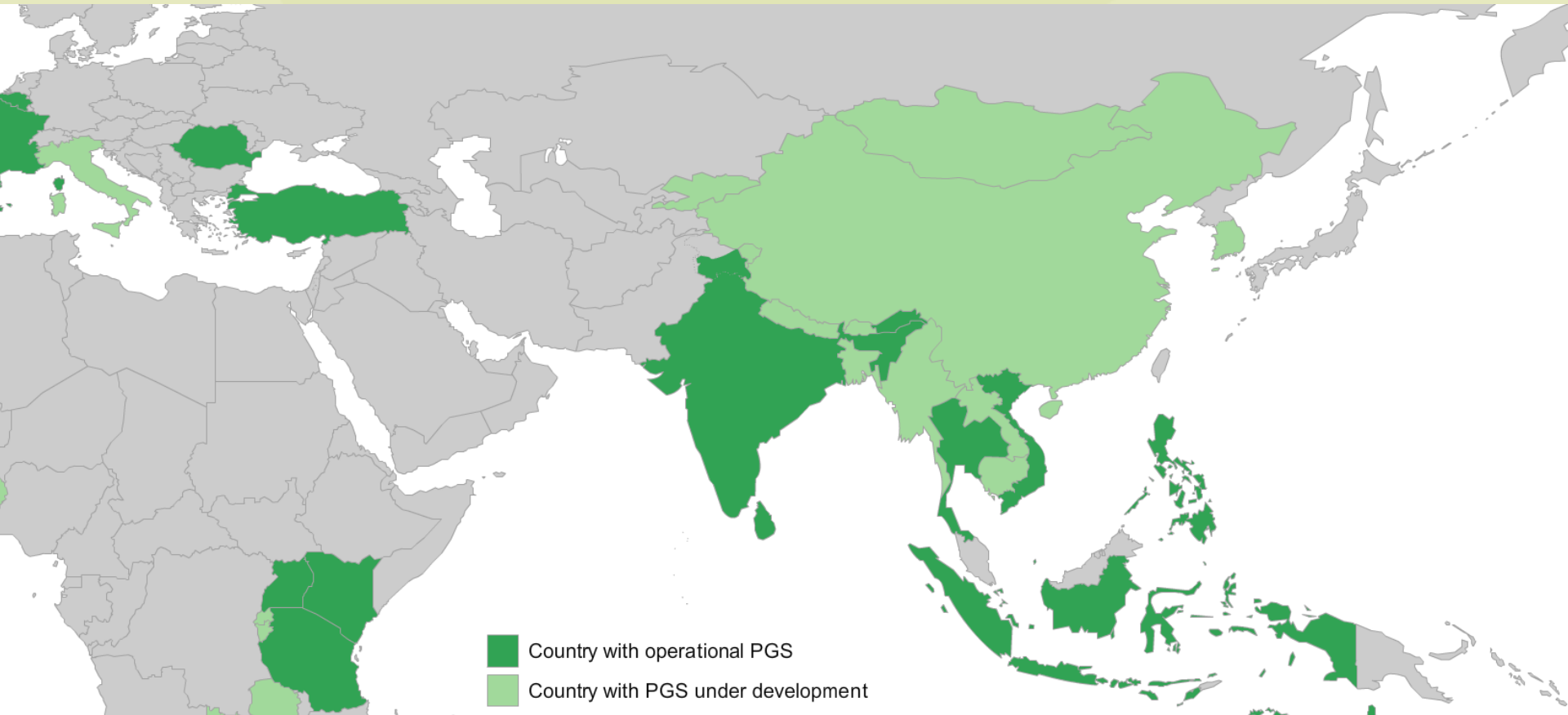
# PGS around the world



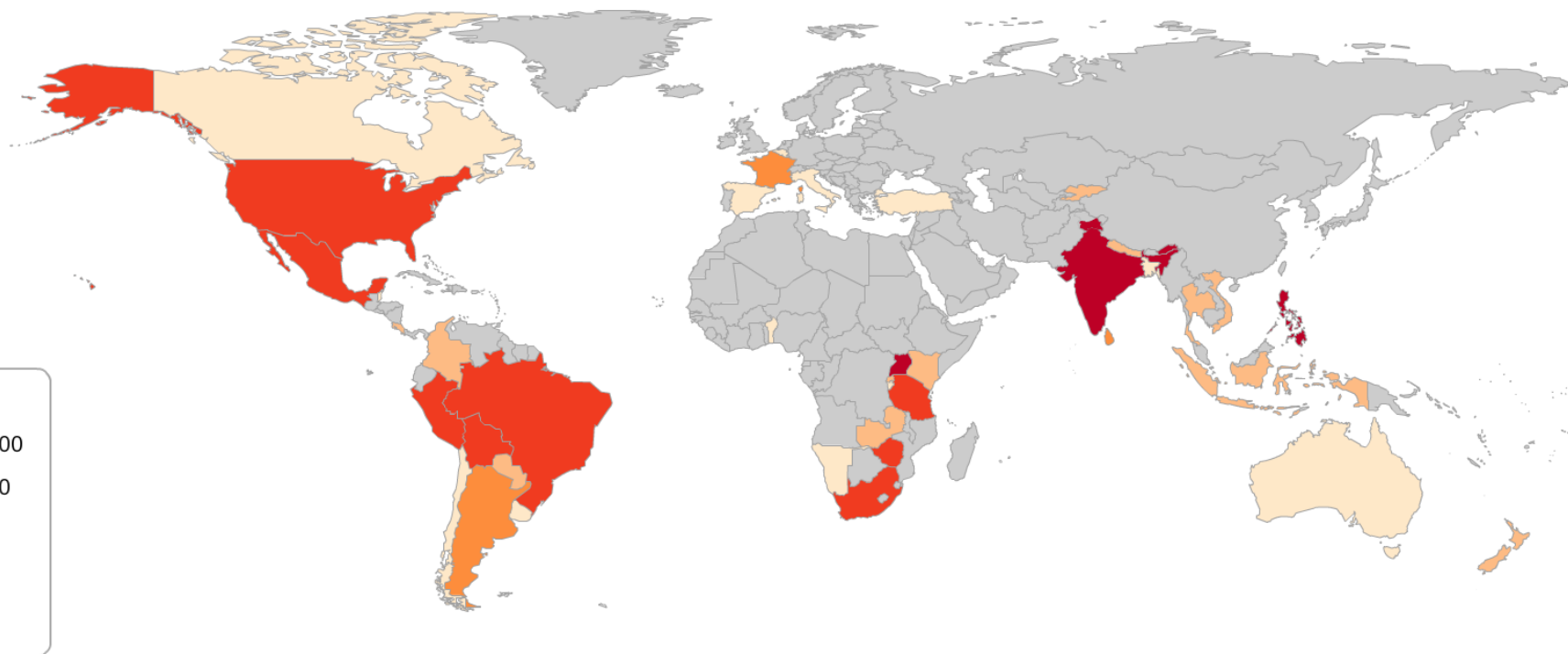
Data from the Annual PGS Survey 2014

- 38 countries with operational PGS
- Additional 17 countries with PGS under development

# PGS in the Greater Mekong Subregion



# Number of producers involved in PGS



Data from the Annual PGS Survey 2014

# Current status of PGS worldwide

- Strongest development in the number of PGS initiatives worldwide since 2000.
- There are PGS initiatives in around 60 countries, in all 5 continents. Around 50,000 smallholders benefiting from the system.
- Latin America and South/South-East Asia are the regions with the biggest level of PGS development, including in the national legislations.
- Many local PGS initiatives but also many examples of nation-wide PGS systems.
- PGS are gaining international recognition.



# How PGS works

# PGS aim to ...

... provide a credible organic guarantee to consumers seeking organic produce

... at a reasonable cost for the farmer

Active participation on the part of the stakeholders results in greater empowerment but also greater responsibility.

Many other positive effects like improved knowledge sharing.

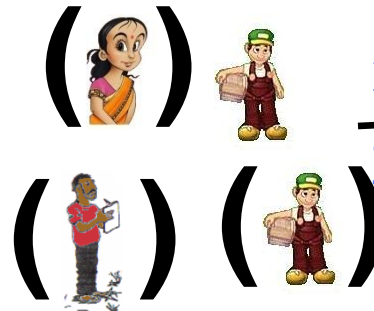
# Stakeholders participate in designing the PGS

- Shaping and selection of standards
- Designing the procedures and structures
- Verification procedures, farm inspections
- Decision making





Consumers



Annual farm visit of assessment team

Year-round social control

Other local stakeholders (NGO staff, extension worker, consultant, etc.)

Let's see it work.....

Farm inspection report

Certification decision

Farmers: (members of the local PGS group)



Regional / national stakeholder council



- Decision on standards and procedures
- (Approval of certification decisions)
- Approval of the groups
- Maintenance of central documentation
- Logo management
- External relations



# How PGS works

Adapted and specific to local conditions

→ **Every PGS is different**

Details of methodology and process vary

→ **Consistency of core principles**



# Key PGS elements

1. Shared vision
2. Participation
3. Transparency
4. Learning process
5. Horizontality
6. Trust – “integrity based approach”



# Key features of PGS

1. Norms conceived by the stakeholders
2. Grassroots organization
3. Suitable to smallholder agriculture
4. Principles and values that enhance livelihoods and promote organic agriculture.
5. Documented management systems and procedures
6. Mechanisms to verify farmer's compliance
7. Mechanisms for supporting farmers
8. Farmer's pledge or similar
9. Seals or labels
10. Clear and previously defined consequences





SHARED VISION



TRUST



HORIZONTALITY



TRANSPARENCY



PARTICIPATION



LEARNING PROCESS



PRINCIPLES & VALUES that enhance livelihoods



# Strengths of PGS

- ✓ Stronger relations between producer-consumer
- ✓ Access for small producers to quality assurance systems
- ✓ Stimulates learning and community development
- ✓ Collective tool for development for local market
- ✓ Ownership and responsibility (Empowerment)
- ✓ Low direct costs and less bureaucracy: accessibility
- ✓ Favors diversified production systems
- ✓ Promoting strong organic values

# Challenges of PGS

- ✓ Requires high degree of dedication from stakeholders
- ✓ Long term process for capacity building
- ✓ Lack of government recognition in some parts of the world (recognition in others)
- ✓ Complex social organization (collective)
- ✓ A lot of voluntary work
- ✓ Not relevant for anonymous, long distance market channels, e.g. not for international export.

# **PGS in the GMS**

**Current situation and potential for  
development in  
Cambodia, Laos PDR and Myanmar**

# TA 8163-REG Implementing the Greater Mekong Sub-region Core Agriculture Support Program (Phase 2): Participatory Guarantee System (PGS) Capacity Building

**1. Regional workshop launched the project successfully**

**2. National workshops completed in all 6 countries**

**3. PGS Pilots:**

**Thailand:** 2 TOAF pilots are operational with certificates issued and Lemon Farm 1 PGS with 5 new PGS in development.

**Vietnam:** There are several PGS trading under their PGS umbrella (Vietnam PGS) - we have supported 3 groups. In Hoi An 1 PGS is operational and a several other PGS are in process.

# TA 8163-REG Implementing the Greater Mekong Sub-region Core Agriculture Support Program (Phase 2): Participatory Guarantee System (PGS) Capacity Building

**Laos:** 3 pilots identified; 3 site assessments complete; institutional arrangements with the DoA in place and one PGS group is already trading with Vietnam.

- Additional input is required to support DoA in the development of internal management procedures and in practical implementation of PGS and in how they work with the private sector to boost market opportunities for smallholders in local and regional markets.

In **Cambodia** and **Myanmar** 3 pilots were identified in October and November 2014 but site assessment and implementation has not yet followed through.

# TA 8163-REG Implementing the Greater Mekong Sub-region Core Agriculture Support Program (Phase 2): Participatory Guarantee System (PGS) Capacity Building

In **Cambodia** and **Myanmar** 3 pilots were identified in October and November 2014 but site assessment and implementation has not yet followed through.

- Support for pilot implementation in both countries and the development of a national management structures is required.

## IMPORTANT:

The implementation process has demonstrated that:

1. the **private sector** must be active stakeholders in the PGS implementation process most significantly where they provide the market,
2. where **governments** are involved with PGS activities their inputs are best focused specifically to providing an enabling environment that supports the development of PGS.

# **PGS : more than just certification**

**extracts of the outcome of the 2014 PGS  
Global Comparative study**



# PGS benefits identified in Global Comparative Study (2014)

The main benefits as perceived by the surveyed farmers are:

- a) Improved social bonds
- b) Cost savings
- c) Enhanced market access and better income
- d) Enhanced food security
- e) Better management of natural resources



# Does PGS intensify knowledge exchange?

PGS initiatives report:

*Since we started the PGS,  
knowledge exchange has intensified.*

*To our members, PGS signifies a  
network, mutual assistance and  
technical exchanges.*

*Cooperative learning and  
knowledge sharing is promoted  
as a key benefit of our PGS.*

France



Pour notre santé et celle de la Terre



Australia

## PGS creates ...

... favorable atmosphere and trust relationship for knowledge sharing

... tools and opportunities to exchange knowledge

*When other farmers visit my farm I feel like I have something special and I feel very happy. I always share the knowledge I have.*

*Farmers feel very happy after being inspected because we always provide advice and recommendations.*



Farmer,  
Maendeleo Farm Group, Tanzania 35

# PGS as a platform for knowledge exchange

*One of the most important points that we observed in the PGS system is the possibility of exchanging experiences and flow of technical information between producers. This reinforces the issue of technical assistance, which is the largest organic producer demand.*



Brazil



Brazil

*Participatory certification allows greater interaction between farmers and the association, and exchange of experience is very rich.*

# PGS creates opportunities for exchange

*Traditional knowledge should be transmitted from generation to generation and we see a key role of PGS in this knowledge transmission.*

Mexico



*The PGS has given the network more stability because it allows to keep the dynamics of meetings between producers and provides opportunities for exchange of experiences and the involvement of consumers.*



India



# Conclusions



PGS is sometimes primarily seen as an affordable alternative to third party certification.

In fact, PGS is much more than that. It has many other additional qualities. One of them is being a tool for knowledge exchange.

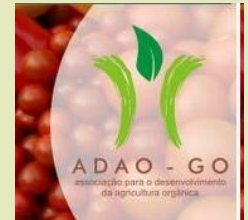
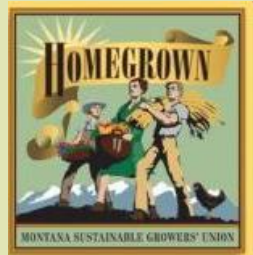
**PGS is not only certification, not only a tool for market access – it can take an important function as a development tool for the organic sector.**

f.castro@ifoam.bio

**THANK YOU!**

www.ifoam.bio

# Examples PGS labels from various parts of the world





# The example of PGS in the Pacific Community

- In the Pacific Islands, the POETcom (Pacific Organic and Ethical Trade Community) is the governance body for the organic sector.
- The Pacific Community has adopted its own regional organic standard (with technical assistance from IFOAM and IFAD in 2006): The Pacific Organic Standard.
- Producers certified according to this standard can use the “Organic Pasifika” label
- Constraints are similar to those in Mauritius: geographic isolation makes certification costly, farm sizes are small, local market has a growing demand for organic food.
- 3<sup>rd</sup> party certification exists, but PGS is the most used option for local organic certification, and gives access also to the organic label (special version), on which the name of the PGS is specified.
- PGS groups in the Pacific Islands must be approved by POETcom. The criteria are based on the IFOAM PGS approval criteria.

