Shared labels

Selling stories that conserve biocultural diversity and promote resilience

Editor: Kata Wagner
Authors: Emmanuelle Andaya, Crissy Guerrero, Kedar Koirala, Gustavo Mariaca, Emmanuel Mulenga, Femy Pinto, Amit Poudyal, Theophila Aris Praptami, Racchya Shah, Binh Tran Thi Thanh, Ho Thi Thoan, Tran Ngoc Truong, Yuri Amaya Guandinango Vinueza and Vu Le Y Voan
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Published by
International Institute for Environment and Development, London, 2022
Contents

List of boxes, tables and figures iv
Acknowledgements vi
Acronyms, initials and abbreviations vii
Summary 1

1 Shared labels: an introduction 5
   Kata Wagner

2 Cafecito Boliviano: a case study of the National Association of Coffee Producers in Bolivia 27
   Gustavo Mariaca

3 Developing an Indigenous shared label: the Amazon Chakra Seal in Ecuador 45
   Yuri Amaya Guandinango Vinueza

4 Piloting a regional Forest Harvest collective mark for NTFPs in Indonesia 68
   Emmanuelle Andaya, Crissy Guerrero, Femy Pinto and Theophilia Aris Praptami

5 Working with nature: the Kishan Chautari PGS in Nepal 88
   Kedar Koirala, Racchya Shah and Amit Poudyal

6 The Tan Lac organic PGS: a case study of the Tan Dong cooperative in Vietnam 103
   Ho Thi Thoan, Vu Le Y Voan, Binh Tran Thi Thanh and Tran Ngoc Truong

7 Sustainable charcoal production in Zambia: a case study of the Choma Charcoal Association PGS 125
   Emmanuel Mulenga

8 Shared labels: conclusions and lessons learnt 143

References 154
List of boxes

Box 2.1 Mission and vision of Anproca 30
Box 2.2 Anproca’s coffee sales 32
Box 2.3 The benefits of registering a shared label for Anproca 34
Box 3.1 The nine principles of the Amazon Chakra Seal 49
Box 3.2 The benefits of registering the Amazon Chakra Seal 51
Box 5.1 Agricultural grants for PGS producers 93
Box 5.2 The PGS criteria and recommended practices 96
Box 6.1 About Tran Hong Nang, leader of Tan Dong cooperative 106

List of tables

Table 1.1 Shared labelling systems 10
Table 1.2 Research framework for the case studies 25
Table 1.3 Overview of the case studies 26
Table 3.1 Organisations participating in the Amazon Chakra Seal 55
Table 3.2 Mapping of actors involved in the Amazon Chakra Seal 57
Table 4.1 Institutions involved in Forest Harvest’s governance 76
Table 4.2Roles and responsibilities within the Forest Honey PGS system 78
Table 5.1 Pre- and post-certification prices for Kishan Chautari organic certified products 92
Table 5.2 Governance structure: the Kishan Chautari PGS management committee 95
Table 6.1 Sustainable enterprise development: the benefits of PGS certification 121
Table 6.2 Tan Lac organic PGS SWOT analysis 123
Table 8.1 Overview of shared label benefits in each case study 149
List of figures

Figure 2.1 Value chain map related to Anproca’s exports of organic products 34
Figure 2.2 Anproca’s organisational structure 37
Figure 2.3 Institutions involved in the governance of shared labels in Bolivia 39
Figure 3.1 Organisational chart of the Corporation of Amazon Chakra Associations 52
Figure 3.2 Amazon Chakra Seal: development timeline 53
Figure 3.3 Internal management of Kallari, Tsatsayaku and Wiñak 56
Figure 3.4 Interaction of actors participating in the Amazon Chakra Seal 56
Figure 3.5 Levels of organisations involved in the Amazon Chakra Seal PGS system 58
Figure 3.6 The Amazon Chakra Seal value chain map 62
Figure 4.1 The Forest Harvest logo 71
Figure 4.2 Forest honey value chain 74
Figure 4.3 Certificate of registration of the Forest Harvest label at the Philippine IPO 76
Figure 4.4 Proposed organigram for the Forest Harvest Association 77
Figure 4.5 Process flow for Forest Harvest inspection and verification 80
Figure 4.6 Process flow for the Forest Harvest Sumbawa pilot inspection and verification process 80
Figure 5.1 The Kishan Chautari PGS strengthening process 91
Figure 5.2 An example of a municipal PGS shared label logo in Nepal 92
Figure 5.3 The Kishan Chautari value chain map 94
Figure 6.1 Cooperatives and groups participating in the Tan Lac organic PGS 107
Figure 6.2 The Tan Lac organic PGS value chain 110
Figure 6.3 Organisational chart of the Tan Dong cooperative 111
Figure 6.4 Process for obtaining PGS certification 117
Figure 7.1 Map of Zambia showing the location of Choma district 127
Figure 7.2 The Choma Charcoal Association charcoal value chain 128
Figure 7.3 Structure of the Choma Charcoal Association PGS groups 129
Figure 7.4 Matrix of organisations involved in the Choma Charcoal Association PGS 133
Acknowledgements

The editor wishes to thank the Forest and Farm Facility (FFF) for the financial support that enabled the publication of this book. The FFF provides support to forest and farm producer organisations (FFPOs) to increase their technical and business capacities to play their role in fighting against poverty, food insecurity, climate change and forest loss. The FFF is a partnership between the UN Food and Agriculture Organization (FAO), IIED, the International Union for Conservation of Nature (IUCN), and AgriCord. FFF is funded by the governments of Finland, Germany, Holland, Norway and Sweden and by the FAO’s and European Union’s Forest Law Enforcement, Governance and Trade (FAO-EU FLEGT) programme and Ikea. In the FFF management team, IIED is responsible for knowledge generation. The content of the book is the authors’ own and does not necessarily reflect the views of either FAO or IIED.

The chapters in this book were commissioned, reviewed and edited by Kata Wagner within the forest team of IIED as a member of the FFF management team. The editor wishes to thank Anna Bolin, former senior researcher in IIED’s forest team, on whose draft literature review this work was based on. The text in each chapter was written by the named author(s) of those chapters. The editor wishes to thank the authors of the chapters (in alphabetical order): Emmanuelle Andaya, Crissy Guerrero, Kedar Koirala, Gustavo Mariaca, Emmanuel Mulenga, Femy Pinto, Amit Poudyal, Theophila Aris Praptami, Racchya Shah, Binh Tran Thi Thanh, Ho Thi Thoan, Tran Ngoc Truong, Yuri Amaya Guandinango Vinueza and Vu Le Y Voan.

In addition to co-authored inputs, the lead author would also like to thank Duncan Macqueen at IIED and Martin Greijmans at RECOFTC for the peer-review process undertaken to improve this document in line with the IIED peer-review guidance for research reports.

Finally, the authors would like to thank the copyeditor, Holly Ashley, for her tremendous work in improving the text and Judith Fisher for layout and design. Many thanks also to Alistair Logan-Pang (IIED) for overseeing the editing and production process.
# Acronyms, initials and abbreviations

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>Anproca</td>
<td>National Association of Coffee Producers (Asociación Nacional de Productores de Café)</td>
</tr>
<tr>
<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
</tr>
<tr>
<td>CAZ</td>
<td>Cotton Association of Zambia</td>
</tr>
<tr>
<td>CCA</td>
<td>Choma Charcoal Association, Zambia</td>
</tr>
<tr>
<td>CIFOR</td>
<td>Center for International Forestry Research</td>
</tr>
<tr>
<td>FAO</td>
<td>Food and Agriculture Organization of the United Nations</td>
</tr>
<tr>
<td>FD</td>
<td>District forestry department, Zambia</td>
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<tr>
<td>FECD</td>
<td>Ecuadorian Fund for Development and Cooperation (Fondo Ecuatoriano de Cooperación para el Desarrollo)</td>
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<tr>
<td>FFF</td>
<td>Forest and Farm Facility</td>
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<td>FFPOs</td>
<td>Forest and farm producer organisations</td>
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<td>FHCM</td>
<td>Forest Harvest Collective Mark</td>
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<tr>
<td>FSC</td>
<td>Forest Stewardship Council</td>
</tr>
<tr>
<td>GEF-Napo</td>
<td>Global Environment Facility Napo</td>
</tr>
<tr>
<td>GI</td>
<td>Geographic indications</td>
</tr>
<tr>
<td>GIAHS</td>
<td>Globally Important Agricultural Heritage Systems</td>
</tr>
<tr>
<td>GIZ</td>
<td>German Agency for International Cooperation</td>
</tr>
<tr>
<td>IBMC</td>
<td>Institution-Building and Membership Committee, Indonesia</td>
</tr>
<tr>
<td>ICC</td>
<td>Internal Certification Committee</td>
</tr>
<tr>
<td>ICS</td>
<td>Internal Control System</td>
</tr>
<tr>
<td>INIAP</td>
<td>National Institute of Agricultural Research (Instituto Nacional de Investigaciones Agropecuarias), Ecuador</td>
</tr>
<tr>
<td>JMHI</td>
<td>Indonesian Forest Honey Network (Jaringan Madu Hutan Indonesia)</td>
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<tr>
<td>KATC</td>
<td>Kasisi Agricultural Training Centre, Zambia</td>
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<tr>
<td>LPUs</td>
<td>Local PGS units</td>
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<td>NFGF</td>
<td>National Farmers Group Federation, Nepal</td>
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<tr>
<td>NGO</td>
<td>Non-governmental organisation</td>
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<tr>
<td>NPUs</td>
<td>National PGS units</td>
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<tr>
<td>NTFPs</td>
<td>Non-timber forest products</td>
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<tr>
<td>Acronym</td>
<td>Description</td>
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<tr>
<td>---------</td>
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<tr>
<td>NTFP-EP</td>
<td>Non-Timber Forest Products Exchange Programme</td>
</tr>
<tr>
<td>OCOP</td>
<td>One Commune One Product programme, Vietnam</td>
</tr>
<tr>
<td>PEFC</td>
<td>Programme for the Endorsement of Forest Certification</td>
</tr>
<tr>
<td>PFHN</td>
<td>Philippine Forest Honey Network</td>
</tr>
<tr>
<td>PGS</td>
<td>Participatory Guarantee System</td>
</tr>
<tr>
<td>SENADI</td>
<td>Ecuadorian Institute of Intellectual Property (Servicio Nacional de Derechos Intelectuales)</td>
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<tr>
<td>SENAPI</td>
<td>National Intellectual Property Service (El Servicio Nacional de Propiedad Intelectual), Bolivia</td>
</tr>
<tr>
<td>SME</td>
<td>Small and medium enterprises</td>
</tr>
<tr>
<td>VNFU</td>
<td>Viet Nam Farmers' Union</td>
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<tr>
<td>ZABS</td>
<td>Zambia Bureau of Standards</td>
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<tr>
<td>ZNFWA</td>
<td>Zambia National Forest Commodities Association</td>
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</table>
Summary

Diversity matters for planetary survival and resilience. It provides options to cope with increasingly unstable climate, food, health and geopolitical systems. Smallholders make up 84% of all farms worldwide, producing an immense variety of goods in diverse landscapes that embody great biodiversity and enable the spreading of wealth. Worryingly, market economics drive uniformity or product homogeneity, marginalising smallholder producers and reducing their pricing power, which forces them to minimise input costs and maximise production efficiencies. Especially for the production of farm products, this means agricultural expansion and monocultures, resulting in the loss of forests, and enormous natural and agronomic biodiversity and carbon losses.

Smallholder producers are faced with the choice of either competing on price or trying to distinguish their products through other product qualities. To do so effectively, smallholders need new organisational innovations in marketing. Environmental, social and sustainability labels, backed by certification, can be powerful tools that give value to biocultural diversity. Labels that inform buyers about product qualities, production processes and production origin can be greatly effective in connecting smallholder producers with a growing number of consumers in the global North as well as among the growing middle classes of the global South, who seek locally, fairly and sustainably produced products.

This report presents research findings on how forest and farm producer organisations (FFPOs) and their members can take practical advantage of shared labelling and certification schemes to enhance their market presence. It sheds light on challenges and opportunities of implementing shared label schemes and participatory guarantee systems for smallholders and their organisations.

Chapter 1 provides an introduction and overview of why smallholders might choose to adopt a label, the types of labels and certification systems from which they might choose, and the theoretical benefits and challenges of shared labels systems. The chapter closes with an analysis of how smallholder organisations and FFPOs might be strengthened by developing their own label, and how this might pay off in different ways.

Chapters 2 to 7 describe in detail six case studies of shared label systems developed by FFPOs from across the globe. Each chapter begins with a brief summary. The chapters then provide a background on the organisation behind each label. They describe the motivations to adopt a shared label and detail the governance arrangements for the shared label. The chapters summarise to what extent the development of the label contributed to different aspects of prosperity, exploring the main factors contributing
to or constraining success, and sharing lessons learnt. Finally, each chapter provides recommendations for other actors aiming to explore the development of a shared label.

Finally, Chapter 8 provides an analysis of the key similarities and differences between each case study. It demonstrates the actual benefits of the shared labels for smallholders and local producers, summarises all lessons learnt and concludes with recommendations for label-aspiring organisations and for those who seek to support them.

Labels whose use and control is restricted to specific groups of producers (‘shared or collective labels’), were found to be particularly useful for smallholders. They allow for collective marketing which provides economies of scale and a stronger bargaining position in the value chain, which can otherwise be difficult to achieve. Generally, using shared labels allows producers to enter new market segments and thus increases resilience to failure in any one market. Labels that claim additional product-quality characteristics can also help to generate higher price margins and increase returns.

Finally, with the use of a shared label, Indigenous peoples and local people can create visibility for, defend, promote and sustain their environmental endowment and biocultural heritage by incorporating sustainability claims and an expression of their identity into product characteristics certified through their label.

The case studies confirm that shared labels strengthen collective action by creating marketing groups, with greater coordination and collaboration among FFPO members, service providers, local authorities and other stakeholders. They showcase how shared labels can be effective marketing tools that allow local producers to expand their marketing options and venture into previously inaccessible markets, commanding higher prices for their products. The case studies also reinforce the notion that shared labels strengthen local values and identities, giving producers and their communities greater confidence in advocating for an upgrading of their enabling environment.

Key to the success of any label is consumer trust and transparency. Among the range of first-, second- and third-party certification systems that have been developed to back the claims made by shared labels, participatory guarantee systems (PGSs) have gained particular popularity among smallholder producers for their cost effectiveness and administrative simplicity. While PGSs were used as a certification tool in all case study examples, the case studies demonstrated diverse approaches to the focus and complexity of standards set for each label as well as differences in who determined which standards were needed to be followed to be allowed to use a collective label.

**Factors influencing success**

The research report also sheds light on factors that may influence the success of shared labels adopted by small forest and farm producers. These factors can relate to all aspects of market development and are listed below.
Markets and finance

- Targeted markets and the demand side of shared labels need to be well researched.
- Label owners need to establish trust in the reliability of the label.
- Certification and product-quality improvement costs may be prohibitive for smallholder producers and thus need careful consideration.
- Establishing new producer associations to register a label needs to have clear added value.

Institutional and legal matters

- Functioning institutions are needed to support labels and institutional capacities are needed to coordinate, monitor and regulate compliance with standards.
- Compliance with standards may not be guaranteed if control systems are not legally required.
- The legal feasibility of shared labels needs to be considered as legal and regulatory contexts differ widely.

Sociocultural aspects

- Shared labels should at the very least not harm other, economically more-vulnerable community members.
- Local socioeconomic priorities in the development of the code of practice should be considered to ensure the label drives local sustainability processes.
- Agreeing on and applying common rules for shared label users can be challenging.

Natural resources

- Shared labels can ensure that sustainability standards are adhered to but care needs to be taken to not overexploit the natural resource base if price premiums attract a large number of producers.
- External resource pressures can undermine sustainability efforts.

Technology

- Technical capabilities to fulfil the requirements for compliance with label standards might not be present, especially in remote areas.
Lessons for producer organisations

Based on the findings of the case studies we propose a range of considerations for local producers and their organisations wishing to adopt a shared label:

- Purposes behind the labels must be strong.
- Benefits of collective action to develop a label must be clear.
- Communication with the consumer is key.
- Partnerships are essential for label development.
- Enabling legislation helps enormously.
- Second-party certification schemes are cheap and work for local and regional markets.
- Keeping it simple can mean the difference between success and failure.
- Make labels transferable across products to allow for diversification.
- Allow enough time and resources for labels to become established.

Lessons for policymakers

From a national government perspective, the arguments for certification and labelling schemes focusing on biocultural heritage, sustainability and origin are compelling. We thus propose several ways in which policymakers may support certification and labelling schemes:

- Increase recognition of labelled products and second-party certification schemes through differentiated policies to increase marketing opportunities for labelled products.
- Provide fiscal incentives that reward sustainability. This provides additional benefits to producers adopting such standards.
- Simplify procedures for registration of labels. This reduces transaction costs for smallholder producers.
- Trade promotion and preferential trading terms support smallholder producers who might be disadvantaged in the market otherwise.
- Provide technical, research and development, financial and advisory support. This can help smallholder producers overcome their limited investment capacity.
- Public education on policy issues that shared labels aim to address enhances their marketing potential.

The results of this research report confirm that such efforts have a clear potential to benefit local producers, consumers and the public in general.
1

Shared labels: an introduction

1.1 Rationale behind this review

Market economics drive uniformity or product homogeneity: big is best and known is better. This process is called commoditisation. The high degree of similarity between different product batches means that producers become highly substitutable in the market. When previously unique products become more similar from the consumers’ perspective, the latter tend to choose the cheapest product. But this means the pricing power of the producers is lowered. To compete under these conditions, producers are forced to minimise input costs and maximise production efficiencies, production output and product quality.

Especially for the production of farm products, this means agricultural expansion and monocultures, resulting in the loss of forests, and enormous natural and agronomic biodiversity and carbon losses (Curtis et al. 2018, Edwards and Laurance 2012). Based purely on price, commoditisation and competition are reinforced when there is a lack of transparency between the different parts of the value chain. To survive in this environment, producers have to choose between competing on price or trying to distinguish their products through other qualities. The challenge in this second strategy is how to catch the consumer’s eye. To surrender to competing only on price is to surrender distinction and diversity.

Catching the consumer’s eye matters. Planetary survival and climate resilience demand the maintenance of ecological diversity, which can only be assured if consumers are prepared to buy distinctive products that are sustainably and ethically produced. Human physical and mental health also demand nutritional and cultural diversity. But approaches
to market economics that cause commoditisation often work directly counter to these public goods. So innovative market approaches are needed that foster diversification – not homogeneity. Organisational innovation plays a critical role in allowing diversification in the market around multiple value chains from multiple producers. Organisational innovations in marketing are particularly important for allowing economic diversification that incentivises biodiversity conservation and builds climate resilience.

Environmental, social and sustainability labels, marks and standards, supported by certification, are one form of innovation in marketing. They broaden buyers’ awareness of the need to look beyond price. They also assure buyers of particular product qualities and production contributions to broader public goods. Indeed, the rising awareness of multiple global crises has led to distinct changes on the demand side towards more sustainable consumption patterns. More and more consumers in the global North as well as among the growing middle classes of the global South seek out locally, fairly and sustainably produced products and services. Consumption is increasingly driven by the desire to know that what is being bought and whether the product has a ‘good story’ behind it (Potts et al. 2014). Consequently, a growing number of producers want to ensure that they can make a positive impact by how they spend their money. And through the work of the Forest and Farm Facility (FFF) and others, there is now an increasing awareness that forest and farm producer organisations (FFPOs) have good stories to tell.

‘Labels’ inform us about product qualities, production processes and product origin. This information is relevant not only to individual consumers (for example, by providing information about health benefits) but also from a public perspective (for example, by providing information about how this product is helping to tackle climate change impacts, biodiversity loss or improve social justice) (de Boer 2003). Labelling systems also help to generate new entry barriers and promote de-commoditisation, by enabling consumers to trace a product back to identifiable producers. They encourage the differentiation and diversification of products, and open new market segments that broaden sales and reduce the risk of failure in any one market (Daviron and Vagneron 2010).

Recent decades have seen the rise of a huge variety of environmental, social, sustainability and origin standards and associated labels (de Boer 2003). Early forest and farm labels such as sustainability focused labels controlled by the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC) embodied the drive of environmental groups and private foundations to augment governmental efforts in promoting sustainable forest management, which they perceived to be too slow and not far reaching enough. These certification schemes have their roots in nature conservation, but also embody a range of social standards. While these forest certification schemes have resulted in vast areas of certified sustainable timber production, certified forests are mostly concentrated in the United States and Europe and with limited inclusion of smallholder producers (Macqueen et al. 2006). The costs
of third-party certification required under these schemes appear to outweigh the benefits for smaller operations, where certification costs cannot easily be offset by improved production efficiencies and where producers face hurdles related to lack of capital, management skills and market access (Cashore et al. 2006; Ling et al. 2018). In response, PEFC and FSC have both introduced new certification protocols for smallholders that enable them to share, reduce and spread certification costs. But despite these improvements, challenges for smallholders remain where they lack capacities for legal registration, where the additional burden of compliance and verification systems are not offset by price premiums, and where external support is limited (Macqueen and Mayers 2020).

Similar to forest certification schemes, the Fairtrade certification movement arose to address market failures. But in this case, the drive was towards poverty reduction and social empowerment. Fairtrade certification has played a significant role in sensitising consumers to the economic problems of smallholder producers, has seen a marked growth of Fairtrade labelled products, and has enabled many producers to secure increased incomes from their products. Nevertheless, some commentators also argue that Fairtrade labels still only cater to niche export-oriented markets. Parallel to the drawbacks that plague third-party forest certification schemes, premiums received by smallholder producers do not always offset Fairtrade certification costs. There are also concerns that these price premiums are not always directly received by farmers (Haight 2011).

Innovative labelling schemes that do not rely on external certification and registration and for which standards can be adjusted to local contexts and market demand, such as described below, may offer an exciting alternative for smallholder producers.

Generally, we can distinguish between labels that are based on standards and therefore require certification and are shared by a group or collective of producers (these are also referred to as ‘shared labels’) and individual trademarks which are essentially brands and can be used without having to comply with any standards. In this review, we focus on shared product labels rather than labels that might apply to an organisation (such as a Fairtrade organisation).

Shared labels can be divided into collective labels, certification labels and geographic indications (GIs), which are distinguished by access, ownership and the certification system behind them. These different shared labels are defined in more detail in Section 1.3. While they vary in their focus, what labelling schemes have in common is that a group or organisation defines a certain set of standards and a procedure to certify that producers conform with these standards. When conformity is verified through a process of certification, producers are allowed to use the label, which enables them to communicate the advantage that their product has over other more conventional products from the perspective set for the standard (Marx and Wouters 2014; de Boer 2003). Besides the presence or absence of standards behind shared labels and trademarks, there is also
a clear distinction in how they are marketed. Shared labels are marketed jointly while trademarks are used in individual marketing.

Certification and labelling can be an effective way for smallholder producers to distinguish themselves on the basis of ‘quality’ characteristics in the marketplace, rather than competing on cost through scale or uniformity. Certification and labelling can also be useful in managing smallholder producer’ exposure to market risks. Lastly, smallholder producers may be motivated to use certification and labelling to legally protect their cultural heritage and natural resources.

But for any label to be meaningful, consumer trust and transparency in the certification process are essential (Brown et al. 2020). A wide range of certification systems for different standards exist to date, such as Forest Stewardship Council (FSC) certification or the Programme for the Endorsement of Forest Certification (PEFC) for sustainable timber, or organic certification for edible and cosmetic crops. The level of trust present in the market system is an important determinant of the level of proof that a label must carry, and therefore what type of certification system is chosen. Sometimes trust is low, as in tropical timber production where widespread deforestation has undermined consumer confidence. So high degrees of proof are needed, which might mean reliance on third-party certification.

But costly certification systems that impose a high burden of proof on producers are not necessarily useful for small forest and farm producers. For them, the high costs of some certification schemes are not always met by the price premiums they initially expect for their certified products. In contrast, participatory guarantee systems (PGSs) offer an alternative quality assurance approach which is locally focused and can be adjusted for a wide range of quality characteristics or standards valued by consumers and for the diversity of values pursued by smallholder producers, especially FFPOs (IFOAM, 2019).

A 2019 knowledge-demand survey carried out by IIED with 41 FFPOs and supported by FFF showed that FFPOs have a clear interest in improving their knowledge of marketing, attaining sustainability standards, and maintaining and utilising their traditional cultures in marketing strategies. Indeed, a growing number of FFF-supported FFPOs are starting to use innovative packaging and to develop PGSs with associated labels for a variety of reasons. The fact that the use of labelling schemes emerges spontaneously and independently in different places and contexts is testimony to the benefits FFPOs perceive these schemes to have.

The aim of this review is to shed more light on the practical challenges and opportunities of implementing shared labels schemes and participatory certification systems for FFPOs to distinguish their products in the market. The focus of this review is on shared labels and GIs, which seem to offer the most advantages to FFPOs. The central question in this review is whether there is potential for FFPOs to enhance their market presence through
shared labels. The goal is to spread awareness and build capacity on how distinguishing products in terms of place and practice (where a product originates from and how it is produced) can enhance producer-led marketing and to develop a framework for the implementation of shared labels by FFPOs. Here, we use case studies of shared labels in various stages of their development to illuminate the experiences and lessons learnt of the respective implementing organisations as they work on fully establishing their labels. We hope that this allows for peer learning for other FFPOs wishing to develop a shared label for their products.

1.2 Why use shared labels?

Shared labels are used by forest and farm producers to make a range of different value claims for themselves and for consumers, which include traceability, quality and sustainability of the product – but also with a view of using tradition and communality as additional marketing values.

Four main motivations can be observed for the use of shared labels by smallholder producers:

- The first relates to being able to increase their sales volume, by distinguishing their products in the marketplace from similar unlabelled products (Tregear et al. 2016). Increased visibility and reputation for their products can improve competitive advantage with existing consumers.

- A second important motivation for the adoption of shared labels by smallholder producers can be to diversify the types of consumers who buy their products, thereby protecting themselves from exposure to market risks such as long-term price decreases or fluctuations in commodity markets. A proven strategy of resilience in the face of such risks is diversification (Macqueen 2021). By allowing access to diversified markets, shared labels seem to provide a useful way for smallholder producers to increase their resilience.

- A third motivation can be to increase the sales price, if alternative consumers in niche markets are prepared to pay more for the qualities represented by the label. Additional quality characteristics are known to generate higher price margins and increase returns for those products (Gibbon 2001). The overarching idea is to create a value of distinctness rather than competing with larger producers of similar products in production scale and uniformity. The distinction in the marketplace can be based on value claims related to:
  - producer uniqueness based on cultural or Fairtrade beneficiary specificity,
  - production-process uniqueness based on sustainable, organic or other resource-friendly production. or
  - varietal uniqueness based on geographical or ecological specificity.
The fourth category relates to cultural promotion. Labels can give expression to the cultures behind small forest and farm producers’ production methods in a specific territory, and to their traditional knowledge. The expression of identity and collective values are a form of intellectual property (Belletti et al. 2017). Indeed, legal protection is one of the most important motivations for local and especially indigenous communities wanting to affirm, and have legal backing for, their role in the creation of a specific reputation and market value of their product.

1.3 Types of shared labels

There is a huge diversity between initiatives and national approaches to labelling systems depending on the history of shared label development and legal traditions. Countries use a variety of protection systems for shared labels (Coombe et al. 2014), which can be designed and governed from the top down or the bottom up. The involvement of producers in the governance system can thus vary to a large degree. However, despite these challenges some categorisation can be made to help guide potential users and practitioners. Table 1.1 shows the main typologies that can be used to describe shared labels.

Table 1.1 Shared labelling systems

<table>
<thead>
<tr>
<th>Labelling system</th>
<th>Key definitions</th>
<th>Prominent examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geographic indication</td>
<td>Standards linked to geographic product origin, collective right of use, government provides legal framework and certifies compliance</td>
<td>Bordeaux wines, Basmati rice, Darjeeling tea</td>
</tr>
<tr>
<td>Certification label1</td>
<td>Use not confined to membership, standards set and certified by owner (independent entity), authorisation to use through licence agreement (third-party certification)</td>
<td>Fairtrade, FSC, PEFC, Oeko-Tex, Woolmark</td>
</tr>
<tr>
<td>Collective label (includes collective marks)</td>
<td>Owned and controlled by an association or producer group (second-party certification)</td>
<td>Amazon Chakra Seal, Forest Harvest collective mark</td>
</tr>
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1 Both, GI as well as collective labels usually require some form of certification, but the term ‘certification labels’ in historically only used for this type of label.
1.3.1 Geographic indication labels

Geographic indication (GI) labels are a form of collective intellectual property rights registered by a community of producers of a particular good and linked to a geographic area (also known as the terroir from its French origin) that has a given quality, reputation or other characteristics that can be attributable to that place of origin (WIPO 2018). GIs offer a unique way to create inalienable goods (contrary to alienable commodities) that are tied to their place of production, the people involved, and their cultural and biological (biocultural) heritage. GIs are employed to compete in otherwise competitive markets and can thereby better add value to local resources.

GIs were developed in Europe a century ago to protect the names of products that already had a high reputation (such as Champagne or Bordeaux wines in France). GIs are typically sought for agricultural products bearing qualities influenced by specific factors associated with their origin such as soil type, climate or altitude. More recently, GIs have also started to appear in the global South. Some well-known examples include Café de Colombia (Colombia), Tequila (Mexico), Cacao Arriba (Ecuador) and Darjeeling tea (India).

A product can only be protected under a GI if it has a proven ‘given quality, reputation or other characteristic […] essentially attributable to its geographical origin’ according to Article 22.1 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) (World Trade Organization). These specific characteristics can be organoleptic (discernible by a sensory organ such as colour, taste or smell), technological (production method used) or related to appearance (such as size, shape or colour).

In general, GIs do not require a defined set of specifications, contrary to other quality labels such as Fairtrade or organic. While products or production methods used can vary enormously from one GI to another, a GI must always certify the link to a place of production, extraction or processing. A GI guarantees not only the origin of a product, but also that it meets the required specific characteristics. There are various ways in which this can be guaranteed:

- By the producers themselves (first-party certification – see Section 1.4.1)
- By a producer organisation (second-party certification – see Section 1.4.2), or
- By an accredited public body and/or by registered certification bodies (third-party certification – see Section 1.4.3) (WIPO 2018).

All European Union GIs – and importantly also GIs in third countries that are recognised by the European Union – require control and certification to be carried out by either second- or third-party certifiers. Some countries have introduced GIs as a form of state property, as opposed to GIs historically being held by producer organisations or other collective organisations. One example of this is in Kenya, where a collective geographical trademark for coffee covers the whole country. In this case, although it allows for the
inclusion of many coffee farmers, it comes at the expense of product specification and often quality control as most of the ownership and control sits at the national level and not at the producer level (Belletti et al. 2017). Here the process is essentially top-down, with little involvement of producers in the design or governance of the GI, which is handled at the national level by government agencies or representative bodies.

A second type of GI closely resembles the first in terms of being a large nationwide GI. But it is characterised by a strong governance system where producer organisations play a key role from the start of the process. Café de Colombia is a good example of a GI with national coverage that has been promoted and is managed by the Colombian Coffee Growers Federation (Federación Nacional de Cafeteros de Colombia or FNC).

A third type are the GIs that have been designed for a smaller geographical area with the extensive involvement of local actors in GI identification and design. Here, initiators are often concerned with the need to promote and protect place-specific identity including culture, environmental characteristics and unique skills or cultivation characteristics (Belletti et al. 2017, Quiñones-Ruiz et al. 2015).

1.3.2 Certification labels

Certification labels indicate compliance with standards, which can be set in respect to origin, production method, quality or materials etc. Prominent examples of certification labels include Fairtrade, FSC and PEFC certification, various organic labels and textile labels such as Batikmark and Oeko-Tex.

Certification labels can be used by anyone who meets their prescribed standards (similar to GIs) and their use is not confined to membership of an association or group (contrary to collective labels: see next section). The ‘owner’ of a certification label is usually an independent institution that certifies compliance with standards and characteristics set by the owner. If a producer is compliant with the set standards and has been certified by the owner of the label, a license for the use of the label is issued to the producer. The issuance of certification labels is typically based on third-party certification. Producers usually have to pay a fee for the licence, which needs to be renewed on a regular basis.

1.3.3 Collective labels

Collective labels are typically owned by an association or a cooperative of producers. Only their members are allowed to use the label, for which the producers themselves define the rules and quality standards (unlike trademarks and certification labels). The main aim of producer organisations in using shared labels is to distinguish certain characteristics shared among the products of the members (such as production methods, geographical origin or variety) and to market these products jointly.
Like certification labels and GIs, collective labels can be used alongside members’ own trademarks. The main difference to these other labels that their use is restricted to specific groups of enterprises who cooperate in the identification of standards, rules, marketing and communication strategies, and control. Essentially, this creates a ‘closed’ market and offers the biggest protection for producers in comparison with other shared labels. Collective labels can be owned by a community or association without a national registration process (such as the Potato Park association of Quechua peoples in Peru). But they can sometimes also be registered in the national trademark registry. The certification system commonly associated with collective labels are participatory guarantee systems (PGSs) (see Section 1.4.2). As no licences are issued with this system (licences can be withdrawn in case of non-compliance), misuse of the label or non-adherence to criteria set for the label by members of producer organisations that operate with a collective label usually leads to sanctions for the non-compliant member. Collective labels can represent the first step towards protection under a GI where there is a lack of a regulatory framework for GIs and where a faster protection process is desired.

1.4 Assessment of the claims made by labels

Certification is about establishing the credibility of claims concerning certain quality characteristics of a product or service. Certification systems can be governed by different stakeholders and can range in complexity. Sometimes those owning the certification system assess the credibility of those claims and issue the label. Sometimes they accredit independent certification bodies to undertake that task. But assessment of the credibility of quality claims comes at a cost. Costs accrue in the implementation of product standards. This often requires investments on behalf of producers (although in the longer term, through system improvements aimed at getting certified producers may often find that their production costs are lowered). Costs also accrue in the auditing of those standards by some accredited certification bodies. Costs can be distributed differently in different certification systems. The following sections provide a simplified overview of the most prominent assessment types.

1.4.1 First-party certification

The individual producer assures that certain claims about the product are met. This happens through auto-controls used by the producers or internal controls used by a producer organisation and can be formalised through a signed self-attestation. This self-certification system without other external checks means that all responsibility for the reliability of quality claims lies with the producers. This system works best when production systems are small, and marketing happens locally. This is because proximity (cultural and geographical) creates trust between market actors but also social sanctions if rules are not adhered to.
1.4.2 Second-party certification

In these systems, rules and processes are defined by a customer or peers within an interested group such as trade or industry associations (Rickenbach et al. 2000). Trade agents, who are audited by retailers’ paid technicians, certify that suppliers comply with requirements set for the label. Many retailers also use second-party certification systems for shared label products. The effectiveness of this system depends essentially on the certifying agent’s reputation (Tanner 2000).

Participatory guarantee systems (PGSs) are a subset of second-party certifications, where assessment of quality claims is made by peers within the group (who all have a vested interest in maintaining the label’s integrity). PGSs have gained popularity as a useful alternative to costly and administratively burdensome third-party certification systems (see Section 1.4.3) (Nelson et al. 2016). PGSs are ‘locally focused quality assurance systems’ (IFOAM), which are based on trust, social networks, knowledge exchange and the active participation of all stakeholders in the shared label value chain, including consumers and other producers. They can thus be particularly useful for small-scale producers. In a PGS, producers within the system jointly certify that their peers are meeting the criteria that demonstrate a claim that those producers want to make. The system can be managed by a local association of stakeholders (including producers, local authorities and customers) and can also be backed by a legal framework. Through their participatory nature, PGSs have the added advantage of building awareness of sustainability and best practice in local and even regional markets (Macqueen and Mayers 2020).

1.4.3 Third-party certification

An organisation independent from the consumer–supplier relationship – and thus (potentially) free of any conflict of interest – is responsible for ascertaining compliance of the product with standards and requirements set for the label. This can be a private, public or joint public–private body and often implies comprehensive reviews, testing and inspections at fixed audit costs. Third-party certification bodies have to be officially accredited and are regularly audited (Deaton 2004). However, the costs involved in third-party certification mean that this system is often inaccessible to smallholder producers.

1.5 How can shared labels aid sustainable development?

Belletti et al. (2017) highlight two key factors that influence the contribution of shared label systems to public goods and sustainable development. The first factor concerns the design process of the shared label and the role its users give to local resources in the specification of the product and its identity. The greater emphasis that the shared label
has on human attributes (such as knowledge, skills or tradition) and natural resources (such as soil, water or biodiversity), the more likely it is that the sustainable management and protection of these attributes and resources will either be included directly in product specifications and regulations or will happen organically through other means.

The second factor is the governance system of the shared label and the degree of involvement of the producers themselves, which is likely to affect their own transaction costs but potentially also their ability to capture a greater share of the added value created through the shared label certification. Governance is also likely to have an effect on the extent to which the shared label certification is likely to contribute to environmental, social and economic impacts in the designated territory. As forest and farm producers are closer to the natural resources they manage, they live with the consequences of decisions that affect the sustainability of these resources, and are therefore also more likely to manage them better than other supply chain actors. Their participation is also vital for ensuring skills, value addition and employment benefits are captured at the local level.

1.6 How can shared labels help overcome particular challenges for women in business?

Challenges faced by women in business in rural areas of the global South include less access to and control over productive resources, education, information, technologies, services, rights and legal protection, networks, and decision-making processes (FAO et al. 2020). But the economic empowerment of women is considered essential for poverty reduction and sustainable economic development (Duflo 2012). Shared labels may be able to offer several options to overcome some of the above described challenges:

- **Collective support:** By being part of a producer group with a common marketing strategy (such as under collective labels) or through increased women’s participation due to organisational norms required by certification bodies (such as for certification labels) may provide important network benefits to rural women producers.

- **Legal recognition:** Certain legal requirements by certification bodies may also contribute to increased registration of land to women, as on-farm inspections and accreditation procedures that require the presence of producers might lead to absent (migrant) husbands relinquishing registrations to women in their households.

- **Price premiums:** Women who would usually achieve only low prices for products sold locally may acquire access to price premiums for certified and labelled products.
Empowerment: Training and peer-to-peer learning (which is in particular facilitated by PGS-type certification for collective labels) may also have positive impacts on women’s empowerment.

Labour efficiency: Increased quality standards that lead to improved production methods which involve technological upgrades may reduce women’s labour burdens as they are often responsible for quality-improving activities such as washing, drying and selection. But where such technological upgrades are not available, higher quality requirements for shared labels might also increase women's workload in the short term before economic gains might allow for the hiring of additional labour.

Social valorisation: Lastly, shared labels enable the valorisation of women’s production efforts, albeit with market demand for social standards that might encompass gender considerations larger at international level (Riisgaard et al. 2010).

1.7 How can shared labels benefit small forest and farm producers?

Shared labels offer a range of direct and indirect benefits and advantages to smallholder producers. There is a growing body of literature on how shared labels can advance sustainable resource use, improve smallholder producers’ livelihoods and contribute to greater social justice. This section highlights the most important of these benefits.

One of the most obvious effects of shared labels is the protection they offer producers and consumers against counterfeiting by similar but unlabelled products that do not embody the same quality characteristics as labelled products (Profeta et al. 2010). Producers on the one hand benefit from the protection of an existing reputation of quality and protection from the leakage of price premiums by the prevention of fraudulent use of the label. Consumers on the other hand are ensured that they receive the quality product they pay for (Tregear et al. 2016). This protection is ensured through the labelling, traceability and quality-assurance systems associated with shared labels.

Shared labels also tell a story about the product and its origin that connects producers with consumers. As shared labels embody quality information that are communicable over large distances, they are useful in reducing the information asymmetry between producers and buyers who are remote from each other in a value chain (Akerlof 1970, Moschini et al. 2008). They therefore make it possible for small-scale producers to convey the higher-quality attributes of their goods and hence capture price premiums (FAO et al. 2021, Gibbon 2001). In particular, shared labels based on distinct place-based characteristics can redistribute the added value in a value chain and bring value to the area of origin through trade and new economic activities (Ingram et al. 2020, Tregear et al. 2016). This may happen if producers use a basket-of-goods strategy (such as linking the marketing
of a shared label with promoting tourism in the place of origin). In this way, shared labels have the potential to support local development through increased employment and capital inflow as well as visibility and reputation, which can promote further interest and backing from the relevant authorities as well as other external stakeholders.

Collective shared labels and labels underpinned by PGSs, which are often owned and operated by producer organisations and associations, in particular facilitate the diversification of value chains their members engage in (IFOAM 2019). Setting a certification system for a collective label used by a producer organisation makes it easier for individual members to branch out and achieve certification for new products under the same label. And diversification leads to greater resilience (Macqueen 2021). For example, diversification of value chains using shared labels has the potential to promote local varieties of domesticated plants and livestock breeds, which are often cultivated by smallholder farming communities to manage risks of pests and disease, but that are fast disappearing and poorly valued under more uniform production regimes.

In the same vein, shared labels can help preserve Indigenous species and methods of land use (FAO et al. 2021, Belletti et al. 2017). With the use of a shared label, Indigenous peoples and local people can create visibility for, defend, promote and sustain their environmental endowment and biocultural heritage by incorporating sustainability claims and an expression of their identity in product characteristics certified through their label. These aspects of production are increasingly valued and sought not just in international but also national and local markets (FAO et al. 2021). Shared labels have thus the potential to project alternative assertions of value in commodity circuits (Coombe and Aylwin 2011).

Another benefit is that smallholder producers often find it difficult to develop powerful marketing campaigns that would enable them to position their products and create reputation. By enabling joint marketing through a shared label, especially with a collective label, collective action and a framework for cooperation among local producers can be stimulated (Coombe and Aylwin 2011). Shared labels can improve smallholder producers' bargaining position in the value chain and help to collectively block larger actors further down the value chain from introducing new suppliers to the value chain (Henderson et al. 2002). This has vast potential benefits from an equity and empowerment perspective.

As the establishing of shared labels often involves the promotion of practices that improve product quality and value adding by the producers (such as improved processing and packaging processes), the capabilities and skills of producers using the shared label are gradually improved. This is especially the case for collective labels and PGSs, which encourage peer-to-peer learning and knowledge exchange.
Shared labels may also cover many different value chains and give recognition to rare or unusual products, that might not be known well enough to penetrate the market on their own. This helps diversification and increases resilience.

1.8 What are the challenges for small forest and farm producers?

The findings of this review indicate a range of benefits that shared labels can offer to smallholder producers, especially those situated in remote locations with limited available support in marketing, capacity building or protecting their biocultural heritage and natural endowments. While there is list of convincing arguments for small forest and farm producers for adopting a shared label, several important considerations are necessary before embarking on this path. The sections below provide an overview of the main factors that may influence the success of a shared label. They can be divided into the five main areas of enterprise development (Lecup and Nicholson 2000), where most challenges pertain to the marketing, financial and institutional aspects of shared labels.

1.8.1 Challenges related to markets and finance

An important consideration for producers interested in adopting a shared label regards the needs of their customers and the market they are aiming to target with such a label. A label does not change the product – and the product needs to be uniformly high quality, affordable and accessible as well as ‘promoted’ according to the four key factors of marketing: product, price, placement, promotion (known as the ‘4Ps’).

Researching the targeted markets and the demand side of shared markets is vital. The capacity to pay for more expensive products in national and local markets in particular is limited. The available room for manoeuvre should be investigated so that product standards can address expectations of these markets and the means of certification (and associated transaction costs), while guaranteeing quality to the consumer (Hinzen et al. 2010). This is particularly important for GIs, for which evidence of consumers’ preference is more limited than for other types of shared labels (Hughes 2017). Tregear et al. (2016) find that there is only limited market for GI for smallholder producers who often experience insecure market networks. This is especially the case in countries with historically little support for GIs or with only nascent GI systems and where producers still need to build reputation (contrary to protecting already established reputation) (Rangnekar 2011). Contrary to GIs, collective and certification labels as well as PGSs do not have to include an explicit link to the geographic origin of a product but can include characteristics which may carry more value in local and national markets, such as local varieties of plants and animals or sustainable and organic production.
Producers aiming to establish or join any shared label scheme also need to look beyond raising consumer awareness and seek to establish trust in the reliability of the label among the various players in the market. There is evidence of local producers experiencing difficulty in persuading other value chain actors such as traders and buyers to adopt the shared label. This limits local producers’ ability to communicate the associated quality and reputation of the product directly with end consumers (Hinzen et al. 2010).

While shared label users have several options for how to certify the value claim of their label, certification costs can be prohibitive for smallholder producers with limited resources. While PGS and second-party certification systems offer cheaper options for smallholder producers than certification schemes which involve third-party audits, certification and certification costs need to be considered before embarking on a shared label path (IFOAM 2019). To support local producers in adopting a shared label, external donor organisations may facilitate the establishment of shared label associations to facilitate registration processes and the creation of credible certification systems. However, if this is done without consideration of the financial independence of the newly created association by external donors, producers may struggle to implement the agreed regulations (code of practice) (Ingram et al. 2020, Neilson et al. 2018), especially where licences for the use of the label have to renewed on a regular basis.

One of the challenges with setting up a new governance structure for several producer organisations in a particular landscape is that its value hinges on the ability of the producers to benefit from its main functions (such as to protect, market and increase the use of the shared label). Too often, shared label associations are established for the purpose of registering the label with donor support, without adequately considering how it should be independently financed in the future. Not only is a longer-term investment vision needed for the shared label association to be sustainable, but it also needs to demonstrate a clear added value to other already-established producer organisations. This has been documented to be the case for many producers aiming to adopt certification labels or GI for their products, who have been forced to abandon the label after only a few years of use due their inability to afford renewed certifications (Hajjar 2013).

Geographic indications face challenges in terms of marketing as well. With the focus of GI specifications on a geographic origin, it is often difficult to precisely delineate the production zone. This makes it challenging to assess the distinctiveness of the product in relation to similar products in the country and to identify criteria on which objective control systems can be based (Hinzen et al. 2010).

A GI can be particularly challenging to maintain for smallholder producers as premiums are more likely to be captured by larger producers in the system (Tregear et al. 2016). This is because the latter are more likely to have established marketing channels and will have more capital to shoulder the significant transactions costs demanded by the complex certification process behind GIs. Unless there is large enough local and national demand
for GI-labelled products, GI target markets are often international. While international markets can be more profitable and hold more potential for growth, they may also require more investment in quality and in marketing. For these investments to pay returns, producers must be able to produce large enough volumes. This may provide a significant hurdle for smallholder producers in the adoption of a GI (Hinzen et al. 2010).

1.8.2 Challenges related to legality and institutions

Several institutional factors play an essential role in the development and promotion of shared labels. Successful shared labels require proactive and supportive public policies including the possibility of financial support for the setting up of a shared label mechanism. They also require functioning institutions, including local authorities, capable of supporting actors in the production chain to plan and carry out the setting up of shared labels (Hinzen et al. 2010).

There is great diversity between the shared label governance approaches, with countries using a variety of protection tools to ensure compliance and prevent counterfeiting (Coombe and Malik 2018). Not all shared labels require written product specification systems to be recognised, although in some cases it is required for legal protection. Similarly, control and guarantee systems are not requested by all (Beletti et al. 2017). Where written specifications or control systems are not required, there is a risk of labels being applied to products which do comply with the standards set for them, thus undermining the efforts of producers who do adhere to them, often at higher production costs.

Too stringent top-down label requirements may on the other hand pose adoption hurdles to producers and their associations with limited capacities to adjust their production methods and document their compliance with label standards. Countries may also combine elements from different legal forms of protection in their national legislation on shared labels, which can create a high degree of diversity in ownership and control. This is especially true for the global South. Before a shared label can be instigated, their legal feasibility and institutional aspects must need to be considered. Coombe and Malik (2018) state that for smallholder producers with modest influence on governance arrangements, the adoption a GI can pose particular hurdles as the control mechanisms of GIs often do not take into account all stakeholders concerned. It appears that currently, public authorities rather than the producers drive GI initiatives in the global South (Hinzen et al. 2010). A higher degree of involvement of producers themselves in the governance system of shared labels raises their transaction costs but also provides the possibility of capturing a greater share of the added value created (Belletti et al. 2017).

Where shared labels require some form of certification and guarantee system, institutional capacity to coordinate, monitor and regulate compliance with quality-assurance requirements is vital. This is especially true for GIs and certification labels, as their
associated legal and administrative frameworks are usually more complex than those of collective labels or PGSs. This is juxtaposed by the relatively lower legal protection the latter offer to producers and consumers. Still, from an institutional perspective, on the demand side it is also vital to ensure that institutional capacities exist within the shared label system to engage with the priorities of downstream buyers (Tregear et al. 2016).

1.8.3 Sociocultural challenges

Whenever local producers aim to adopt a shared label, social and cultural criteria are equally important to consider as market, financial, institutional and legal criteria. At the very least, new shared labels used by community members should not harm other, economically more vulnerable community members (Lecup and Nicholson 2000).

Shared labels are market instruments that have the potential to drive local sustainability processes (Belletti et al. 2017). This requires, however, that a sufficiently large number of local producers sign up to use the label and adhere to its standards as effective implementation of a shared label needs cohesion among its users. Consideration of local socioeconomic priorities in the development of the code of practice of a shared label plays an important role in achieving this.

Vandecandelaere et al. (2009) point out that one of the main threats to the successful contribution of shared labels to sustainable development outcomes is related to the challenge of collective action. Ostrom (2010) has also written more generally about the challenges associated with collective action. Coordination of a range of individual producers and other value chain actors under a shared label can be complex and involve significant transaction costs. Industrial production and global trade are often mentioned as the enemies of artisanal and traditional producers. However, governance challenges such as agreeing on and applying common rules for users of a shared label are often at least as challenging.

Finally, the contribution of shared labels owned and controlled by national governments (such as GIs) to promote cultural identity can be diminished if conflicts arise between the national GI aim and local people's intention to use the GI to assert value and recognition. This is typically true for Indigenous peoples who often have undergone a long-term struggle to have their rights and cultural identity recognised by the state. Where this is the case, local users such as Indigenous peoples or producer communities have sometimes opted to use collective labels instead, which do not always require a national registration process (Ranaboldo 2009).

1.8.4 Challenges related to natural resources

The sustainability of the natural resource needs to be considered both from an internal shared label users’ perspective and within the context of the broader governance environment. The shared label registration offers the opportunity to coordinate and
integrate the sustainable management of natural resources and business development at a landscape level. The use of a code of practice can help ensure that certain sustainability standards are adhered to, and that relevant natural resource management and enforcement agencies are involved (Belletti et al. 2017).

However, the establishment of shared labels can also have negative environmental impacts. The registration of a shared label can for example lead to a dramatic increase in producers benefiting from a market valuing the origin of the produce. If little attention is being paid to production or sustainability requirements, it can quickly lead to the depletion of the natural resource base.

The case of the registration of a GI for Oku White Honey in Cameroon is an illustration of this. Deforestation and increased demand for forest resources to produce beehives (straw and bamboo) and bees led to increased costs to access raw materials. This put the sustainability of the business in question. In the case of GI registration for Agave tequila in Mexico, too many producers joined the GI value chain to benefit from higher prices and insufficient attention was paid to the regeneration capacity of the Agave plant.

Even if the sustainability of the natural resource base is considered during the development of a shared label, other external pressures (such as agriculture expansion into forested areas) can threaten to undermine such efforts. Where possible, effective collaboration with traditional authorities and local enforcement agencies can help address these challenges.

1.8.5 Challenges related to technology

Technology-related aspects of shared labels evolve around the questions of existing technical capabilities, technical requirements for compliance with the standards set for the shared label, and the costs associated with acquiring the required technical capacities. These are issues of particular importance to smallholder producers who often operate in remote locations. Labelling a product with a shared label necessitates packaging, which can be a challenge in remote areas and for local producers with limited ability to access capacity-building initiatives.

1.9 Shared labels can strengthen FFPOs and vice versa

Producers need to develop a reputation for quality and a capacity for scale – and shared labels can help producers buy into both. The development of a shared label for local producers carries, however, the risk of building a complex, time-consuming and potentially quite costly process in weak and fragmented governance structures. Required capacities to (a) implement, monitor and regulate compliance with quality-assurance requirements
and (b) to meaningfully engage with the priorities of downstream buyers are qualities that can make or break the success and sustainability of certification (Neilson et al. 2018). Several studies point out the important role that well-organised producer organisations can play in agreeing and enforcing quality-assurance processes that underpin any shared label as key intermediaries coordinating producers in the value chain (Belletti et al. 2017, Nielsen et al. 2018, Quiñones-Ruiz et al. 2015). The lack of effective producer organisations (or highly supportive and decentralised public-sector institutions) to support and empower smallholder producers in the value chain can hinder the effective distribution of shared label registration benefits.

Successful outcomes of shared label registration, such as increased incomes and market access, are often attributed to improved collective action for improving quality standards and marketing of produce (Belletti et al. 2017, Ingram et al. 2020, Quiñones-Ruiz et al. 2015). Through their strength in numbers, FFPOs can negotiate a shared label that enshrines the market quality, cultural integrity and ecological sustainability valued by their customers. Through the same strength, FFPOs can be useful in creating visibility for a shared label by providing product volumes that can supply many buyers. In many cases, new cooperatives and associations have been established to better organise shared label users and support these activities. Producer organisations are able to pool information to broker market deals, selling the shared label to potential buyers. While an individual producer is rarely able to do so, FFPOs can support their members with customer research to get feedback on both the product and the shared label. They can also play an important role in attracting support services necessary for the development of a quality product, in well-designed packaging and labelling processes. In the most successful examples, trade organisations or apex FFPOs play a key role in providing long-term coordination between the range of shared label stakeholders (Belletti et al. 2017).

There are generally trade-offs between different private and public goals that can be difficult to resolve by one set of actors alone (Belletti et al. 2017). The combination of collective governance in the form of well-organised FFPOs and the technical and legal support of local public authorities can be critical for the shared label registration to be a success (Quiñones-Ruiz et al. 2015). Shared label approaches that have a genuine involvement of all relevant stakeholders and especially producers are more likely to have a wider and deeper impact. In contexts where the shared label concept is relatively new, smallholder producers may have a greater ability to assemble groups that work to their own advantage, as the established interests and interventions of other value chain actors might not yet exist or might be relatively weak. But in these contexts, institutional resourcing, capacity building and mentoring are also often limited. This means that the necessary leadership and management capacities needed to make such a group successful may be particularly difficult to develop (Tregear et al. 2016). Early investments in collective action and capacity building are required – not just to develop savvy marketing plans, but also systems for implementing quality-control standards and
the necessary governance conditions. These are capacities that have been proven to pay-off in the long-term but which are often underestimated (Quiñones-Ruiz et al. 2015 and 2016).

Beside the many benefits for local producers, the adoption of a shared label can also further advance producer organisations:

- The negotiation of standards for shared labels has the potential to affirm values held by the producer organisation’s members as well as build trust within the collective. Certification under a shared label may affect a change in the intensity and scope of a producer organisation’s advisory services and induce them to engage with a more diverse stakeholder network (Snider et al. 2016). Both phenomena can give FFPOs greater resilience in the face of external changes and pressures.

- Producer organisation members who have adopted a shared label may also benefit from improved governance and practice because of the regulations and quality standards required by the certification body.

- In rural contexts with few employment opportunities for younger generations beside agricultural production, the promotional requirements of shared labels may help in opening up space for youth involvement in promotional media – from posters and banners to websites, videos and radio.

- Finally, for the adoption of a shared label to be worthwhile for the members of an established producer organisation, it should offer them a clear added value to their current marketing and quality-control strategies. Organisations that are already providing a range of functions and member services necessary for successful implementation of a shared label are usually better suited than organisations that have been newly established with the sole purpose of supporting a shared label implementation.

1.10 Research framework and case studies

Exploring the potential opportunities of shared labels requires a better understanding of the practical steps, experiences and perspective of the producers themselves in the global South, which could greatly add to the current knowledge of shared labels. Table 1.2 provides the terms of reference for a set of case studies co-produced with producer organisations that have already undergone the process of collective trademark and GI registration and their application in the market.
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<thead>
<tr>
<th><strong>Heading</strong></th>
<th><strong>Research questions</strong></th>
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<tr>
<td><strong>1. Introduction:</strong> What the business is, how it came about, why and how it decided to market its products based on origin/biocultural heritage</td>
<td>Introducing the business: Where is it located? When was it established, under what structure and with how many members? What activities/processes does the business carry out, at what scale and where do these activities take place? What other business partners are involved?</td>
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<td></td>
<td>Who it represents: Who owns and makes decisions for the business? Who came up with the value proposition for the business? What process was used to make this idea become a reality and involve other people?</td>
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<td></td>
<td>Marketing with the shared label: What is being promoted and/or protected? Who and what is driving this process? How was market demand for certified products established? Did the marketing approach/targeting change with the introduction of the shared label?</td>
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<tr>
<td><strong>2. Context, governance, institutions and rules:</strong> What is the governance approach and system in place at the national level for governing the use and registration of the shared label/geographic indication?</td>
<td>What is the process for registering the shared label? What steps are involved? What are the rules and conditions and what rights and benefits are afforded in return?</td>
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<td></td>
<td>How is the shared label/geographic indication governed at different levels including for quality assurance and traceability systems? What are the main institutions, what is their role and how do they interact at different points in the value chain?</td>
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<td></td>
<td>What is prioritised in the product specifications and code of practice governing its use? How are different social, cultural, economic and biological sustainability priorities represented and ensured?</td>
</tr>
<tr>
<td></td>
<td>How is a shared vision and collective identity related to origin/biocultural heritage created and maintained by the participating businesses and organisations?</td>
</tr>
<tr>
<td><strong>3. Outcomes and learnings</strong></td>
<td>To what extent has the use of the shared label/geographic indication helped the business/group of businesses meet their objectives?</td>
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<td>To what extent has the development and use of a shared label/geographic indication contributed to different aspects of prosperity for the business/group of businesses as well as for the common good?</td>
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<td>What main factors have contributed to the success of the creation and establishment of a system for governing this shared label/geographic indication? Why are these important and how might positive outcomes be scaled up?</td>
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<td></td>
<td>What are the main factors constraining success? Why are these important and how has this business or group of businesses sought to tackle these challenges?</td>
</tr>
<tr>
<td></td>
<td>What lessons can be shared with other similar businesses and their partners seeking to engage with similar processes?</td>
</tr>
</tbody>
</table>
## Table 1.3 Overview of the case studies

<table>
<thead>
<tr>
<th>Label name</th>
<th>Labelling organisation</th>
<th>Location</th>
<th>Product/value chain</th>
<th>Standards</th>
<th>Year established</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest Harvest collective mark</td>
<td>Non-Timber Forest Products Exchange Programme in Asia (NTFP-EP Asia)</td>
<td>Regional with the pilot in Indonesia</td>
<td>Forest honey, rattan, textiles, etc</td>
<td>Sustainable, forest and community sourced, quality</td>
<td>2015</td>
</tr>
<tr>
<td>Amazon Chakra Seal</td>
<td>Corporation of Amazon Chakra Associations</td>
<td>Ecuador</td>
<td>Agroforestry products</td>
<td>Sustainable and traditional, with a gender focus</td>
<td>2017</td>
</tr>
<tr>
<td>CCA Sustainable Charcoal PGS</td>
<td>Choma Charcoal Association</td>
<td>Zambia</td>
<td>Charcoal</td>
<td>Sustainable</td>
<td>2017</td>
</tr>
<tr>
<td>Tan Lac organic PGS</td>
<td>Tan Dong organic pomelo cooperative</td>
<td>Vietnam</td>
<td>Pomelo fruit</td>
<td>Organic</td>
<td>2019</td>
</tr>
<tr>
<td>Cafecito Boliviano</td>
<td>National Association of Coffee Producers (Asociación Nacional de Productores de Café or Anproca)</td>
<td>Bolivia</td>
<td>Coffee</td>
<td>Mountain sourced by smallholder producers, organic</td>
<td>2020</td>
</tr>
<tr>
<td>Kishan Chautari PGS</td>
<td>National Farmers Group Federation (NFGF)</td>
<td>Nepal</td>
<td>Agricultural products</td>
<td>Organic</td>
<td>2017</td>
</tr>
</tbody>
</table>
2

Cafecito Boliviano: a case study of the National Association of Coffee Producers in Bolivia

Gustavo Mariaca

2.1 Summary

The National Association of Coffee Producers in Bolivia (Asociación Nacional de Productores de Café or Anproca) is a democratic, representative labour union that unites smallholder producers across the country at national level. Anproca is dedicated to the production, processing and sales of coffee.

Currently, the organisation is in an important development phase. Under its priority objective of increasing income generation and based on market opportunities, it is diversifying its commercialisation strategies. These strategies include the export of coffee to organic markets, the sale of processing services, preparation for entering the certified
Fairtrade market, and undertaking a process of consolidation using a shared collective label to generate significant future income for the organisation and its members. All of these actions are being made possible with the support of the Food and Agriculture Organization of the United Nations (FAO) and the Forest and Farm Facility (FFF).

From its creation in 1976 until 2021, Anproca sold conventional coffee under the organisation’s name. However, no branding or shared label based on market or customer-related studies had been designed or developed. Its conventional coffee was mixed with other conventional coffees to be lyophilised (freeze dried) and sold on, and as such, the organisation had no identifiable brand or market positioning strategy.

In 2020, Anproca’s board and technical personnel – with the aim of increasing incomes for its producers – decided to develop the Cafecito Boliviano shared label to promote its sales and positioning in international markets and market niches at the national level. Currently, Cafecito Boliviano is still under development. The choice of name was based on customer survey studies and registered as ‘Cafecito Boliviano’ for the Bolivian market and as ‘Bolivian Coffee’ for the international market. At this time, the differentiating criteria, attributes and regulation of use of the mark are still under discussion within Anproca.
Once this is complete, the mark will be registered as a shared label, and marketing and promotion strategies will be defined and implemented accordingly.

Although the consolidation of the Cafecito Boliviano shared label is still in process, important lessons can be learnt from the whole experience at this current stage of development:

- Technical and financial support are essential to enable producer members to self-generate income and for the self-sustainability of the organisation.

- Developing and strengthening an organisation requires time, perseverance and support.

- Being organised as an association has provided better opportunities to the affiliated smallholder farmers, such as being able to sell their products under fairer conditions, and has created a feeling of independence, pride and identity.

Regarding technical and financial support, FAO and FFF were important to establish the conditions which enabled Anproca to export its products to organic markets and advance the establishment of the Cafecito Boliviano shared label, thanks to the hiring of specialised technical marketing support.

The second lesson is that the development and strengthening of an organisation are processes that require time. Each of the achievements – such as exports to organic markets or the advancement of the shared label – have been the result of articulated processes and actions including participatory processes, interinstitutional coordination, the implementation of infrastructure and equipment, and others.

The third lesson was provided by the smallholder producers themselves, especially the oldest members. Before being affiliated to Anproca (and during times of financial hardship), they sold their products to intermediaries at low and unfair prices that did not reflect the efforts made by each producer. The fact of having their ‘own organisation’ to commercialise their product gave and still gives to the smallholder producers a sense of pride and independence from an intermediary: a sense that was reinforced when Anproca started to export its products in 2021 to organic market at higher prices.

Regarding the challenges identified in this study, it is important to note that key policies are being implemented by the national government in favour of the coffee sector, especially to support production and productivity. However, there is still the need for more supporting government policies including building better linkages in the value chain. Regarding the Cafecito Boliviano shared label, policy support is needed beyond the registration of the mark, such as providing advisory support to organisations using shared labels and facilitating connections with other relevant state entities.
2.2 Introduction

2.2.1 Background: about Anproca

Located in Bolivia, the National Association of Coffee Producers (Anproca) was created through a supreme decree in August 1976. This marked the beginning of union representation for smallholder coffee producers at the national level, with the aim of becoming free from the monopoly of intermediaries and wholesale exporters, and to unite at its core all of the smallholder producers from the coffee-producing regions of Bolivia. Anproca is currently the only association whose affiliated members are smallholder coffee producers (who practice family farming) from different regions in the country including La Paz, Cochabamba, Santa Cruz and Beni. In addition, Anproca is one of two nationally representative institutions related to the sector that has participated in the design and implementation of national policies for the coffee sector.

Currently, Anproca unites 2,000 households of coffee producers, of whom about 80 are certified as organic coffee producers. These smallholder farmers traditionally practice family farming, which according to FAO’s definition means that agricultural production is managed and operated by a family and predominately reliant on family capital and labour (FAO). Within its mission and vision framework (Box 2.1), Anproca produces, processes and commercialises coffee from its smallholder producer affiliated members, and also sells processing services to other non-member producers and organisations (coffee hulling at US$1.03 per quintal and coffee selection at US$0.14 per kilogram). The processing takes place at its plant in the city of El Alto in the Department of La Paz, located around 4,000m above sea level.

Box 2.1 Mission and vision of Anproca

**Mission:** Achieve integral and sustainable development and raise living standards for producer members, their families and communities through technical assistance, social services and agro-industrialisation, and efficient business management.

**Vision:** Ensure the well-being of smallholder coffee producers and their families through an effective, democratic and representative union association, with a communal identity for its members so that they can approach current and future challenges with rationality, efficiency and competitiveness.

According to Anproca’s president, prior to 2019 the organisation did not receive any external support from donors or institutions. Over the years, different circumstances had affected production and income generation (such as variations in prices, plantations affected by pests and diseases, and mismanagement), leading to divisions within the
association, which resulted in the creation of different coffee organisations and cooperatives in Bolivia. During these difficult times, affiliated farmers either had to sell their products to intermediaries or replace their coffee plantations to produce other products.

In addition, until 2021, Anproca had only sold conventionally grown, non-organic coffee. No branding or shared label based on market or customer-related studies had been designed or developed. Since the conventional coffee sold by the organisation was mixed with other producers' conventional coffees to be lyophilised (freeze dried) and sold on, the organisation had no positioning strategy and no identifiable brand. Meanwhile, the demand for high-quality coffee in Bolivia was (and still is) limited, resulting in comparatively low prices on the national market.

Anproca realised that it needed to prioritise targeting international markets, where there is a higher demand for healthy and organic products (including coffee) produced without the use of chemicals and using processes compatible with environment conservation. These markets are consequently willing to pay more for such products.

Within this context, since 2021 Anproca has been diversifying its commercialisation strategies to increase income generation and achieve self-sustainability (see Box 2.2). Currently, the focus is mainly on strengthening its capacity to export to organic markets under the certification of a third party. The cost of organic certification is paid by the organisation and not by its members. There is also no membership fee for smallholder farmers. The next step is to enter the Fairtrade market, which offers attractive prices, plus extra social benefits (a premium for the organisation and affiliated members). This certification will be in parallel to organic certification, so as a result there will be income generated by both the organic and the fairtrade markets.

2 The coffee is certified by Control Union. See https://certifications.controlunion.com/en/industries/organic-agriculture
Box 2.2 Anproca’s coffee sales

For the year 2021, according to its president Félix Chuquimia, Anproca has reported the production and trade of 73 tonnes of coffee, of which 80% was exported. The majority of this (38 tonnes) was exported as organic coffee to wholesalers in Germany (see also Figure 2.1), while 20 tonnes were exported to Colombia as conventional (not organic) coffee, therefore at a lower price. A small part (15 tonnes of conventional coffee) was sold to Bolivia’s domestic market (another coffee producer organisation).

To implement its strategies, and with the support of FAO and FFF, improvements in Anproca have begun in the last three years. These include updating and improving its processing plant equipment (including a new laboratory to grade its coffee quality), organic certification of producer farms, and capacity building for Anproca’s personnel. This support has enabled Anproca to obtain organic certification for the entire value chain and to export its organic coffee to Germany and potentially other countries in the future (see Figure 2.1). At the same time, its new plant equipment has received food safety certification from the National Service for Agricultural Health and Food Safety in Bolivia (Servicio Nacional de Sanidad Agropecuaria e Inocuidad Alimentaria or SENASAG).

Aiming to support self-sustainability, the FAO Forest and Farm Facility Programme has also contributed to building Anproca’s operational capital and is also looking to strengthen the administrative systems of the organisation.

Anproca has also received technical support and inputs from the Bolivian government as part of the Bolivian Coffee Investment Programme, the primary objective of which is to increase the production and productivity of Bolivian coffee. Inputs include the provision of coffee plants and materials provided by the national government with a focus on organic production. This support is contributing to the process and maintenance of third-party organic certification and training of producers.

2.2.2 Why develop the Cafecito Boliviano shared label?

The idea of developing a shared label came from Anproca’s board and technical team as a means to increase income by promoting sales and its positioning in international markets and market niches at the national level.

Although Anproca is currently using third-party organic certification and plans to obtain Fairtrade certification soon, it has no plans yet to implement a Participatory Guarantee System (PGS) to certify its organic products. Under current Bolivian regulation (created in 2012), a PGS is only designed for selling products to local and national markets (markets which are not currently prioritised by Anproca). In addition, exporting products certified under a PGS system requires commercial agreements between Bolivia and the countries
it seeks to export to in order to standardise PGS requirements. This is a challenge that remains to be tackled. Whether Anproca adopts the PGS system in the future is directly connected to whether or not there are favourable enabling conditions for its use (such as enabling national policies). However, under the right conditions, the PGS system could offer attractive incomes from both international markets and niche national markets and could replace or be adopted in parallel with the current third-party organic certification Anproca is using.

Regardless of which certification system will eventually be used, as part of its marketing strategy Anproca is developing its Cafecito Boliviano shared label, which can be used for third-party certification and/or as part of a PGS. The name is derived from ‘cafecito’ (a colloquial term meaning ‘little coffee’ commonly used in important coffee-growing regions of Bolivia) and ‘Boliviano’, due to Anproca’s representation of an important group of coffee producers in Bolivia. The choice of name was based on customer survey studies and registered as ‘Cafecito Boliviano’ for the Bolivian market and as ‘Bolivian Coffee’ for the international market. The proposal was presented and approved during a general assembly of Anproca producers.

At the moment, no income is being generated from the Cafecito Boliviano shared label. It is not yet registered under Bolivian regulations, since the characteristics, differentiation criteria, codes of practice and regulation for use are still under discussion and definition within Anproca. These should be consistent with the results of a consumer survey that is expected to be carried out in the future. But Anproca anticipates that its use could represent one of the main sources of income generation for the organisation in the future (see also Box 2.3).
Box 2.3 The benefits of registering a shared label for Anproca

According to the National Service for Intellectual Property, the shared label is understood as a symbol that serves to distinguish the origin or another common characteristic of products or services belonging to different companies, used solely by one owner. The shared label has to state differentiating criteria and the regulations of use of the mark.

Registering a shared label gives the organisation, association or group the exclusive right to prevent third parties from marketing identical products with the same shared label or using a brand so similar that it may cause confusion. Shared labels are also a useful tool for joint marketing, since they encourage grouping among smallholder producers, achieving considerable levels of marketing in a highly competitive environment.

Figure 2.1 Value chain map related to Anproca’s exports of organic products

Notes: Green arrows = direction in which money flows; Green boxes = enabling environment; Red boxes = necessary business services within or outside enterprise.

3 The National Intellectual Property Service (SENAPI) is a decentralised public institution that falls under the Ministry of Productive Development and Plural Economy.
2.2.3 Creating a strong value proposition for Cafecito Boliviano/Bolivian Coffee

A key part of Anproca's marketing and promotion strategy could be to enter international markets offering high-quality organic roasted coffee with important differentiating characteristics. The national authorities and Anproca expect the product to be an important international representative of the high-quality coffee produced in Bolivia. In addition, it is also identifying potential niche markets (such as reputable coffee shops in the country, where quality coffees are offered).

However, just as important is defining and marketing the key differentiating characteristics of its coffee products, which will add to its value proposition (such as the high altitude at which the coffee is produced, the use of agroforestry systems, and that producers are smallholder family farmers). Defining these key characteristics is still under ongoing discussion.

- Much of Anproca's coffee is produced at 1,400m to 1,800m above sea level and processed at 4,000m at its plant located in El Alto. The international market recognises that coffee produced at high altitudes is high quality, with a more pronounced acidity, aroma and flavour, due to slower growth at higher altitudes.

- Most of Anproca's affiliated smallholder farmers practice traditional agriculture, characterised by the low or zero use of pesticides or other chemicals, as well as within the guidelines of agroforestry systems that are compatible with environmental and forest conservation.

- Anproca is also experimenting with different parameters such as the degree of coffee bean roasting, which which determines the special attributes of the product, such as its flavour and aroma.
Although the differentiating characteristics have yet to be formally agreed for the Cafecito Boliviano shared label and may still change, they have already been used for a pilot product label that is being promoted to special customers such as ministers, ambassadors, representatives of international cooperation agencies. The label describes the coffee as:

*Cafecito Boliviano, a high-quality coffee grown at altitude produced in small-scale agroforestry systems by smallholder coffee-growing families, harvested manually, hand selected by Palliris women, and processed in green gold at an altitude of 4,150 meters above sea level; toasted and ground to extract the aromas and flavours characteristic of Bolivian coffee, and ready for to be savoured for your enjoyment.*

### 2.3 Context: governance, institutions and rules

#### 2.3.1 Organisational and decision-making structures

Anproca's decision-making structure consists of a general assembly and a board of directors (Figure 2.2). At the operational level there is the manager, under whom is the Internal Certification Committee (established for the organic certification process), the production department, the processing department and the marketing and quality department. These departments each have a manager, and under them operate the internal quality-control inspectors and coffee cuppers.

The general assembly of all affiliated members is the deliberative body and the highest authority of the association. It is responsible for approving major strategies and policies and is made up of representatives for the different regions, communities, agrarian centrales (traditional social organisations that oversee issues related to agriculture production, among others) and producers corresponding to each of Bolivia's relevant departments. It meets once a year for routine matters and when necessary extraordinary sessions may be called.

The general assembly also oversees all activities carried out by the executive and administrative staff and has the power to elect members throughout the entire organisational structure (Escobar and Velis 2020). The board of directors consists of the president, vice president, minutes secretary, treasury secretary and a 'vocal' member (supporting member). Major strategies such as the marketing strategy and decisions relating to the shared label can be proposed by the board's president in coordination with the technical staff (especially the marketing manager) and must be approved by the general assembly.

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4 The term ‘green gold’ refers to the coffee bean after its different layers have been separated through the husking process.

5 Coffee cupping or coffee tasting is the professional practice of observing the tastes and aromas of brewed coffee.
2.3.2 Certification and traceability systems

Since the shared label is still under development (and has not yet been officially registered as a shared label), there is still no traceability and quality assurance system specifically created for the mark. However, the association already has an Internal Control System (ICS), which is a traceability system generated within the framework of organic certification, which will also constitute an important basis for traceability for future Fairtrade certification and when consolidating the development of the shared label. The system allows the traceability of its products along the value chain, which is an important basis to enter in different markets. Once the Cafecito Boliviano shared label is operational, Anproca anticipates that it will develop a quality-assurance system for it as a priority.

The ICS is overseen by an elected member from Anproca’s assembly. The person currently in charge is an affiliated producer’s daughter who has graduated in agronomy engineering, and who has also worked for the National Coffee Programme. The ICS manager, with her relevant knowledge and training, is in charge of the control of all internal inspections and organic certification within the association, which includes tasks such as the implementation of measures, identification of shortcomings, coordinating with producers and capacity building. Under her coordination are other internal inspectors who assist with farm inspections, which are carried out once or twice a year. The ICS personnel receive a payment from Anproca to carry out the tasks.
The elected ICS manager must also coordinate with the Internal Certification Committee (ICC). The ICC is the highest decision-making body within the Internal Control System. It is responsible for evaluating the inspection reports generated by the inspectors and to verify the compliance with the internal standards of organic coffee production. The ICC provides authorisation and internal certification to the registered organic producers, and is also responsible for issuing warnings and sanctions. The members of the ICC are elected by the general assembly, and are required to be widely knowledgeable about the association and its operations and must have no conflicts of interest (such as kinship with leaders or members of ICS) in order to guarantee impartiality, transparency and efficiency. All decisions taken by the ICC must be properly documented. Currently, its members are Anproca’s board president, the ICS manager and two affiliated organic producers.

The Internal Control System’s manager periodically reports to Anproca’s board and the ICC on issues relating to control, monitoring and internal certification. After that, the ICS manager submits the approved reports to the third-party certifying entity. The third-party certifying entity also conducts an inspection and audit every year to verify compliance with the organic certification standards. Where there is a lack of compliance, there is the risk of losing the organic certification for the whole group of producers. Therefore, Anproca has developed its governance structure and provided training for its members and personnel under the guidance of the third-party certifying entity.

2.3.3 Governance of the shared label

To register and obtain a shared label, the applicant should present:

- Documentation formally requesting the registration of the mark,
- Information related to the shared label that is to be registered (including the name, symbol or logo, and the regulations of use of the mark),
- Legal documentation related to the association, organisation or group of people requesting the shared label (statutes, list of members among others).
- A payment must also be made by the applicant to SENAPI to register the shared label.

If approved, the registration title for the shared label is provided to the applicant, and the approval is also officially published in the state newspaper of Bolivia. The shared labels are protected for ten years and registration can be renewed indefinitely. However, once the state grants the title of registration of the shared label, it no longer intervenes in any way in it. The guarantee of compliance with the regulations of use is the complete responsibility of the organisation that owns the mark, including the quality-assurance and traceability systems. Figure 2.3 shows the relevant institutions involved in the governance of shared labels in Bolivia.
2.4 Outcomes and learning: constraining factors

2.4.1 Economic and capacity constraints

Anproca currently has insufficient economic resources, which limits its ability to take important actions, such as expanding organic certification to more producers to increase its export volume, strengthening the level of technical assistance it can provide or develop its existing internal control system and infrastructure.

There is also a need for Anproca to advance the process of defining the criteria and conditions for the Cafecito Boliviano/Bolivian Coffee shared label’s use. This would provide the basis for establishing protocols along the whole value chain to standardise the product’s defining characteristics and creating a marketing and sales strategy. To undertake these actions, Anproca needs the support and hiring of qualified and experienced personnel.

To face these challenges, Anproca is reinvesting part of its income generated from exports and the sale of processing services so that, together with operating capital provided by FAO and FFF, it can expand its capacity for organic certification and sales and increase its income. Anproca is also looking for financial aid from other donors to help drive its progress.
2.4.2 Policy constraints

Under the Bolivian National Coffee Programme, the national government has been substantially promoting the increase of coffee production and productivity in Bolivia. This boost includes technical assistance to producers, which in the case of Anproca, has also benefited their production within the framework of their organic certification. The association, as one of the main representatives of coffee producers in Bolivia, has been a participant in the design and implementation of this policy.

Significant challenges remain, however. More policies are needed to support organisations that attain a shared label. For the moment, the Bolivian government is only involved up until the shared label is registered with SENAPI, after which the organisation must manage the process on its own. The support that the national government could provide would be invaluable for the shared label’s consolidation, starting with providing advisory support to organisations with shared labels and facilitating connections with other state entities such as the National Service for Agricultural Health (Senasag), the Ministry of Foreign Affairs and others. Better intersectoral coordination is also key. For example, the Ministry of Land and Rural Development is in charge of primary production but could better articulate with the Ministry of Productive Development and Plural Economy, which is responsible for boosting productivity and strengthening the national economy.

The different interviewees also agreed that there is a lack of support for the coffee sector from sub-national governments, as government investment often prioritises infrastructure development and not production. Some municipal and departmental governments have shown priority for coffee production in law, but without providing the resources needed to implement concrete supporting actions. Meanwhile, although the national government favours the participation of representative organisations such as Anproca in the design of policies, a risk perceived by some of our interviewees was that politicisation could hinder the advancement of legitimate demands by the sector. Finally, commercial export agreements between Bolivian and countries that accept PGS certification could represent important opportunities for organisations like Anproca.

2.4.3 Domestic market constraints

Particularly in the last year, the Bolivian government has taken action to promote the consumption of Bolivian coffee products to domestic consumers, including coffee made by Anproca and other producer organisations. For example, producers can promote and sell their products at national trade fairs to domestic consumers. The Supreme Decree 4513 (2021) also states that all refreshments consumed by national public officials and paid for by the Bolivian government must be produced in Bolivia.
However, authorities such as the National Coffee Programme, Anproca members and its technical staff all agree on the need to promote a greater culture of consumption of quality coffee in Bolivia. In general, Bolivia consumers are not predisposed to pay more for quality coffee, with the exception of certain specific sectors such as high-end coffee shops in the larger cities. This means that high-quality and organic coffee products such as those produced by Anproca have fewer opportunities to enter local domestic markets at an appealing price.

2.5 Key outcomes and lessons learnt

2.5.1 Technical and financial support are key

Technical and financial support are essential to ensure that producer organisation or enterprises are self-sustaining. Anproca was able to connect to international organics market with the support of FAO and FFF, which enabled the association to generate the necessary conditions and capacities along its entire value chain. This support also enabled Anproca to begin the development of the Cafecito Boliviano/Bolivian Coffee shared label, by hiring specialised marketing personnel. Although Anproca has not yet achieved self-sustainability, external support has provided the association with a greater capacity to meet its vision and mission.

Generating more income for the association and its members and becoming self-sustaining in the shortest possible time is a key priority for a producer organisation like Anproca. This will improve the livelihoods of the producer families and enable Anproca to reinvest in the enterprise, including investments in equipment, technical support for its members, capacity building, shared label management and marketing. This economic stability is also important to maintaining the commitment of the affiliated farmers and Anproca staff members, and to maintaining the cohesion of the association as a whole. In the immediate term, Anproca has prioritised generating income from organic certification, and in a near future from Fairtrade certification. However, it is also expected that given the right enabling environment, the shared label should also provide an important source of income in the future.

2.5.2 Strengthening the organisation takes time

Since 1976, Anproca has been working with smallholder farmers to promote family-produced and sustainable quality coffee and improve incomes and livelihoods. Developing and strengthening the organisation has required a great deal of time, perseverance and support, and Anproca's achievements to date must be maintained and nurtured.
Anproca’s vision and mission involve a long-term commitment to its members. This includes its commitment to using participatory processes with its members, which in itself is time consuming. From its general assembly and meetings to capacity-building sessions and inspection processes, Anproca engages with all of its affiliated smallholder farmers in the process of organic certification, which in turn has generated a sense of ownership for its members.

Evolving its business to include international organic coffee exports has also taken time and a commitment to further capacity development within Anproca, including efforts to foster interinstitutional coordination, upgrade infrastructure and equipment, and develop and implement systems to manage organic certification, such as the traceability system. Fairtrade certification will also involve the implementation of time-consuming processes and practices, as will its advocacy work to influence national policies to establish enabling conditions for the coffee sector and Anproca in particular.

Anproca’s process to consolidate the Cafecito Boliviano/Bolivian Coffee shared label also requires time. For example, the technical and participatory processes involved in defining the brand name and its differentiating characteristics have taken time and are still ongoing.

2.5.3 The importance of a shared vision and collective identity

Being organised as an association has provided better opportunities to Anproca’s affiliated smallholder farmers. Based on interviews and focus groups held with the association’s producers for this case study, producers still have a limited familiarity with the Cafecito Boliviano shared label. However, producers expressed a strong sense of belonging to and self-identification with Anproca, especially the oldest members. They expressed an affinity with the association’s principles of pursuing social justice and fairer market relations and an appreciation for its promotion of their biocultural heritage and organic agriculture.

Since joining Anproca, producers no longer rely on intermediaries. Instead, they have the possibility to sell their product through Anproca directly to the international consumers of organic products for a fairer price — or in their words, directly ‘from the producer to the consumer’. As the oldest producers pointed out, before Anproca ‘the export monopoly was in private hands’, resulting in unfair prices that did not reflect the efforts made by each producer. But having Anproca as their ‘own organisation’ has given smallholder producers independence from intermediaries.
There is also a sense of pride in belonging to where they live and farm, which has a tradition of coffee production and where farmers use traditional and sustainable farming practices (such as agroforestry systems and the low or zero use of chemical substances). The producers maintain that their organic coffee – coffee that they serve every morning and at night accompanied by bread – has a special flavour and is very different from coffee produced by conventional and non-organic methods.

These elements of self-identification and appropriation will undoubtedly become important when defining the differentiating characteristics of their products that will be reflected in the collective brand. This sense of pride, collective identity and loyalty to the association can also be seen through the involvement of the younger generation, with sons and daughters of the older farmers now taking the lead on some parts of their family farms.

2.6 Concluding findings

As the Cafecito Boliviano shared label is still under development, it is difficult to assess its impacts on Anproca’s objectives. Traceability and guarantee systems connected to a shared label have not yet been developed, however, the development of these systems will be established based on Anproca’s organisational structure and traceability system developed for organic certification, which constitutes an important basis for the establishment of a system to regulate the shared label.

Anproca’s experiences with the third-party organic certification scheme since 2021 are that the market for organic products represents the largest source of income for the organisation. Due to high demand, it is considered a more secure and reliable market. The Fairtrade market is also considered as reliable and will come with additional social benefits though the premium offered within the scheme once Anproca is certified as Fairtrade.

Organic certification also contributes to other social and environmental benefits, which are closely linked to the organisation’s mission and vision: most of Anproca’s affiliated smallholder farmers have traditionally produced within agroforestry systems and now do so under the organic certification, with no use of chemicals. These agroforestry systems are more compatible with forest conservation/climate change mitigation than conventional farming practices. As the producers themselves confirm, agroforestry allows smallholders to better adapt to the negative effects of climate change (for example, the use of trees and other species to prevent soil erosion and protect the coffee plants in the face of extreme weather events). What is more, some of the timber species planted can be harvested, providing an extra source of income for the family, while the low or zero use of chemicals also protects natural water resources.
These benefits are being reinforced both by Anproca’s organic certification inspectors and by the Bolivian National Coffee Programme through personal farm visits and capacity-building meetings. Connecting to international markets through organic certification – and in future, the Fairtrade market – reinforces a sense of higher purpose in the development of the producer groups’ actions and adds further value to being part of an association of producers. Anproca aims to further increase the number of participating organic-certified farms and strengthen its capacity building along the whole value chain.

Acknowledgements

I would like to offer my special thanks to all the persons who have contributed to this study: Boris Fernández Arancibia, FAO national facilitator in Bolivia; Gregory Peñafiel Aguilar, coordinator of the National Coffee Programme, Ministry of Land and Rural Development; Erwin Vaca Solís, National Intellectual Property Service (SENAPI), Ministry of Productive Development and Plural Economy; José Luís Escobar, manager of the Association of Ecological Producer Organisations in Bolivia (AOPEB); Valeria Biglazzi, coordinator of Chico Mendes Fairtrade Cooperative, Italy; Félix Chuquimia Nina, president of the National Association of Coffee Producers in Bolivia (Anproca); Eng. Marco Velis Peredo, marketing manager, Anproca; Eng. Pamela Chávez, organic certification and technical assistance support, Anproca; Edward Chiua, Cristobal Poma, Justo Roque and Julián García, Anproca producers; and all the community members of Alto Lima Caranavi, La Paz, Bolivia.

Further reading


3

Developing an Indigenous shared label: the Amazon Chakra Seal in Ecuador

Yuri Amaya Guandinango Vinueza

3.1 Summary

The Amazon chakra agricultural production system is a living laboratory: a way of life that prioritises biological production, environmental sustainability, conserving biocultural heritage and Indigenous identity, and sustainable livelihoods.

The trend of international markets such as those in Europe is to seek a more sustainable life, shifting current consumption models. For this type of market, products must meet sustainability criteria that confirm their origin. This is how the Amazon Chakra Seal was born. Now, a group of smallholder producers, particularly women, are working together with civil society organisations, international cooperation agencies and local government to develop a shared label to benefit those who have, throughout history, preserved their biocultural heritage. The Amazon Chakra Seal is intended to act as an innovative way to commercialise and merchandise products generated by the chakra system using a participatory guarantee system (PGS) to verify that the products are produced to certain standards. Following a piloting phase, the seal should be operational by 2023.
With international support, local producers linked to the Amazonian chakra system are promoting their products under the Amazon Chakra Seal and have created the Corporation of Amazon Chakra Associations, an important step in market positioning. This approach aims to empower those involved through the development of a management model which takes a gendered and generational approach that includes training in business and socio-organisational skills at all levels. Adapting a PGS system is helping to promote good governance and leadership, while providing support such as commercial promotion, technical assistance, and developing technical productive capacities.

3.1.1  Key lessons and recommendations

The Amazon Chakra Seal shows how the chakra system can generate income for families who have been ‘invisible’ for many years and who have experienced many sociocultural problems such as ethnic discrimination, the lack of provision of basic services, educational gaps and the devaluation of rural agriculture. In contrast, the Amazon chakra system constitutes a space for transmitting knowledge, generating ecosystem services and providing an opportunity to make the world aware of what sustainable development entails. The Amazon Chakra Seal is supporting participating producers to:

● **Build resilience to climate change:** Studies show that the chakra production system is much more effective at capturing carbon than monoculture agriculture. However, more research is needed to improve the chakra system’s resilience to climate change.

● **Create a viable brand and open up new markets:** The Amazon Chakra Seal provides benefits to the local economy, while also revaluing the importance of biocultural heritage. However, the government must provide additional support by creating an enabling environment for bioenterprises in areas such as research and development, technical advice, trade promotion, tackling biopiracy, access to differentiated credit and capacity building.

● **Promote gender and youth equality:** The PGS provides excellent opportunities for women and youth. But more must be done to involve young people. The government must take action to provide formal education and specialised training for young agricultural entrepreneurs.
Develop good governance models: The Corporation of Amazon Chakra Associations must continue to strengthen the Amazon Chakra Seal through a more-clearly defined governance model, which must be based on a participatory and consensual process involving all actors.

Achieve international recognition: A priority of the corporation is to influence public policies that benefit the Amazonian chakra production system, such as applying to be designated as a Globally Important Agricultural Heritage System (GIAHS). This will help to raise funds to maintain the system by promoting the chakra system at national and international levels.

Build strategic alliances: The corporation also has the task of working with strategic allies such as those in the academic sector and the National Institute of Agricultural Research (INIAP) to develop contingency plans to tackle the impacts of climate change, such as researching resilient crop varieties.

Support for producer associations: The development of the Amazon Chakra Seal has shown the power of associations to sustain livelihoods and biocultural heritage. Local and national government and international cooperation agencies must continue to support the creation of associations of producer organisations.

3.2 Introduction

3.2.1 Background: creating the Amazon Chakra Seal

The chakra production system of the Ecuadorian Amazon in Napo has been present since the first Kichwa people settled in the Amazon. Chakra is the Kichwa word for ‘farmland’, meaning ‘one’s sown field’ and the system has been preserved by Indigenous smallholders for generations through their ancestral practices of agricultural production. The Amazon chakra is a sustainable and diverse system, where more than 100 species of crops are harvested from the same farmland.

The chakra is also a space for dialogue between sociocultural and natural systems, where agrobiodiversity and agroforestry work in symbiosis with the ecosystem to allow flora and fauna, medicinal plants, knowledge and life itself to flourish (Enriquez 2021). According to focus group discussion participants, it is a living space: resilient and fully adaptative.

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6 Globally Important Agricultural Heritage Systems (GIAHS) are agroecosystems inhabited by communities that live in an intricate relationship with their territory. Through its GIAHS programme, the Food and Agriculture Organization of the United Nations has designated over 60 sites around the world. The agroforestry chakra system of the communities of native peoples in Napo province is currently a proposed site. See www.agriculturalheritage.com and https://bit.ly/3NcgdZ0.

7 In the Province of Napo of the Ecuadorian Amazon, Indigenous peoples represent 56.8% of the population, 96% of whom are Kichwa (Gobierno Autónomo Descentralizado Provincial del Napo 2020).
to the possible impacts of climate change, and with a strong link to the worldview of the Amazonian Indigenous peoples and nationalities, especially the Kichwa peoples of Napo.8

In recent years, the benefits of the chakra system have been recognised by national and international development and cooperation organisations. Meanwhile, the trend of international markets, such as those in Europe, is to seek a more sustainable life, shifting current consumption models. International consumer markets9 are placing an increasing value on products certified as organic and Fairtrade, which includes valuing the biocultural history behind production.10 But for this type of market, products must meet sustainability criteria that confirm their origin.

This is how the Amazon Chakra Seal was born. A group of smallholder producers, particularly women, are working together with civil society organisations, international cooperation agencies and local government to develop a shared label to benefit those who have, throughout history, preserved their biocultural and environmental heritage. The Amazon Chakra Seal is intended to act as an innovative way to commercialise and merchandise products generated by the chakra system using a participatory guarantee system (PGS) to verify that their products are produced to certain standards (see also Box 3.1) and following a piloting phase involving nine producer organisations, should be operational by 2023.

Between 2011 and 2015, under the auspices of the German GEO Schützt den Regenwald e.V. project (‘GEO protects the rainforest’) and the German Agency for International Cooperation (GIZ), the Kallari Association11 systematised the chakra model, making its intangible value visible for the first time (GIZ 2020). As a result, they were able to link their prized Cacao Fino de Aroma12 fine cocoa beans to foreign markets. Kallari began with 50 families from two Amazonian communities dedicated to cocoa production with the support of Jatun Sacha, an Ecuadorian non-governmental organisation (NGO).

8 Focus group discussion with Indigenous organisations Asociación Wiñak, Kallari Chocolates, Ally Guayusa and Tsatsayaku Association, Napo, 6 December 2021.
9 The global demand for sustainable products has increased in recent years. In 2015, the Nielsen Company conducted an online survey of 30,000 consumers in 60 countries, of whom 68% said they were willing to pay more for sustainable products (Centro de Comercio Internacional 2019). Nielsen’s results also indicate that consumers are becoming increasingly aware of and demanding sustainability standards in their products. For example, global sales of Fairtrade-certified products increased by more than 80%, from €4.36 billion in 2010 to €7.88 billion in 2015. The European Union market remains a major consumer of Fairtrade products (ibid).
10 Biocultural heritage refers to the knowledge and practices of indigenous people and their biological resources, from the genetic varieties of crops they develop, to the landscapes they create. See https://biocultural.iied.org
11 Kallari (which means ‘to start’ in Kichwa) is the Artisanal Producers Association of Agricultural and Livestock Goods of Napo.
12 The world cocoa market distinguishes between two broad categories of cocoa beans: ‘fine aroma’ cocoa beans and ‘bulk’ or ‘ordinary’ cocoa. ‘Cacao Fino de Aroma’ or ‘Cacao Arriba’ is produced only in Ecuador and is only used in the production of high-quality chocolate.
Box 3.1 The nine principles of the Amazon Chakra Seal

The Amazon Chakra Seal aims to promote:

- The Amazonian Indigenous worldview that integrates conservation, production and livelihoods, providing for the forest (sachawa), the chakra (chakrawa) and family and community life (runawa).

- Natural and agroecological management, where organic and inorganic waste is managed within or around the chakra.

- The way of life of the Kichwa peoples of the Amazon as a source of wisdom and intergenerational learning that integrates, applies and combines current technologies with ancestral knowledge.

- Forms of community and associative organisation, based on principles of solidarity, interculturality, exchange and participation.

- Diversified chakra production that guarantees food sovereignty for families, prioritising responsible consumption and preserving local species and varieties.

- An environment of family integration and gender equity. The chakra is led by women and the system provides their families with benefits such as medicinal plants/health, nutrition and food security, income and cultural identity.

- Using a production system that encourages high levels of biodiversity and a diversity of crop associations for different ecosystems.

- A sustainable and diversified production system based on cultural and traditional values oriented towards local, regional, national and international markets, prioritising domestic supply.

- Management of the chakra that conserves, manages and protects resources and promotes climate resilience.

Source: Grupo Chakra et al. (2020).

Subsequently, three Amazonian associations (Kallari, Wiñak and Tsatsayaku) formed the Grupo Chakra (Chakra Group). These associations shared attributes relating to the production of cocoa using the chakra system. The Grupo Chakra protects, supports and makes visible the chakra system of production in different national and international spaces. It is a multistakeholder platform made up of chakramamas (mothers of the chakra) and chakrayayas (fathers of the chakra): women and men in charge of managing and conserving the chakra.

The Grupo Chakra then formed the Chakra System Consortium in 2017, to coordinate actions with cooperative groups and public institutions to influence the Prefecture
of Napo to legally recognise the chakra system. On 15 June 2017, an ordinance to declare the Kichwa chakra as a sustainable system was passed (Gobierno Autónomo Descentralizado Provincial del Napo 2017). The Kichwa Chakra ordinance states that the chakra system is a dynamic sociocultural system that recreates and transmits ancestral wisdom, knowledge and cultural values and in which reciprocity, security, roles and complementarity are generated among family members. The chakra guarantees food sovereignty and security and provides ecosystem services in compliance with several of the principles of agroecological production and biotrade, while avoiding the production of monocultures (ibid).

### 3.2.2 Why adopt the Amazon Chakra Seal?

Prior to adopting the Amazon Chakra Seal, Kallari, Wiñak and Tsatsayaku and others faced complications with exports of their products due to the high costs of third-party certification and the demands of international markets, in terms of quality certification and compliance with technical specifications, which were very different from the Amazonian Kichwa cultural experience.

Grupo Chakra realised that they needed to develop their own certification system that would encompass the principle characteristics of the chakra system. Their shared label would act as an alternative to other third-party certification systems operating at local, regional and international levels. A working alternative was proposed, to create the Amazon Chakra Seal as a Participatory Guarantee System (PGS) that would reduce costs, guarantee product quality and promote the chakra system as a way to add value to their products.

To guarantee the sustainability of the Amazon Chakra Seal, a second-tier organisation was created – the Corporation of Amazon Chakra Associations. It includes five organisations from the provinces of Napo and Orellana: Kallari, Wiñak, Tsatsayaku, Ally Guayusa and Inti (see Figure 3.1). The corporation was legally constituted in August 2021. The corporation now represents 850 families from 21 communities in the Tena Canton in Napo who produce, process and market sustainable agricultural products such as cocoa, coffee, guayusa,
vanilla, sacha inchi (also known as the sacha peanut or jibaro peanut), banana and cassava. The purpose of the corporation is to:

- Establish public-policy advocacy strategies for the recognition of the chakra seal as a shared label,
- Promote the revaluation and revitalisation of the chakra system to national and international markets,
- Conduct export negotiations and public-policy management, and
- Self-manage funds for complementary services such as research and development and implementation and management of the PGS (Enriquez 2021).

The Amazon Chakra Seal will be registered by the corporation in 2022 (see also Box 3.2). In Ecuador, a denomination of origin, brand or trademark is publicly registered through the Ecuadorian Institute of Intellectual Property (SENADI). This recognises the ownership and identity of a business, person or organisation of the brand, trademark or denomination of origin.

### Box 3.2 The benefits of registering the Amazon Chakra Seal

Registering the seal will include the following benefits:

- Protects rights to exclusive use (only the owner can make use of the label).
- Provides protection in the Ecuadorian Republic and rights of priority in the Andean Community of Nations (Colombia, Peru and Bolivia) within the first six months of registration.
- Protects rights to file civil, criminal and administrative legal actions against violators and discouraging the illegal appropriation of the label.
- Protects the label from being registered in other nations.
- Restricts the importation of goods that infringe the owners’ label rights.
- Provides for the right for owners to franchise their product or service or grant licenses to third parties and collect royalties.
- By registering a label, it becomes an intangible asset, which is often its most valuable asset (for example, label recognition is an intangible asset) (SENADI).
The corporation has received financial and technical support from international cooperation agencies, including GIZ, GEO, FAO, the Global Environment Facility Napo (GEF-Napo), ENGIM, the Ecuadorian Fund for Development and Cooperation (FECD), the Forest and Farm Facility (FFF) and the Maquita Cushunchic Foundation. FAO has provided support in developing the PGS manual for Amazon Chakra Seal that defines the criteria and principles for certification. FFF provides support for governance and leadership training, training workshops for producers, and adapting evaluation tools for the Amazon Chakra Seal. Over time, the corporation also aspires to include producer organisations from other Amazonian provinces. The aim is to scale up the process while also linking the seal to agrotourism services, a common activity for all member organisations of the corporation (Chancosso 2021). Figure 3.2 shows a timeline of the development of the Amazon Chakra Seal.

Figure 3.1 Organisational chart of the Corporation of Amazon Chakra Associations

Source: Yuri Guandinango and Verónica Acosta
Developing an Indigenous Shared Label: the Amazon Chakra Seal in Ecuador

Kallari-GIZ-GEO project to promote biodiversity conservation in cocoa production under the Chakra system in the Ecuadorian Amazon

Provincial Ordinance of the Amazonian Kichwa Chakra, 25 June 2017 following advocacy by local producer organisations: Kallari, Tsantsayaku, Wiñak, Chakramamas and Chakrayayas

Implementation of the ordinance, led by Grupo Chakra, via the project ‘Conservation and sustainable use of biodiversity, forest, soil and water, as means to achieve Good Living’ (GEF Napo)

Climate-Smart Cocoa Project: FAO supported the coordination of the Chakra Group, which later became a consortium of organisations (Kallari, Wiñak, Tsantsayaku).

For compliance with PGS, committee of ethics created. Creation and start of the Corporation of Amazon Chakra Associations

**Figure 3.2 Amazon Chakra Seal: development timeline**

**MILESTONES**

**ANCESTRAL AMAZON CHAKRA SEAL**

2011–2015

- Improved conservation of biodiversity and natural and cultural resources, and conservation of the business.

2017

- Concepts incorporated: principles of management, technical management, ancestral knowledge, best practices, commercialisation, transformation, research, sustainability monitoring, incentives and mechanisms, participatory governance.

2017–2019

- Design and development of Amazon Chakra Seal PGS.

2019

- The Climate-Smart Cocoa project worked on carbon sequestration, conservation of genetic diversity, analysis of sustainability, promotion of associativity, and design of a Chakra Seal to access differentiated markets. GIAHS-FAO Application

2020–2021

- The corporation’s purpose: To promote the Chakra Seal, establish policies for the use and management of the Chakra Seal and seek financial support for participating organisations

**DETAIL**

Source: Yuri Guandinango and Verónica Acosta
3.3 Context: governance, institutions and rules

The Amazon Chakra Seal is overseen by a PGS ethics committee comprised of producer organisations, consumers/clients, public entities (decentralised autonomous governments and national ministries), the academic sector (universities and research institutes) and international cooperation agencies. Committee members were identified according to the scope of their competences, participation in the value chain, and their goals that contribute to the fulfilment of the PGS objectives. Table 3.1 summarises the organisations involved in the Amazon Chakra Seal, their governance and finance models, number of partners, activities and value-added products. Figure 3.3 provides more details on the internal management of three of the corporation's organisations (Kallari, Tsatsayaku and Wiñak) while Figure 3.4 and Table 3.1 map the interaction of actors participating in the Amazon Chakra Seal.

The producer organisations Wiñak, Tsatsayaku, Kallari, Inti and Ally Guayusa are dedicated to organising, collecting, transforming, and marketing chakra products with their external customers and exporters and with technical assistance from associative and commercial partners. The legal partners who helped to found well as providing the organisation have a vote in the corporation's general assembly on decisions that influence the organisation (administrative, political and commercial). Meanwhile, commercial partners provide production support to the corporation, but do not have the right to vote on decisions or guidelines. For administrative and financial management, each organisation within the corporation appoints its own legal representative or manager and an accountant (often external to the organisation), and has a technical administrative team.
<table>
<thead>
<tr>
<th>Organisation</th>
<th>Partners</th>
<th>Primary products</th>
<th>Infrastructure</th>
<th>Value-added products</th>
<th>Other activities</th>
<th>Financial management</th>
<th>Governance model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kallari</td>
<td>2,400 in total</td>
<td>Cocoa, vanilla, guayusa</td>
<td>Collecting and harvesting</td>
<td>Chocolate (different flavours and cocoa percentages), guayusa/vanilla powder and leaves cocoa powder</td>
<td>Handicrafts, tourism</td>
<td>Each organisation has its own financial management model, manages its own suppliers and customers.</td>
<td>The general assembly is the highest authority in each of the organisations. Partners have a voice and a vote.</td>
</tr>
<tr>
<td>Tsatsayaku</td>
<td>Cocoa, peanuts, guayusa</td>
<td>Collecting, harvesting and cocoa-processing plant</td>
<td></td>
<td></td>
<td></td>
<td>Each organisation has no influence on the administrative decisions of each organisation. Each organisation is represented by its manager in the governance of the overall corporation.</td>
<td></td>
</tr>
<tr>
<td>Wiñak</td>
<td>Cocoa, guayusa, banana, cassava</td>
<td>Collecting, harvesting (another company produces the chocolate)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inti</td>
<td>Cocoa, guayusa, sacha inchi, banana, garabato yuyu, chonta, Amazonian grape, cassava</td>
<td>No infrastructure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ally Guayusa</td>
<td>Guayusa</td>
<td>Collecting and harvesting</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Verónica Acosta and Yuri Guandinango
### Figure 3.3  Internal management of Kallari, Tsatsayaku and Wiñak

<table>
<thead>
<tr>
<th>Composition Directives</th>
<th>Kallari</th>
<th>Tsatsayaku</th>
<th>Wiñak</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrator</td>
<td>• Administrator</td>
<td>• Administrator</td>
<td>• Administrator</td>
</tr>
<tr>
<td>President</td>
<td>• President</td>
<td>• President</td>
<td>• President</td>
</tr>
<tr>
<td>Secretary</td>
<td>• Secretary</td>
<td>• Secretary</td>
<td>• Secretary</td>
</tr>
<tr>
<td>Third Board Member</td>
<td>• Third Board Member</td>
<td>• Principal Member Three</td>
<td>• 3 Principal Member</td>
</tr>
<tr>
<td>Fourth Board Member</td>
<td>• Fourth Board Member</td>
<td>• Principal Member Four</td>
<td>• 4 Principal Member</td>
</tr>
<tr>
<td>Fifth Board Member</td>
<td>• Fifth Board Member</td>
<td>• Principal Member Five</td>
<td>• 5 Principal Member</td>
</tr>
<tr>
<td>First Vocal Member of</td>
<td>• First Vocal Member of the Supervisory Board</td>
<td>• First Vocal Member of the Supervisory Board</td>
<td></td>
</tr>
<tr>
<td>the Supervisory Board</td>
<td>• Second Vocal Member of the Supervisory Board</td>
<td>• Third Vocal Member of the Supervisory Board</td>
<td></td>
</tr>
</tbody>
</table>

Source: Yuri Guandinango

### Figure 3.4  Interaction of actors participating in the Amazon Chakra Seal

Source: Verónica Acosta and Yuri Guandinango
Table 3.2 Mapping of actors involved in the Amazon Chakra Seal

<table>
<thead>
<tr>
<th>Levels</th>
<th>Interaction</th>
<th>Actors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Main actors</td>
<td>Individual producers and producer associations participating in the Amazon Chakra Seal PGS.</td>
</tr>
</tbody>
</table>
| 2      | Actors with decision-making power  | First-tier grassroots organisations: Wiñak, Tsatsayaku, Kallari, Inti, Ally Guayusa  
Second-tier organisation: Corporation of Amazon Chakra Associations |
| 3      | Strong collaboration/alliances     | International organisations: GIZ, ENGIM, FAO, FECD, Maquita Cusunchic Foundation  
Research organisations: Amazon Regional University (IKIAM), National Institute of Agricultural Research (INIAP) |
| 4      | Compliance with local regulations  | Prefecture of Napo, district directorate of the Ministry of Agriculture, ProAmazonia |
| 5      | Compliance with national regulations | Ministry of Agriculture, Livestock Aquaculture and Fisheries (MAGAP), Ministry of Environment, Water and Ecological Transition, Ministry of Foreign Trade and Investment |

Source: Yuri Guandinango

The Amazon Chakra Seal PGS is made up of several levels of organisation: operational, technical, and political (see Figure 3.5).

- Production units (called chakras, where the *chakramamas* and *chakrayayas* function),
- Associated or independent producer organisations,
- Technical delegations,
- Ethics committee, and
- General assembly.
**3.3.1 Operational level (producer organisations)**

This level consists of certified producers (either associations of producers or individual producers) participating in the Amazon Chakra Seal PGS. It also includes technical advisors (PGS inspectors) who are responsible for oversight (handling information, applying management and methodological tools following the principles, rules and variables of the chakra). Producer organisations that wish to participate in the PGS first need to apply to the ethics committee for certification by submitting:

- Their experiences of using the chakra production system and how they intend to comply with the certification processes,
- A brief report of their economic activities for the last year, and
- An application for accreditation.

Source: Yuri Guandinango
Following their application, participants are subject to a farm inspection, carried out by a technical delegation of PGS-trained members of the ethics committee, to confirm that the organisation complies with the requirements for certification (see Annex 1). Inspections are carried out once a year and are based on standards and protocols set out in the Amazon Chakra Seal PGS manual (Grupo Chakra et al. 2020). The technical delegate then issues an evaluation report and either a recommendation for certification or for improvement measures to be taken (the ethics committee requires a minimum score of 70/100 points for certification to be granted).

Once certification is granted, the producer or producer association is listed in a digitised public registry of accredited organisations, which includes their accreditation code. Accreditation lasts for two years, after which the organisation can apply for renewal.

Participating organisations are also regularly monitored for adherence to the certification requirements of production. Additional monitoring is carried out through verification visits (random and cross inspections) by PGS-trained members of the association who are trained for this purpose. The corporation hopes that in future, they can also use the same system to monitor the finished products that the participating organisations produce.

3.3.2 Technical level

This technical level crosscuts the operational and political levels. It provides advisory support and monitors members’ compliance with PGS processes. The technical delegation is an advisory body for the entire system responsible for inspection and monitoring of participating associations and reviewing inconsistencies (if any) in the oversight inspectors’ reports. The authorised technical delegates have the following main functions:

- Conducting inspection visits, which involves completing a checklist from a verification matrix to assess whether producer organisations adhere to the PGS standard and protocols can be granted certification. They also ensure there are no conflicts of interest.

- Reporting recommendations to the ethics committee resulting from the technical inspection visit on whether certification should be granted.
At the request of the ethics committee, issuing technical reports on random items or inconsistencies prior to granting the Amazon Chakra Seal. These reports contain an analysis of the principles that need to be improved in order to design strategies such as training programmes for organisations applying for certification.

- Recommending potential technical reforms to the PGS manual at the request of the ethics committee (Grupo Chakra et al. 2020).

### 3.3.3 Political level

The political level consists of directors of the accredited member associations and policy decision-makers/authorities from public, private and cooperation institutions (Grupo Chakra et al. 2020). This dynamic is governed by the ethics committee, which has regulatory powers. The PGS planning and management decisions are aligned with the proposals made in the general assembly (Grupo Chakra et al. 2020). The general assembly is led by the associations of smallholder producers, women producers, international cooperation agencies such as GIZ, academic and research institutions, suppliers, consumers and technicians who validate or verify compliance with the nine principles of the chakra system (Box 1). Producer organisations are represented at the general assembly by chakramamas, chakrayayas and observers invited by each organisation, the technical delegation and the ethics committee. At the request of one or more of the PGS levels, other people or relevant institutions with whom strategic alliances could be made are also invited to attend (Grupo Chakra et al. 2020).

### 3.4 Outcomes and learnings

As a new initiative, it will take another two or three years to evaluate the full impact of the Amazon Chakra Seal. However, initial indications in the territory show that there is an increased awareness of the benefits of the chakra system, with more producers expressing an interest in aligning themselves to the chakra philosophy. Another important result is the creation of the Corporation of Amazon Chakra Associations by Kallari, Tsatsayaku, Wiñak, Inti and Ally Guayusa – an accomplishment that was not easy to achieve due to the lack of policy support for the creation of associations at the national level. However, from a community perspective, although the Amazon Chakra production system generates positive outcomes in terms of conservation and ecosystem restoration, its other potential benefits are yet to be quantified. The following sections highlight key outcomes and learnings, and also challenges.

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13 ‘Regulation’ refers to ability of the PGS to issue the technical and administrative regulations and to direct, guide and adjust the actions of the PGS partners. ‘Planning’ consists of agreeing on a vision, strategic objectives, goals, policies and strategies. ‘Management’ is the ability to coordinate and provide services (Grupo Chakra et al. 2020 et al. 2020).
3.4.1 Creating a viable brand and opening up new markets

The Amazon Chakra Seal is not just about organic production. The Amazon Chakra Seal brand is an intangible asset that can gradually open up new and sustainable markets. It promotes a living philosophy, focused on responsible consumer markets to support ancestral agricultural practices which encompass environmental conservation, cooperation via associations, and gender and youth equality.

Above all, the consumer is also part of and co-responsible for the production process (Enriquez 2021). Using the Amazon Chakra Seal collective brand, the corporation is promoting its high-quality products to international buyers. The use of the brand allows producers and their associations to access differentiated markets, generate employment and improve local working conditions. While the chakra system was previously perceived as unprofitable, the Amazon Chakra Seal has now begun to have a beneficial impact on the local economy, while also revaluing the importance of biocultural heritage and the transmission of intergenerational knowledge.

According to interviews with local actors, the Corporation of Amazon Chakra Associations (as the regulator of the good use of the label) must define strategies to reach differentiated markets, where the story behind the label is made visible and promoted at national and international levels. Although there has yet to be a proper market assessment, this would allow for an increase in interest in a wider portfolio of products cultivated under the chakra production system and would generate a cascade of benefits along the entire value chain (see also Figure 3.6).

14 However, it is important to note that local and national consumers are not yet willing to pay a premium for certified chakra products (Chancoso 2021).
15 Focus group discussion with Indigenous organisations Asociación Wiñak, Kallari Chocolates, Ally Guayusa and Tsatsayaku Association, Napo, 6 December 2021.
Figure 3.6 The Amazon Chakra Seal value chain map

**Operations**
- **Fertiliser plants**
  - Farmers (seed exchange)
  - Chakra products (cocoa, guayusa, vanilla etc)
- **Smallholder producers**
  - (founding members and commercial partners)
  - 2,400 members

**Steps in the chain**
- **Inputs**
- **Production**
- **Harvesting**
- **Primary processing**
- **Commercialisation 1**
- **Secondary processing**
- **Commercialisation 2**

**Corporation of Amazon Chakra Associations**

**International cooperation agencies** (FAO, GIZ, ProAmazonia)
- Prefecture of Napo, district directorate of the Ministry of Agriculture, Agrocalidad
- Amazon Regional University (IKIAM)
- Ministry of Foreign Trade and Investment
- Ministry of Environment, Water and Ecological Transition
- Municipality of Napo

**Certifiers**

Source: Yuri Guandinango and Verónica Acosta
The value chain shows how different actors work to promote the main value-generating activities developed around the Amazon Chakra Seal’s main products (cocoa, guayusa, vanilla and sacha inchi) from the producer associations (Kallari, Tsatsayaku, Wiñak, Inti and Ally Guayusa) to service providers (Corporation of Amazon Chakra Associations, international cooperation agencies and academia) and regulatory entities such as Agrocalidad and certifying organisations.\(^{16}\)

These linkages and commercial networks have been strengthened thanks to the Amazon Chakra Seal's value proposition to international and national markets. In addition, participating in agricultural fairs and recommendations from clients have helped to market the business.

3.4.2 Building resilience to climate change

Forthcoming studies from the FAO Climate-Smart Agriculture Cocoa project in Ecuador highlight the environmental importance of the chakra system in capturing carbon. According to Geovanny Enriquez, coordinator of project, 'This production system captures half of a primary forest and twice as much [carbon] as a monoculture' (Enriquez 2021). However, although the Corporation of Amazon Chakra Associations has established links with academia and INIAP to research other processes regarding the Amazon chakra, they still lack contingency plans to counteract the future impacts of climate change and more work is needed.

3.4.3 Promoting gender and youth equality and associations

Although the value proposition of the Amazon Chakra Seal is still advancing, it is important to highlight its promotion of gender and youth equality. The system has provided opportunities for young people to take charge within the administration and has re-evaluated the importance of the roles of rural women.

3.4.4 Challenges

While this case study has highlighted the benefits of the Amazon Chakra Seal PGS – particularly the importance role played by associations of producer organisations – other producers who wish to adopt a similar scheme may face a number of challenges. The formation of associations can strengthen governance, governability and leadership processes – but due to a lack of support at the national level, the potential to preserve high-value social processes such as the chakra system have been lost.

Such processes require significant external and political support, so it is important that organisations considering developing a similar initiative seek strategic allies and develop

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\(^{16}\) The certifying organisations include Kiwa, the Biofertiliser Certification Scheme (BCS) and others. These companies are international certifiers of fair trade, quality and/or organic products.
their own investment funds in cooperation with academic, social, peasant or Indigenous organisations that share the same objectives. Good organisation makes it possible to identify and seize opportunities for external support and that is a need for rigour and transparency in the certification system to access international markets.

However, there are also regulatory hurdles to overcome. There is currently very little government support for the process of consolidating production systems like those represented by the Amazon Chakra Seal. There are no differentiated public policies, either at the base of the production chain or in commercial export processes. For example, there are no differentiated trade tariffs, which is why traditional chakra products such as guayusa are pigeonholed with similar non-traditional products. Because of this, the real contribution of the territory to the country’s balance of trade (the difference between the value of a country’s exports and the value of a country’s imports) is currently unknown. In addition, there seems to be little regulation regarding the high costs of organic certification.

Another issue is that the chakra production system is an integrated agricultural system, combining agroforestry and silviculture. However, the government lacks public policies that recognise this. Different government bodies\(^\text{17}\) know of the existence of the Amazon Chakra Seal PGS, but there are currently no legal supporting policies. For example, some wild agroforestry products, such as some species of vanilla and guayusa, are considered ‘harvested’ products and thus fall under the environmental policies of the Ministry of the Environment. But in practice, the products are cultivated within the chakra production system, and so should fall under the policies of the Ministry of Agriculture. These contradictions have created a legal vacuum for biocommerce, which in turn has led to difficulties in both production and marketing. According to focus group discussion participants, producers cannot access Ministry of Agriculture benefits (such as access to technical assistance in production and commercialisation) and face instead restrictive policies giving them little freedom to use and exploit their agroforestry products by the Ministry of the Environment.

### 3.5 Concluding findings

At a time when human activities are responsible for the global warming of the planet, which in turn are triggering global health problems, the experiences of sustainable production systems such as the Amazon chakra – led by the native Amazonian peoples of Napo in Ecuador, with an emphasis on women producers – demonstrate the importance of conserving local ancestral knowledge, where harmonious coexistence with nature

\(^{17}\) Bodies include the Ministry for Agriculture, Livestock Aquaculture and Fisheries (MAGAP), the Ministry of Environment, Water and Ecological Transition, and Agrocalidad (the Ecuadorian Phyto and Zoosanitary Regulation and Control Agency).
allows resilience to climate change, and teaches us the importance of food security and sovereignty when producing quality food.

The Amazon Chakra Seal shows how the chakra system can generate income for families who have been 'invisible' for many years and have experienced many sociocultural problems such as ethnic discrimination, the lack of provision of basic services, educational gaps and the devaluation of rural agriculture. In contrast, the Amazon chakra system constitutes a space for transmitting knowledge, generating ecosystem services and providing an opportunity to make the world aware of what sustainable development entails.

By creating a viable brand for a thousand-year-old production model, the Amazon Chakra Seal PGS is a revolutionary proposal that generates opportunities for smallholder producer organisations to offer their organic products without costly third-party certification and take advantage of international markets and consumers who increasingly value products that promote environmental awareness, gender equity, fairtrade and the ethical treatment of workers. It is important that these enterprises create relationships of trust with their clients to achieve the necessary national and international positioning of the Amazon Chakra Seal.

3.5.1 Recommendations for policymakers

To support initiatives of social and environmental distinction like the Amazon Chakra Seal, the Ecuadorian national government must formulate effective public policy. It must support and create an enabling environment for these bioenterprises in areas such as research and development, technical advice, trade promotion, tackling biopiracy, and access to differentiated credit and capacity building. This may include building strategic alliances with national and international cooperation agencies that allow smallholder producers and their associations to create strong and sustainable value chains for their products. At the national level, the country would benefit from increased foreign exchange income from the exports of sustainable products such as those produced under the Amazon Chakra Seal.
3.5.2 Recommendations for the Corporation of Amazon Chakra Associations

Using a participatory guarantee system such as the Amazon Chakra Seal should ensure product sustainability at all stages of the value chain, from production and value-adding processes to supply, trade and exports. It is important that the Corporation of Amazon Chakra Associations strengthens the sustainability of the Amazon Chakra Seal by having a more-clearly defined governance model, which must be based on a participatory and consensual process involving all actors.

The corporation must also lobby the national government to obtain international recognition of the Amazon chakra production system as an Indigenous Globally Important Agricultural Heritage System (GIAHS). GIAHS will help raise funds to maintain the system and to develop a whole process for positioning the benefits of the chakra system at national and international levels.

The corporation also has the task of working with strategic allies such as those in the academic sector and INIAP to develop contingency plans to tackle the impacts of climate change, such as researching resilient crop varieties.

3.5.3 Recommendations to provide incentives for rural youth

Rural aging is becoming more accentuated in the territory, with minimal generational replacement. If agriculture is to remain viable, young people must return to the land. They must fall in love with the countryside again and appreciate that working in agriculture is not demeaning. One way to do this would be to actively promote the involvement of young people in the PGS process. There has been some success to date, but due to the recency of the project, the impacts are not yet measurable.

To tackle this issue, the corporation must generate an analysis of processes and probable solutions to meet this challenge according to its territorial dynamics. It must propose strategic alliances with international cooperation agencies and other local actors to present proposals to tackle problems relating to rural ageing to the national government, which in the future should become public policy. The government must take more action to provide training for young agricultural entrepreneurs in order to overcome this profound challenge.

The strength of the Amazon Chakra Seal is that its members now have access to specialised and secure markets, which will improve its profitability and help them diversify into areas such as ecotourism. This could provide an incentive for the young population to return to rural livelihoods, especially through the provision of formal education and specialised training to develop their productive and technical capacities.
Acknowledgements

The author would like to thank the producer associations and the board of the Corporation of Amazon Chakra Associations for their revaluation, conservation and transmission of ancestral knowledge and for promoting the value of ecosystems and biodiversity in the Ecuadorian Amazon.

Annex 3.1 Criteria of the verification matrix for assessing accreditation

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Weighting</th>
<th>Comments/evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>That the organisation being assessed is legally constituted and promotes the sustainable agro-production activities of its associates</td>
<td>20</td>
<td>Registration of incorporation documents provided</td>
</tr>
<tr>
<td>That the organisation has at least one administrative office and member of staff</td>
<td>10</td>
<td>Assessed by direct observation</td>
</tr>
<tr>
<td>That the organisation has (as a minimum) either a member of staff employed as a promoter-technician or is supported by an institutional partner(s) to facilitate the management of the Chakra Seal</td>
<td>20</td>
<td>Evidence of staff payroll or contracts provided</td>
</tr>
<tr>
<td>That the organisation has an established associative link with its members and experience in marketing chakra products</td>
<td>30</td>
<td>Proof of transactions with the producers and commercial agreements with customers provided</td>
</tr>
<tr>
<td>That the organisation has experience in operating a recognised certification system</td>
<td>10</td>
<td>Masters certificate from at least one certifier provided</td>
</tr>
<tr>
<td>That the organisation has participated or played a role in chakra management bodies or roundtables</td>
<td>10</td>
<td>Assessed by direct consultation</td>
</tr>
</tbody>
</table>

Result 100

*Minimum score required: 70 points
4
Piloting a regional Forest Harvest collective mark for NTFPs in Indonesia

Emmanuelle Andaya, Crissy Guerrero, Femy Pinto and Theophila Aris Praptami

4.1 Summary
The Forest Harvest collective mark (FHCM) is a participatory guarantee system (PGS) that is currently under development in Southeast Asia. The FHCM aims to certify a variety of non-timber forest products harvested by communities and guarantee that the products are high quality and locally and sustainably sourced. But aside from assuring traceability, sustainability and quality, Forest Harvest also uses the story of the forests, the people and their culture to engage the market.

An initiative of the Non-Timber Forest Products Exchange Programme (NTFP-EP), FHCM is a product guarantee that encompasses standards, protocols and verification processes. It provides community enterprises with solid evidence and structure to their product claims of pure and hygienic (uncontaminated) forest honey. The FHCM process also contributes to raising and sustaining awareness among different stakeholders in the area about the quality of forest honey and its sustainable harvesting. Community-based
enterprises that want to use Forest Harvest to certify their products have to undergo self-assessment, submit to a spot-check peer-verification process and implement recommendations for improvement.

The FHCM is currently under development and a new regional multistakeholder Forest Harvest Association should be established by 2025. For the pilot of FHCM, NTFP-EP focused on forest honey (from the forest honeybee *Apis dorsata*), one of the most harvested and traded NTFPs in the organisation’s network. The shared marketing goals and the unique selling proposition of forest honey inspired the idea of having a shared label. The pilot currently includes three honey group associations with over 2,700 members.

This case study outlines the background, objectives and proposed structure of the developing regional FHCM. It also describes lessons and outcomes from the pilot of in Sumbawa, Indonesia. The experiences of the community-based honey-collector association that participated in the pilot (called 3 Lebah, meaning ‘three bees’), demonstrate how the shared label has helped them to reach their business objectives of building trust, attracting more buyers and improving the perceived value of their honey product. The benefits of FHCM have led to personal investments of close to US$1,400 to upgrade their business and processing facilities and to continue advocating for the FHCM standards and protocols.

4.2 Successes and challenges

At this early stage of development, factors contributing to the success of the new Forest Harvest collective mark include:

- Community participation and ownership in processes,
- Existing and expanding networks of multiple stakeholders, and
- Continued efforts to improve and innovate systems.

However, there have also been several observed constraints to the adoption of the Forest Harvest collective mark:

- Producer groups still lack an understanding and appreciation of how the shared label contributes to the marketability of their products,
- Producers have different levels of capacity which require different levels of support,
- Documentation and monitoring processes can be considered additional burdens on producers, and
- There is a lack of resources to reach more communities.
The Forest Harvest collective mark is still a work in progress. But NTFP-EP recognises that if the FHCM can be linked regionally and internationally, it will bolster its credibility and visibility as a unique shared label that brings together various producer and consumer values of product quality, sustainability and traceability, with an emphasis on the story of the community, their culture and forest products. The investments made and still required for the FHCM’s further development are expected to provide long-term returns.

But beyond its marketing value, what makes the FHCM more valuable to the producer groups is that it is also a platform for knowledge exchange, the opportunity to upgrade community-enterprise operations, and for participating members to become part of a wider network with a higher common goal. The established relationships built on trust and knowledge exchange in the NTFP-EP regional network are the foundation of the development of the FHCM.

4.3 Introduction

4.3.1 What is the Forest Harvest collective mark?

The Forest Harvest collective mark is a regional initiative currently being developed by the Non-Timber Forest Products Exchange Programme (NTFP-EP), a regional network working on sustainable resource management, sustainable livelihoods, land tenure, food security, and women’s and youth’s inclusion for the past 23 years in Asia. The FHCM initiative was established in response to an observed need to improve the quality of products and for marketing support for its partners.

3 Lebah’s honey label showing the Forest Harvest collective mark logo

18 For more information see: https://ntfp.org
FHCM is a system that aims to certify a variety of non-timber forest products (NTFPs) harvested by communities and guarantee that the products are high quality and locally and sustainably sourced – in other words, it guarantees traceability, sustainability and quality:

- Traceability means that the products and/or the materials used in them are harvested from well-managed community forests, whether wild or cultivated in the home gardens of forest-based communities.

- Sustainability refers to the producers’ adherence to sustainable harvesting protocols, using harvesting actions and measures that do not compromise the ability of the natural resource to regenerate19 and that producers observe ethical business practices.

- Quality pertains to the product meeting market and national standards or group-agreed standards.

- While assuring traceability, sustainability and quality, the FHCM also uses the story of the forests, the people and their culture to engage the market.

Community-based enterprises that want to use the FHCM to certify their products have to undergo self-assessment, submit to a spot-check peer-verification process and implement recommendations for improvement. This is a non-linear process, where self-assessment and peer verification may need to be repeated until FHCM standards for quality and sustainability are met. Ideally, producer groups should receive support during this upgrading period, given that not all will have the capacity, financially or technically, to meet the standards.

Once completed, the community-based enterprise will be awarded with a certificate and provided with an electronic logo for their use and to display at their business premises and on their products (see Figure 4.1). They also become a member of the association, subject to its membership rules, and benefit from the marketing initiatives of the association.

19 In 2020, NTFP-EP and the Association of Southeast Asian Nations (ASEAN) co-developed a set of protocols for the sustainable harvesting of NTFPs (ASEAN 2020). These include a socioecological framework for sustainable harvest and resource management of NTFPs and localised ‘thumb’ rules developed by communities based on traditional ecological knowledge. Indicators have also been generated to monitor and understand the impacts of adaptation measures and changes over time, using practical monitoring methods.
4.3.2 Who does the Forest Harvest collective mark represent?

For the pilot of the Forest Harvest collective mark, NTFP-EP has focused on forest honey (from the forest honeybee *Apis dorsata*), one of the most commonly harvested and traded NTFPs by member and partner Indigenous communities in the organisation’s network. The pilot in Sumbawa was done with 3 Lebah, a honey-collector associations. Following the pilot, the FHCM will eventually expand to include three honey-collector associations – Jaringan Madu Hutan Indonesia (JMHI or the Indonesian Forest Honey Network), the Philippine Forest Honey Network (PFHN), and the Cambodia Federation for Bee Conservation and Community-Based Honey Enterprises (CBHE) – with over 2,700 individual honey collectors as members altogether. Ongoing activities are being conducted to also expand the FHCM to include other products such rattan, hand-woven ecotextiles and medicinal plants. Reported annual volume sales of honey ranges from less than a tonne for CBHE, over 70 tonnes for JMHI in 2019, and 10 tonnes for PFHN in 2018. Markets are mainly local and national, with minimal exports. Each honey group, association and supporting marketing intermediaries runs independently and has their own management and decision-making processes. They each also have their own brand: Produktong Gubat (meaning ‘forest product’ in Filipino) and NTFPs in the Philippines; Khmum Prey (meaning ‘forest honey’) in Khmer; Dorsata or Madhu Hutan (meaning ‘forest honey’) in Indonesia; and Last Forest in India.

The NTFP-EP currently drives the development of the FHCM but the development of shared standards is a multistakeholder and a regional activity. Network members include producer group representatives, technical experts, market actors, support organisations, non-government organisations (NGO) and community-based organisations (CBO), and relevant institutions from the different partner countries. Members are convened into regional peer groups to develop regional Forest Harvest collective marks to ensure that standards consider different social, cultural, economic and biological sustainability priorities. It is a bottom-up approach that also builds on standards that have already been developed with producer groups in other countries based on country-specific experiences and know-how. Through regional participatory processes, these are brought together into a regional collective system and minimum standards are agreed on. Where divergent standards may apply, these are clarified and stated. For example, in the case of the pilot product forest honey, different standards of moisture content may apply, depending on the country and target market.

4.3.3 Why adopt the Forest Harvest collective mark?

The inspiration for the shared label was its common selling point for producers of forest-sourced honey, encompassing the shared goals of promoting sustainable harvesting practices, improving product quality and finding appropriate markets for community products.
The FCHM development is also guided by market information. Two studies on honey certification conducted in Cambodia (Andaya 2013) and in the Southeast Asian region (Andaya 2014) provided the basis for the development of the FHCM. The 2013 study showed (and was reconfirmed by recent market scanning) a general distrust of honey products by consumers in Cambodia, who would only buy from sources they knew and located closer to the countryside, which they surmised was better because it was closer to the source (Sherchand 2009; Andaya 2013, 2014; Guerin and Chhouk 2021). The origin of honey, which is increasingly used for health and medicinal purposes, has become an important factor influencing consumer decisions, as well as environmental and ethical aspects (Testa et al. 2019). In the absence of certification, consumers rely on cues relating to origin, traceability and well-known brands (Zhang 2018; Mughal et al. 2021). Therefore, the Forest Harvest collective mark provides consumers with confidence in the product they are buying.

In addition, compared with other certification schemes that cater only to single types of market such as Fair Trade, organic or wild markets, investing in a community-based shared label could bring all of those values under a single product guarantee. While there is growing demand for organic honey, focusing just on the organic value of the honey limits differentiation of forest honey products from other honeys on the market, especially agri-based honey. Also, in terms of price, with international organic honey prices at US$4 per kilo (Phipps 2021) versus community forest honey priced at US$3–15 per kilo, it would be difficult for forest honey to compete based on its organic value alone. There had to be another differentiating value. NTFP-EP also perceived the following benefits from having a shared label:

- The shared label was seen as a way to increase cooperation across country members of the network.
- Lesser-known partners can benefit from the recognition of the mark and other better-known products in the network.
- A product guarantee system is more appropriate for the realities of communities and their products.
- Unlike payments made to acquire third-party certification that only lasts from one to five years, the costs for developing and maintaining the FCHM become an investment in the group's collective brand that can be enjoyed in the much longer term.

Figure 4.2 shows the different actors and stages in the forest honey value chain, from collection and processing to exports, retailers and consumers, as well the various levels of associations, support organisations and services provides involved.
Figure 4.2 Forest honey value chain

- **Collection**: Honey collectors (honey group members)
- **Consolidation**: Local traders, Community-based honey consolidators (association members)
- **Processing**: Provincial and national honey associations
- **Wholesale**: Market intermediaries/social enterprises, Retailers
- **Retail**: Local packers/retailers, National and local government marketing support (promotion channels & capacity building), certification, Tele-communication services, Transportation/shipping (local, national to exports)
- **Consumer**: Local market, National market, Export market, E-commerce platforms, NGO support network capacity-building trainings and knowledge-exchange platforms, marketing information

**Challenges**:
- Declining supplies
- Forest conversion/natural disasters
- Not all are aware of sustainable harvesting protocols
- Poor transport and telecoms access for some communities
- Poor transport and telecoms access for some communities
- Quality needs improvement
- Community lack market skills and info
- Established markets and marketing opportunities
- Increased consumer awareness of forest honey and network
- Weak differentiation between honey types
- Increased use of honey for medicinal and health purposes

**Opportunities**:
- Established networks of honey groups and exchange of knowledge
- Established links with national retailers/exporters
- Increased use of honey for medicinal and health purposes
- Community lack market skills and info
- Increased consumer awareness of forest honey and network
- Weak differentiation between honey types
4.4 Context: governance, institutions and rules

4.4.1 Proposed governance structure and institutions involved

The Forest Harvest collective mark is still in the process of developing its governance structures, but NTFP-EP envisions that by 2025, it will be owned and governed by a multistakeholder association – the Forest Harvest Association – with a general assembly composed of national and local PGS units, formed by producer groups, government representatives, and marketing, NGO and CBO partners. Management will be led by a board of trustees, a secretary general and committees, with technical support from regional product peer groups. Verification and monitoring of standards and protocol compliance will be conducted by national and local inspection groups.

As with the development of the FHCM standards, to ensure that social, cultural, economic and biological sustainability priorities are represented, the organisation aims to involve various institutions at different levels, from individual producers to regional actors such as farmer networks and institutional actors such as the Association of Southeast Asian Nations (ASEAN) Centre for Biodiversity. Table 4.1 shows the matrix of institutions already engaged and still to be engaged.

- Local and provincial actors will be the most active in verification and monitoring of producer activities, as they are closer to the production level.
- National and regional actors will provide support and bridge any gaps in technical capacity and market linkages.
- Institutional and networking organisations, both at national and regional levels, will help to facilitate the expansion and recognition of the FHCM, using their reputation to provide credibility as well as facilitate access to assets that can support the development of the association.
Table 4.1 Institutions involved in FHCM’s governance

<table>
<thead>
<tr>
<th>Local/provincial</th>
<th>National</th>
<th>Regional</th>
<th>Global</th>
</tr>
</thead>
<tbody>
<tr>
<td>Producer groups/individual members</td>
<td>National federation/association of honey collectors</td>
<td>NTFP-EP Asia</td>
<td>To be determined</td>
</tr>
<tr>
<td>Local government</td>
<td>NTFP-EP national offices &amp; NGO partners (NTFP-EP network member)</td>
<td>ASEAN Centre for Biodiversity</td>
<td></td>
</tr>
<tr>
<td>Local trade support/industry/SMEs/local forestry offices</td>
<td>National trade/industry/SMEs/support/offices</td>
<td>Asian Farmers’ Association (AFA) or Viet Nam Farmers’ Union (VNFU)</td>
<td></td>
</tr>
<tr>
<td>Local buyers</td>
<td>National wholesalers/exporters</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumers</td>
<td>Forest-related government agencies</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As the Forest Harvest Association is yet to be established until 20205, the NTFP-EP has registered the Forest Harvest collective mark at the Intellectual Property Rights Office (IPO) of the Philippines to claim and protect the name from use by others, as well as to be able to use it for its pilot products (see Figure 4.3). Once the association is established, this right will be transferred to it. The shared label will then be protected in different countries of operation by registering it in each country or by using the Madrid Protocol.20 Action has yet to be taken on this matter and will be part of the ongoing institutional building.

Figure 4.3 Certificate of registration of the Forest Harvest collective mark at the Philippine IPO

20 The Madrid Protocol makes it possible to protect a mark/label in a large number of countries by obtaining an international registration that has effect in each of the designated Contracting Parties. See www.wipo.int/treaties/en/registration/madrid_protocol
The organisational model is still evolving, applying more and more systems and processes of a Participatory Guarantee System (PGS) organisation. Figure 4.4 shows an organogram of the proposed Forest Harvest Association, while Table 4.2 outlines the envisioned roles and responsibilities within the proposed governance structure.

Figure 4.4 Proposed organigram for the Forest Harvest Association
Table 4.2 Roles and responsibilities within the Forest Harvest PGS system

<table>
<thead>
<tr>
<th>Organisational structure</th>
<th>Roles &amp; responsibilities</th>
</tr>
</thead>
</table>
| General assembly         | • Sets the direction of the association  
                          • Approves product standards, protocols and procedures, processes  
                          • Adheres to agreed standards and protocols  
                          • Contributes financially to the maintenance of the association  
                          • Participates in committees and verification processes |
| Board                    | • Guides the Forest Harvest collective mark process  
                          • Guides the approval of product standards, protocols and procedures, processes  
                          • Leads in fundraising for FHCM development  
                          • Releases FHCM certificates  
                          • Supports making market linkages where necessary |
| Standards committee      | • Leads in forming and supporting peer groups as they develop standards  
                          • Leads in upgrading of standards, convening groups to review where necessary  
                          • Receives standards developed by peer groups and endorses the approval of the standards to the board and the general assembly |
| Institution-Building and Membership Committee (IBMC) | • Leads in establishing the national PGS units (NPUs) and local PGS units (LPUs)  
                                                         • Monitors compliance of members and certified applicants  
                                                         • Provides guidance to inspectors and oversees audits with national and local PGS units |
| Marketing committee      | • Leads in the communication and promotion of the shared label  
                          • Promotes the use of the shared label to develop and sustain a community of users of the label (including producer groups and marketing partners)  
                          • Coordinates marketing activities across the region to ensure visibility  
                          • Monitors commercial use of the shared label  
                          • Coordinates with IBMC to ensure proper use of members |
| Regional peer groups     | • Lead in the development of standards and protocols  
                          • Propose national-level inspectors and suggest criteria and processes for inspectors to be recognised  
                          • Composed of producers, technical experts, scientists, NGO and government representatives, market actors |
| National PGS units (NPUs) and local PGS units (LPUs) | • Administers the system in one geographic area within the country  
                                                        • Leads in information dissemination about the Forest Harvest PGS within their geographic area  
                                                        • Receives applications for the Forest Harvest collective mark use |
Organisational structure | Roles & responsibilities
--- | ---
National PGS units (NPUs) and local PGS units (LPUs) (cont.) | • Supports capacity building for farmers/producers interested in the FHCM and promotes exchange of knowledge and application of standards among producer groups
• Organises verification and monitoring activities
• Coordinates and engages suitable local inspectors with support from the IBMC
• Maintains a database of information on audit processes
• Transmits audit results to NPU, which transmits to IBMC
• Involves national and local multistakeholders – producers, NGO and government representatives, consumers, market partners – and can cut across product categories

Pool of national and local inspectors | • Conducts audits as requested by NPUs/LPUs
• Mobilises to verify the compliance of applying groups to standards and protocols
• Provides recommendations to the applying group and to the product peer groups
• Composed of multistakeholders, from producer groups to market partners and local/national institutions

4.4.2 Verification and monitoring

The proposed verification and monitoring system, which is also still evolving, is based on the engagement of multistakeholders to give credibility to the shared label, while ensuring ownership by the producer groups. The system’s design draws inspiration and lessons from the experience of organisations and community partners in India, Cambodia and Indonesia with various certification models, especially PGS and the use of internal control systems for third-party certification schemes.21

In the FHCM pilot held in Sumbawa, Indonesia, the verification process engaged the participation of the national honey association JMHI, a technical expert, the provincial member association, and a representative from the NTFP-EP office as a regional-level partner and as the lead developer of the FHCM. Local honey collectors were oriented on the FHCM and other community members were invited to participate and observe the verification process, including the self-assessment exercise and the observation of honey collection and processing. Recently held verification in Cambodia included a technical expert, representatives from the national network CBHE, and honey collectors from a nearby village acting as peer reviewers. Figure 4.5 outlines the inspection/monitoring and verification process for the FHCM while Figure 4.6 shows the process for the Indonesian pilot.

21 An internal control system measures an organisation’s improvements over time with specific, individual control points.
Figure 4.5 Process flow for FHCM inspection and verification

1. National PGS unit (or equivalent) receives application
2. Orientation on FHCM standards, protocols and process audit for the group applying
3. NPU informs FHCM membership committee of application
4. Internal control system check/self-assessment
5. Field assessment by peer inspector and local PGS inspector (Note: various inspection models are possible involving national and local inspectors depending on the scale and locations of harvesting and processing sites).
6. Laboratory check of sample (if applicable)
7. Inspector(s) recommendation to local PGS unit
8. LPU submits recommendations to NPU
9. NPU submits recommendations to regional product peer group
10. Once a recommendation passes the product peer group, FHCM certification is granted. If it does not, the process begins again after proposed changes are applied.

Figure 4.6 Process flow for the FHCM Sumbawa pilot inspection and verification process

**FHCM Sumbawa pilot 2015–2019**

- **1st visit (2015):** FHCM orientation, standards and protocols alignment assessment, capacity-building workshop, recommendations for improvement
  - NTFP-EP staff regional network representative
  - (JMHI) national network association representative/technical expert
  - (JMHI) national network association representative
  - (JMHS) provincial network/association representatives (observer)
  - Honey collectors/group members (observer)

- **2nd–3rd visit (2016–2017):** Spot check and technical support for compliance, compliance update, recommendations for improvement
  - (JMHI) national network association representative/technical expert
  - Honey collectors/group members (observer)
  - Honey collectors/group members (observer)

- **4th visit (2019):** Full compliance verification and electronic awarding of certificate
  - Provision of tools/materials
  - Financial and technical support provided

Pre-, during and post-communication via mobile and electronic channels through network support.
4.5 Regional outcomes and learnings

The Forest Harvest collective mark is still a work in progress. Because of limited human and financial resources, its development has been slow. But the NTFP-EP continues working with existing resources to keep it moving forward. Now, with increased interest among partners, activities towards its development will hopefully accelerate.

The response of community producers from other networks and partner organisations at the recent Forest Harvest Community-Based NTFP Enterprises (CBNE) Forum in 2021 and the ASEAN honey-producers meeting also held in 2021 has demonstrated an increasing interest of partner communities in shared labelling that the Forest Harvest PGS model offers. With the support of the ASEAN Centre of Biodiversity, standards and protocols specific to Apis cerana honey and medicinal plants are now also being developed. There is also an agreement with the centre to engage communities located in key biodiversity parks in the FHCM process. As part of expanding the FHCM honey label to include producers in other countries, there are currently trials of self-assessment and verification activities happening with community partners in Cambodia and Vietnam.

4.6 Outcomes and learnings from the Indonesian pilot

The outcomes and learnings shared here are from the FHCM pilot held in Sumbawa Island (known as ‘honey island’) in Indonesia, involving 3 Lebah22 (the honey enterprise that participated in the pilot activity in 2015–2019) and Sumber Alam (a honey enterprise that was established following the pilot by Ahong Sahabudin, who was one of the pilot observers). This section outlines insights from the verifiers during the pilot and some learnings from the experience of the verification process in Vietnam and Cambodia.

4.6.1 Knowledge-sharing benefits

From the experience of the Sumbawa pilot, the development of the FHCM has had some positive impacts for the participating enterprises and their communities. The process has contributed to raising and sustaining awareness about producing quality forest honey and sustainable harvesting, which will eventually contribute to a more sustainable environment and preserving cultural heritage, not just for M Junaidi Zain of 3 Lebah and Ahong Sahabudin of Sumber Alam but also other stakeholders. The upgrading of the processing centre of 3 Lebah has made it into a place of learning and knowledge exchange for

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22 3 Lebah (meaning ‘three bees’) is a consolidated honey enterprise based in Sumbawa, Indonesian, selling 5–6 tonnes of honey per year. 3 Lebah is a member of the JMHI through its provincial honey network, the Jaringan Madu Hutan Sumbawa (JMHS).
honey collectors, students, and buyers coming from both the island and from other parts of the country.

Junaidi and Ahong have also been invited to different parts of the island to share and to provide training on the quality and sustainability standards they have learnt from the FHCM verification process. These spaces of discussion and knowledge exchange contribute to maintaining interest in the cultural heritage of honey collection in Sumbawa and which may be crucial at this time to securing the operating environment, as forests in Sumbawa are under threat from the expansion of corn farms. Maintaining interest in forest honey and its business potential can hopefully encourage honey collectors to advocate for the protection of their forests from conversion.

4.6.2 Financial benefits

In terms of material wealth, the shared label helped 3 Lebah reach its business objectives of building trust, attracting the interest of buyers and improving the perceived value of the honey product, which translates into increased sales and income. The shared label is recognised as a regional and international mark, which provides a supporting guarantee for the buyers who are already familiar with the processing and facilities of the enterprise. For new buyers, the mark becomes a starting point for discussions about the standards that the enterprise follows. 3 Lebah has also seen an increase in the perceived value of its honey, which is reflected in the willingness of buyers to pay a higher price. From 100,000 Indonesian Rupiah (US$7) per kilo, the enterprise is now selling its honey at 150,000 Indonesian Rupiah (US$10.50) per kilo.

Both Junaidi and Ahong have also felt confident to invest personally in their enterprises. Junaidi tapped into his social assets to secure a personal loan of close to US$1,400 to augment the grant provided by NTFP-EP to upgrade his processing facility. Ahong, who was an observer during the FHCM pilot, invested personal funds to start his own honey-processing centre, learning the techniques directly from Junaidi. Since then, Ahong’s enterprise has grown, with volume sales surpassing that of 3 Lebah. Ahong, who has expressed an interest in adopting the FHCM, has also become an avid advocate of...
sustainable harvesting protocols with other community members. He has even improvised a monitoring mechanism, where other honey collectors send him videos of their honey collection to prove that they have followed the harvesting protocols. Ahong’s story has demonstrated to the NTFP-EP how the FHCM process could inspire community members to engage in sustainable honey enterprises and how local practitioners can use innovate ways to demonstrate adherence to the sustainable protocols. It has also demonstrated the role and power of peer-to-peer transfer of knowledge in the promotion of standards.

4.6.3 Product-quality benefits

The product guarantee system that includes standards, protocols and verification processes behind the shared label means that the community enterprises have solid evidence that their forest honey product is both hygienic and pure. For 3 Lebah, the FHCM verification process has provided the means to upgrade the product quality. Like many honey groups, when 3 Lebah was first visited by the inspectors and representatives from NTFP-EP and JMHI, there was still much room for improvement in the quality of their products and processing. From the verifier’s point of view, the FHCM process has helped to deepen producers’ understanding of how improved production processes lead to higher-quality products. For 3 Lebah, these improvements ranged from simple steps (such as sealing the harvested comb into food-grade plastic containers prior to transportation from the harvesting are to the processing facilities to prevent contamination) to building a separate structure for processing.

In addition to partial financial support, JMHI and the NTFP-EP also provided technical support and help in acquiring necessary inputs. The link between upgraded product quality and markets became more evident for 3 Lebah when its improved, hygienic processing centre generated the interest of a buyer who wanted to export their honey to the USA. This opportunity was, however, postponed due to issues in supply as well as the pandemic.

23 For example, recent study by the Republic of the Philippines (2022) found that 80% of honey tested were not pure but contained sugar syrup.
4.6.4 Factors contributing to success

At this early stage of development, factors contributing to the success of the new Forest Harvest collective mark include:

- Community participation and ownership in processes,
- Existing and expanding networks of multiple stakeholders, and
- Continued efforts to improve and innovate systems.

The first key factor is the participation of the community in systems development. Testing the process through pilots in different areas and drawing from the experiences of different groups has provided additional information that will help in the design of appropriate and effective systems. Community ownership is important as they will help to spread information among other producer groups and will be closely monitoring the implementation of standards and protocols among their peers. Their testimonies and advocacy will help to scale up and replicate the process elsewhere. In the long term, this commitment to quality, sustainable standards and continued participation in a network with shared values and a sense of higher purpose values can also help to strengthen cultural identity.

Second, the Sumbawa pilot has demonstrated the advantage of having established regional to local networks. The networks provide communication channels and, more importantly, the trust that has facilitated the introduction of the FHCM. The knowledge exchange happening within and across the networks has also enabled members to share information and learning from experience about the certification process. In addition, the expanse of the network – not just in terms of numbers of members but also the wide range of different stakeholders involved, including practitioners, technical experts, market partners and financial support providers – has provided the human resources necessary to conduct the verification process and support the pilot. And it is these networks that are key to expanding the reach of the Forest Harvest collective mark. The rootedness
of these people in their communities and realities and their culture of openness to experiment have helped the network find solutions to fit community partners.

Third, the development of governance and monitoring systems is a continuing process that responds to community and market realities. From the 2015 pilot, it became clear that the FHCM monitoring and verification system still required a lot of work. The development process builds on existing experience of partners, for example, in India, Cambodia and in Indonesia, where many of the honey groups have experience in using internal control systems for third-party certification. However, still common to many countries is the difficulty that producer groups have in maintaining documentation, which is problematic as it is key to the verification and certification process. Initiatives to address these problems need to be part of the ongoing systems development and formation of the association.

4.6.5 Challenges and constraints

However, there have also been several observed constraints to the adoption of the FHCM:

- Producer groups still lack an understanding and appreciation of how the shared label contributes to the marketability of their products,
- Producers have different levels of capacity which require different levels of support,
- Documentation and monitoring processes can be considered additional burdens on producers, and
- There is a lack of resources to reach more communities.

The NTFP-EP and eventually the Forest Harvest Association should take care to help their members to reach markets that members are not able to reach on their own in order to provide added value. By consistently working on getting more groups on board, and using its extensive network to make the mark more visible, the FHCM will eventually achieve market recognition, from which FHCM users can benefit. Accompanying technical and financial support should be made available to ensure that producer groups are able to comply with and maintain standards and protocols required by the shared label. NTFP-EP needs to tap into its network in order to engage more institutions and market partners that would be willing to invest in addressing these process gap, especially the weakness in the documentation and monitoring.

4.6.6 Key recommendations

Other key recommendations gained from the FHCM Sumbawa pilot and current expansion into Cambodia and Vietnam include:

- For forest honey, where authenticity and purity are important factors for consumers, a guarantee has been seen to be essential.
The experiences of Junaidi and Ahong, and the rolling-out process of verification in Cambodia and in Vietnam, indicate that further development of the FHCM will be driven by the desire of communities and other stakeholders to participate. This community drive should be leveraged at scale to expand reach of the FHCM.

The regional/international nature of the shared label makes it a more interesting proposition for buyers (such as retailers, wholesalers, consumers) as well as the honey enterprises themselves. The NTFP-EP should build on the regional and international nature of its network to strengthen the reputation of the FHCM.

Simultaneous investments should be made in the development of governance and monitoring systems, marketing, and capacity building of all involved stakeholders: from the producer groups who will implement standards and protocols to the peer groups who will conduct cross checks and monitoring visits. There should be a long-term view in the development of the FHCM.

A shared label does not mean anything until its message is communicated. Information should be made easily accessible so that customers can understand what the FHCM represents. New technology, social media and the NTFP-EP network offer plenty of opportunities to connect with consumers.

Literacy levels and local languages should be considered when designing the processes and the materials. A proposed mix of verifiers should include a member with sufficient literacy skills to lead the interviews and to document and report specific situations, a honey-collection specialist, a honey-consolidation specialist, and one to two members from different honey groups.

A cost analysis should be made to clarify the costs involved as well as to find ways to make the process more efficient. This will also help producer groups to make decisions on whether to engage or not.

Application of appropriate technology should be explored to address difficulties and gaps in documentation and other activities to facilitate the compliance of producer groups with requirements.

A strong capacity-building or training programme for producer groups should run alongside implementation of the standards and protocols. Support providers should be identified at local or national level.

4.7 Concluding findings

The Forest Harvest collective mark will be linked regionally and internationally, thereby bolstering its credibility and visibility. It is a unique mark that embodies multiple consumer values of product quality, sustainability and traceability, with an emphasis on the community and forest source of the products. Building on small, niche markets, the FHCM
has the potential to create and find appropriate wider markets for community products by both guaranteeing the product while providing a story about the forests, the people and their culture. And although it is still in its development stage, the mark has already provided benefits to the producer groups that participated in the pilot, as demonstrated by their continued interest and willingness to make personal investments, several years since they were first introduced to the process. It is these benefits that will motivate producer groups to continue applying the standards and protocols and to advocate for other producers to apply the same in their own operations.

The FHCM’s success is anchored in the implemented standards, solid systems of verification, and complementary support services and communication. Ensuring that the process will not become a burden for participating communities will require continued investments, including human, social and financial resources, and built-in technical and financial support services to ensure communities can apply the improvements necessary to align with the standards and protocols.

But beyond obtaining the mark itself for marketing, participating producers benefit from the process that provides a platform for knowledge sharing, the opportunity to upgrade their operations, and to become part of a regional network with a higher common goal.

The NTFP-EP network – that spans local to international levels – is the key to the potential success of the shared label. The network has provided not just the inspiration for shared labelling, but also the human resources to directly connect community producer groups, the knowledge and technical capacity to conduct verification and monitoring systems and upgrade product standards, and the channels for communication. The network’s presence in various markets and countries in the region also offers the chance to increase the mark’s visibility and credibility in the market. The relationships built in this network based on trust and knowledge exchange are the foundation of a successful shared label.

Acknowledgements

The authors would like to thank the following people for providing information that contributed to this case study: M Junaidi Zain of 3 Lebah honey enterprise, Sumbawa Island; Ahong Sahabudin of Sumber Alam honey enterprise, Sumbawa Island; Mr Hermanto, Indonesian Forest Honey Network (JMHI) president; Theophila Aris Pratami, honey-processing technical expert and ex-JMHI representative; and Edna Maguigad, a legal and policy specialist engaged in registering the FHCM.
5

Working with nature: the Kishan Chautari PGS in Nepal

Kedar Koirala, Racchya Shah and Amit Poudyal

5.1 Summary

Over the last eight years, the National Farmers Group Federation (NFGF) in Nepal has worked in partnership with smallholder farmer groups to identify and pilot resilient and sustainable farming practices that are both replicable and scalable. The aim is to enhance smallholder livelihoods through increased income and improved food and nutrition security while promoting ecological sustainability through the adoption of a participatory guarantee system (PGS)\textsuperscript{24} shared label to promote resilient farming practices based on traditional knowledge. The PGS process monitors producers’ adherence to organic standards and provides consumers with quality assurance. In addition, organic certification means that producers earn higher prices compared to prices for non-organic products.

The PGS is a monitoring and quality-assurance system based on norms and values determined through a local-level multistakeholder participatory mechanism called Kishan Chautari (Farmers Dialogue Forum). Kishan Chautari forum is comprised of producer

\textsuperscript{24} According to IFOAM Organics International, participatory guarantee systems are “locally focused quality-assurance systems [that] certify producers based on active participation by stakeholders and are built on a foundation of trust, social networks and knowledge exchange” (IFOAM).
groups, service providers and government agencies. The forum convenes, discusses and determines issues, challenges and opportunities for smallholder farmers. It also plays an important role in the adoption and monitoring of the PGS process.

NFGF supports smallholders and Kishan Chautari through capacity building as well as building linkages with service providers.

In the past few years, NFGF has successfully adopted a number of models and approaches. Kishan Chautari has proven to be an effective mechanism for implementing and mainstreaming PGS in collaboration with local government. It has engaged three tiers of government to pilot and develop scalable practices, while also ensuring community ownership of the process. It has successfully provided a platform for effective collaboration, communication and coordination among different actors and stakeholders, while also facilitating joint monitoring and cross-learning processes at the local level. It supports the promotion and strengthening of PGS standards as well as integrated livestock and agroforestry production based on traditional practices.

The system has been proven to enhance the sustainable use of natural resources through water-management practices (using wastage water from households, collecting rainwater), soil restoration practices (such as the use of organic farm manure, rotating crops, diversifying crop species, growing legumes and eliminating synthetic fertilisers), organic pest management and the use of local materials. It focuses on promoting climate-smart integrated agroforestry using viable and compatible species to produce a basket of assorted agricultural and agroforestry products while also reutilising less-productive land.

These practices are proven to be scalable because they can generate multiple benefits and services which are socioeconomic (improved livelihoods, food security and income), ecological (soil restoration, moisture retention), and resilient (based on traditional knowledge, diversity and integration). The PGS process has great potential to bring about transformative change.
5.2 Introduction

5.2.1 About Kishan Chautari (Farmers Dialogue Forum)

The Kishan Chautari farmers dialogue forum was initiated in 2017 by the National Farmers Group Federation (NFGF) Nepal (a national-level apex FFPO) with the aim of effectively promoting and strengthening smallholder farmer production and value-addition enterprises. The forum is led by local government in collaboration with NFGF and related stakeholder organisations, including other local FFPOs operating in forest and farm landscapes such as community forest user groups (CFUGs), local-level Federation of Community Forestry Users Nepal (FECOFUN) groups, dairy cooperatives, agroforestry groups and local government bodies (ward and municipality representatives).

The Kishan Chautari forum provides services to smallholder producer groups, such as agroforestry advice, technical information on the organic management of pests and diseases, and advice on insurance for farmers. The forum provides a platform to discuss, plan and execute strategic actions to promote the adoption of best production practices and to increase returns to the producer groups. It also works to decrease duplication in support from service providers, government agencies, projects and programmes operating in the area, and encourages collaboration, leveraging of resources and building synergies among service and support providers. In addition, Kishan Chautari also provides input and feedback from its members on policy processes, planning and budgeting, based on local-level discussions and recommendations.

The forum has also proven to be very significant in driving the participatory guarantee system (PGS) organic certification process. This includes the development of organic standards and recommended resilient and sustainable farming practices that prioritise local traditional approaches. Standards include criteria relating to areas such as transformation periods (from non-organic to organic farming), standards of seed used, the use of organic fertilisers and pesticides, soil nutrition, and water management. Participating farmers who successfully adopt all of the recommended farming practices and standards are granted PGS certification on an annual basis. The process is monitored via a joint monitoring mechanism, where individual farms are inspected by the PGS management committee to ensure they are adhering to the PGS farming standards and guidelines. Figure 5.1 shows how the PGS process is strengthening smallholder farmer production and value-addition enterprises, from the formulation of PGS producer groups to accessing government support, preparing for certification, adopting the PGS standards and regular meetings of the Kishan Chautari forum.
5.2.2 Why adopt the Kishan Chautari PGS shared label?

The PGS shared label was proposed by Kishan Chautari as a value proposition to support smallholder farmers through the monitoring, verification and certification of organic agricultural products. A key motivation was to increase incomes for disadvantaged and marginalised smallholders by adding value to their basket of products through organic certification while also linking their products to wider market opportunities. Participating farmers have been achieving optimum prices for their organic certified products (see Table 5.1).
The PGS currently involves two producer groups in Belaka municipality of Udayapur district, comprising of 43 members (29 women and 14 men) who produce a variety of farm products monitored, verified and certified by the PGS shared label. Each municipality has its own shared label logo (see an example in Figure 5.2). In addition, six other farmer groups in Belaka, Katari, Bhagwanpur and Sakhunankarkatti municipalities including 181 farmers (103 women and 78 men) are also in the process of achieving the organic PGS certification.

Table 5.1 Pre- and post-certification prices for Kishan Chautari organic certified products

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Pre-certification prices (Nepalese rupees)</th>
<th>Post-certification prices (Nepalese rupees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cauliflower</td>
<td>19/kg</td>
<td>32/kg</td>
</tr>
<tr>
<td>Paddy</td>
<td>20/kg</td>
<td>30/kg</td>
</tr>
<tr>
<td>Eggplant/aubergine</td>
<td>16/kg</td>
<td>23/kg</td>
</tr>
<tr>
<td>Bellpeppers</td>
<td>38/kg</td>
<td>53/kg</td>
</tr>
<tr>
<td>Cucumber</td>
<td>33/kg</td>
<td>48/kg</td>
</tr>
</tbody>
</table>

The scaling up of sustainable and resilient farming practices is also in line with local government priorities to promote ecological and sustainable farm production (Organic Agriculture Policy 2063 and Organic Technology Policy 2063 under the Ministry of Agriculture and Livestock Development of Nepal). Several municipalities and provincial governments have now incorporated the Kishan Chautari farmers dialogue forum model into their policies and programmes and have begun implementation. At present, an additional 232 groups in nine municipalities25 involving 5,190 households are now producing diversified agricultural products such seasonal vegetables and agronomic crops.

25 These include Sunkoshi, Chisankhugadi, Siddhicharan, Bhagwanpur, Sakhunankarkatti, Golbazar, Khajura, Badhaiyatal and Godawari municipalities.
The PGS production groups are engaged through group mobilisation, capacity building in leadership development and conducting climate vulnerability assessments of their farms. They also have access to services provided by government and other projects and programmes, including agricultural grants (see Box 5.1). In addition to this, product prices could be guaranteed through a government-regulated mechanism such as the local agriculture act (which is prepared by the local government), which has provisions which allow municipalities to set prices for agricultural products.

**Box 5.1 Agricultural grants for PGS producers**

To mainstream the PGS, the local government supports marginalised and landless producers who agree to adopt the PGS standards and recommended practices with grants to cover the cost of leasing agricultural land for five years. In 2020–2021 the government also provided grants for each PGS producer group in the Belaka municipality equivalent to 110,000 Nepalese rupees. This support will continue for five years for each group.

The PGS system allows producers to certify their products and ensure transparency and integrity along the whole of the value chain (see also Figure 5.3). Although the initial pilot for the PGS did not include a comprehensive market assessment, after scaling up in other municipalities, the demand for the certified organic agriculture products has now been assessed. Kishan Chautari has worked with farmers to establish linkages with organic wholesalers and retailers in nearby urban centres where demand for organic produce is high. In addition to this, municipality offices also provide support through the provision of retail space and services to sell their organic products locally.
5.3 Context: governance, institutions and rules

5.3.1 The PGS management committee

Kishan Chautari identifies potential participating producer groups based on guidelines developed by the local municipality (relating to the annual income of each farming household and land ownership). Following this, participating producer groups must:

- Agree to adopt farming practices following the PGS standard of for organic certification, and
- Form a PGS management committee. Committee members are elected during Kishan Chautari forum meetings and consist:
  - Representatives from the farmer producer groups, including one member elected as a PGS inspector,
  - A PGS facilitator (a representative from the apex organisation NFGF), and
  - A PGS coordinator (a local government agricultural representative).

The management committee is responsible for leading production, marketing and organisational management as well as supervision, monitoring and providing certification. The PGS coordinator and facilitator are elected by default. Of the remaining committee members, one is elected as an inspector and must be knowledgeable about organic production and the PGS criteria and standards. Table 5.2 outlines their roles and responsibilities within the governance structure of the PGS.

The PGS management committee is also responsible for drafting, finalising and presenting the PGS standards to the Kishan Chautari forum, including collecting input and feedback from members to ensure the guidelines are appropriate to the local context. Although the standards have been the same for all of the farmer groups to date, these could vary in different municipalities given local government variations in standards and criteria for organic farm production.
Table 5.2 Governance structure: the Kishan Chautari PGS management committee

<table>
<thead>
<tr>
<th>Actors</th>
<th>Election process</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>PGS coordinator (local government representative/ agricultural focal person)</td>
<td>Elected by default</td>
<td>Facilitates the formulation of annual action plans for the producer groups. The plan incorporates the crop calendar and the roles and responsibilities of each producer in the group. For some groups, the coordinator facilitates savings and credit schemes. The coordinator also facilitates linkages between producer groups and government programmes and services, and with market actors.</td>
</tr>
<tr>
<td>PGS facilitator (local NFGF representative)</td>
<td>Elected by default</td>
<td>Provides technical supervision and support to the PGS inspector and to producer groups in accessing land leases and farming inputs, keeping records and following technical instructions. The facilitator also supports access to the agriculture welfare fund and builds linkages with financial institutions, while organising cross-learning activities (leveraging resources from local government).</td>
</tr>
<tr>
<td>PGS inspector (farmer representative)</td>
<td>Elected by the PGS management committee via the Kishan Chautari forum</td>
<td>Organises at least two joint monitoring visits to individual farmers in collaboration with the management committee and Kishan Chautari to ensure that the production practices of each household adhere to the PGS standards and criteria. Annual certification is granted on the basis of the PGS inspector’s and facilitator’s farm reports following joint monitoring visits and on the recommendation of the Kishan Chautari forum. The inspector also provides on-farm support and monitoring of farming activities, and works with the PGS facilitator and coordinator regarding any technical problems and challenges faced by the farmer groups.</td>
</tr>
</tbody>
</table>

5.3.2 The PGS standards

The PGS criteria, standards and recommended farming practices are identified, piloted and scaled up in coordination with smallholder producer groups, an agricultural knowledge centre, local government and other stakeholders. Box 5.2 provides a full list of the recommended practices farmer groups agree to adopt under the PGS. The PGS also aims to support farmers through the use of resilient technology and farming practices, including:

- **Nutrient-smart technology**: The PGS standards include the production and use of organic biofertilisers and biopesticides based on local resources, organic byproducts and local knowledge and practices, such as jeevamrutha and jholmal (liquid biofertilisers) and beejamrut (a biopesticide). The PGS also supports producer groups to update and improve the efficiency of biofertiliser and biopesticide production.
- **Water-smart technology:** The PGS supports producer group members to adopt efficient water-management technologies such as water-harvesting ponds, greywater-collection ponds, sprinklers, solar irrigation and drip irrigation systems. Support includes capacity building to use the technology and local government subsidies.

- **Energy-smart technology:** The PGS builds the capacity of producer group members to implement energy-smart technologies such as smart nursery tunnels, solar irrigation systems and mulching as well as providing support in accessing local government subsidies.

### Box 5.2  The PGS criteria and recommended practices

- To ensure that *kitta* (land) remains organic, the use of non-organic water should be managed.

- The transformation period from non-organic to organic farming should be at least 6 months and up to one year if red- and yellow-label pesticides have been used.

- The transformation period will be counted from the date of registration of the application for organic farming certification. Organic farming practices should have started by the time of the application.

- Before providing certification of organic conversion status, the certification body may inspect the farm at any time in addition to the last three months of the transformation period.

- Farmer groups must use locally and organically certified seeds. If the group has to use non-organic seeds, the group has to maintain a separate nursery on their organic land and transplant the seedlings.

- For seed production, if the original seed is from a non-organic source and previously planted in non-organic land, it will be considered as organic for the next generation of plants.

- Perennial seedlings can be transplanted from non-organic nurseries. However, in such cases, the production will only be considered organic after six months.

- Hormones and additives can be used while transplanting plants.

- Seeds can be treated organically.

- Post-harvest treatments using organic methods and local knowledge and skills is allowed.

- Non-chemical fertilisers, chemical soil modifiers and plant-growth promoters can be used for soil management.
● When applying livestock dung and slurry, well-cooked manure should be mixed into the soil seven days in advance of planting. Organic manure available on the market can be used immediately.

● Indigenous micro-organisms produced from organic sources can be used to improve the soil.

● Human excreta cannot be used.

● At least one crop should be planted as a main crop in four crop periods.

● Crop residues should not be burnt but should be used to make composted manure.

● At least 20% of the required organic manure should be supplemented by plant and animal products produced on the farm.

● Agroforestry: when planting crops (including fruit trees) at a wide distance apart, the soil should be well covered and the space between should be used for planting other crops.

● Nutrients obtained from mineral sources can be used.

● Non-organic soil should not be mixed with organic soil. In organic areas, avoid using tools used in non-organic areas as much as possible.

● River and canal water cannot be used directly for organic production but water from underground sources can be used (from boreholes).

● Only organic biopesticides should be used for pest control. Measures such as mixed-species farming, using traps and protecting biofriendly organisms should be adopted to control pests naturally, but it is important to seek technical advice.

● Tobacco and tobacco-related pesticides can be used to control pests in the soil but not for weeds.

● If for any reason chemical pesticides have to be used, the farmer will need to reapply for organic certification.

● Feeding and rearing areas for livestock should be organic and local species of livestock should be reared.

● Organic crop and livestock areas should be converted at the same time.

● Livestock and poultry for producing organic milk and eggs should be relocated to the organic area at least 45 days in advance of application for certification.

● Livestock and poultry produced for meat should be relocated to the organic area at least three months in advance of application for certification.

● Grass used for livestock and poultry should come from organic natural resources.
5.3.3 How Kishan Chautari supports the multistakeholder process

The Kishan Chautari forum as a multistakeholder mechanism is very much integral to the current federal governance system of Nepal. Local governments have autonomy and authority to formulate and implement agriculture policies and programmes and the PGS shared label is authorised by the local government.

Aside from facilitating the PGS process, the Kishan Chautari forum also provides an opportunity for interaction between farmers groups and focal government bodies (such as agricultural knowledge centres and local government offices). During forum meetings, farmers take part in capacity-building activities and learn about different provisions in the government plans and programmes and how to apply for subsidised loans and access services. The forum also provides opportunities for farmers to provide input and feedback for drafting and finalising policies, programmes and procedures as well as highlighting any gaps and challenges they face. This process has resulted in more effective coordination and collaboration among stakeholders. According to one local government agricultural engineer from Belaka municipality (local government),

*We have developed the local PGS guidelines participatorily [...] to promote this practice in farmer groups in collaboration with NFGF. We have also included this practice in municipal annual policies and programmes. [The aim is] to strengthen the ecological production and promotion through producer organisations.*

The process requires continuous capacity building for the producer groups and to some extent to representatives of the local government units as well. The producer groups receive training and on-site coaching, agro-advisory services, and advice on developing community and group-level climate change adaptation plans. Cross-learning and peer-to-peer learning opportunities help to accelerate the scaling up of this process.

5.4 Outcomes and learnings

5.4.1 Key outcomes

Through the PGS, smallholder producer groups have been able to implement nutrient-smart, water-smart and energy-smart farming practices. They have progressively decreased their use of inorganic inputs and with on-site coaching and training, farmers have increased their capacity to mobilise local resources to produce biofertilisers and biopesticides. Efficient water management has also been complemented by introducing fish to rainwater-harvesting ponds, while the groups have benefitted from solar energy technologies such as solar irrigation systems.
Following these practices has led to evidence of livelihoods transformation for households and communities. In the piloted group, 43 households have increased their returns from the production of certified organic products. On average, each household has increased their income by 50% for each certified organic product they produce under the PGS shared label. NFGF and local government are in the process of gathering information on the total production, average productivity and average return from sale of certified organic products. By providing linkages to local government agencies and a legitimate basis for organic certification, the PGS process has ensured an increase in profits to the households and a decrease in the costs of production. Other benefits include:

- **Ecological restoration**: Sustainable organic agriculture production practices such as soil and water regeneration, and integrated and diversified production based on traditional practices that prioritise the use of local varieties and discourage hybrids contribute to environmental balance and generate multiple ecological benefits. These practices respect and build on local farming knowledge such as the pesticidal characteristics of locally available plants, local materials used for preparing fertilisers.

- **The benefits of marketing and brand recognition**: PGS organic certification has helped to enhance brand recognition and sales. Its success demonstrates that resilient and sustainable organic farming can form the basis of profitable agricultural production enterprises. This has potential to encourage other producers to also engage in resilient and sustainable farming practices.

- **Better governance and networking**: Building on the principles of mutual cooperation, Kishan Chautari’s PGS process has helped to institutionalise best practice, promote good governance and enhance relationships with local government and other service providers. Through Kishan Chautari, access to services from agricultural and forestry-related service providers and financial institutions has improved.

- **Local government support**: The collaborating local government bodies are invested in the PGS process and have prioritised the promotion of sustainable and resilient farming practices. Local government bodies have supported the process by providing technical and financial support for smallholder farmers.
Market linkages and expansion: The PGS has facilitated strong linkages with market actors who will pay good market prices for the certified organic products. This has increased the confidence of farmers to participate in the PGS.

5.4.2 Challenges to overcome

These impressive results of adopting the PGS shared label over such a short time are due to the communication, coordination and collaboration facilitated by the Kishan Chautari forum. The mechanism has created a common goal and common understanding between stakeholders. However, challenges still remain.

Research and development: To upscale to different areas and ecological zones, more research and development on climate-resilient sustainable farming practices for different agroclimatic conditions are required. This requires local, provincial and national-level governments to invest resources in demonstration and pilot plots using context-specific practices. There is a need to determine the per unit production/productivity of the adopted practices in diverse geographical areas. This information will support the process of replication and scaling up.

Training and capacity building: The producer groups have limited knowledge of how to upgrade and upscale their traditional and local organic production practices. This will need infield practice-based coaching and backstopping to ensure positive outputs. In addition, more producers need to be convinced of the ecological as well as financial benefits of the PGS.

Technical and financial support: Smallholders have limited financial or technical capacity to invest in organic farming. Consistent support from service providers is needed until farmers begin to benefit from improvements in productivity and income.

Joint monitoring mechanism support: Monitoring and inspection require resources, which currently are provided by the local government. As the number of PGS participant producers increases, so too will the demand for resources for monitoring and inspection. The challenge is to convince local government and agricultural line agencies at different level to provide continuous investment for this process.

5.4.3 Lessons learnt

Multistakeholder support: The PGS process requires consistent support from multiple stakeholders, including market actors. The Kishan Chautari forum has been invaluable in bringing together these stakeholders to discuss a wide range of governance, technical and market-related issues.

PGS versus third-party certification: The PGS process is a comparatively more accessible and less expensive way for smallholder producer groups to certify their
products. Although both human and financial resources are needed, it is undeniably a more economically efficient approach than adopting third-party certification.

- **Linkages to market actors**: Another key lesson is the importance of building strong linkages with market actors who are committed to ensuring producers receive a good market price for their certified products, a process which has been supported through the Kishan Chautari PGS process.

- **Consumer confidence**: Using the PGS shared label has developed consumer and retailer confidence and trust in the products, particularly as the PGS logo includes the local government name, adding legitimacy to the shared label.

- **Networking**: The apex producer group (NFGF) can play a critical role in sharing lessons learnt about good practice, challenges among other producer groups and is well positioned to initiate further networking and exchanges between producer groups.

- **Mainstreaming PGS**: If included in the local agriculture act, provisions for supporting the adoption of a PGS shared label could be incorporated into local government programmes and budgets. This would help to mainstream the process for other producer groups. Kishan Chautari can play an important role in providing evidence of success and good practice and in advocating for such provisions in law.

### 5.5 Concluding findings

Through the PGS system initiated by the Kishan Chautari farmers’ dialogue forum, smallholders have been able to produce a basket of products including local crop varieties using resilient and improved technologies based on their traditional Indigenous knowledge. The PGS process provides quality assurance to consumers while building the capacity of participating farmers to practice organic farming methods which are both resilient and sustainable.

The Kishan Chautari multistakeholder approach has also involved the active participation of farmer groups. It has been a knowledge transformation process, which has also helped to build trust between different actors. In particular, the local government has recognised the PGS as way to promote sustainable climate-resilient farming practices more widely and are now mainstreaming PGS into their programmes and budgets. The local government is also leading the process of formulating PGS guideline at the local level and ensuring that recommended practices and standards are adhered to via the Kishan Chautari forum’s joint monitoring and learning processes.

Finally, participating in the PGS and Kishan Chautari forum has helped to boost both the producer groups’ socioeconomic status and their confidence to engage with market actors and relevant government institutions.
Acknowledgements

The National Farmers Group Federation (NFGF) Nepal is a national-level apex forest and farm producer organisation (FFPO) that has been promoting the adoption of the Kishan Chautari participatory guarantee system with local farming groups, local government and others stakeholders to create an enabling environment for smallholder farmers. We are very pleased to share our learning in this case study with others and would like to thank IIED for providing the opportunity.

We acknowledge the kindness and support of the NFGF field team and local government officials for their contribution throughout the PGS process. We would also like to express our appreciation for everyone’s contributions at the different levels of the NFGF structure in raising the issues and voices of the FFPOs who are at the heart of this initiative.

Further reading


Belaka municipality website (Nepali only): www.belakamun.gov.np

NFGF Nepal: www.nfgf.org.np

6.1 Summary

In North Vietnam, where most of the poorest ethnic minorities live, monoculture cultivation without protection measures has led to soil degradation, reduced crop yields and increasing investment costs. Small family farms spend almost 40% of their production value on agricultural inputs (FAO 2018) and most farmers practice traditional farming methods, with little knowledge of agroecology, organic farming practices, market orientation or how to establish value chain linkages – all of which could improve both their productivity, incomes and resilience to climate change, while benefiting the environment through sustainable natural resource management.

This case study describes how adopting organic certification using a Participatory Guarantee System (PGS) has contributed to the sustainable development of the Tan Dong organic pomelo and agricultural services cooperative group (the Tan Dong
cooperative) in Tan Lac district in Hoa Binh province, where smallholder farmers produce and trade red pomelo, a citrus fruit native to the local area. In 2019, with the support of the Forest and Farm Facility (FFF) and the Viet Nam Farmers’ Union (VNFU), the Tan Dong cooperative decided to reactivate a previously stalled Tan Lac organic PGS scheme – and by 2020, the cooperative was again granted PGS certification.

Through the FFF programme, the Tan Dong group received training and support to explore market needs, produce business plans and start organic production through the cooperative group’s Tan Lac organic PGS scheme. As a result, the Tan Lac organic PGS coordinating committee has been reactivated and many groups of farmers have returned to using organic farming methods. The Tan Lac organic PGS has also benefited from and supported peer-to-peer learning between farmers, experts and other stakeholders in the value chain and has attracted attention and support from local authorities.

The Tan Lac organic PGS certification – with its strong branding and stamps of origin for traceability – has brought numerous benefits to its participating members. It has added value to the cooperative’s products, helped to develop new market linkages and promoted their products to a wider range of retailers and consumers, such as clean food organic supermarket chains in Hanoi. A recent FFF field survey showed that PGS member income is now three to four times higher than the income of non-member households, and farmers are now actively promoting the benefits of organic farming to other communities. In addition, members of the Tan Dong cooperative have diversified production to improve incomes and resilience, which has helped to mitigate risks such as the impacts of climate change and the COVID-19 pandemic.

Going forward, and so that it can better support its members, the Tan Lac organic PGS needs to:

- Continue working closely with farmers to create more product lines and provide technical support to improve product quality,
- Connect with more organic businesses, retailers and other organisations to increase its market share,
- Increase its membership by continuing to raise awareness within communities about the benefits of organic farming using the PGS guidelines, and
- Create a fundraising and advocacy board to identify and seize opportunities such as mobilising resources to further develop organic production methods as part of the Hoa Binh province organic agriculture development scheme.

If the Tan Lac organic PGS continues to perform well according to its goals and principles, farmers will continue to benefit from sustainable resource management and enterprise development, helping to build stability and peace, conserve the environment and preserve local cultural identity.
6.2 Introduction

6.2.1 The Tan Dong cooperative and Tan Lac organic PGS

In Vietnam, 89% of agricultural households are smallholder farmers (FAO 2018) with an average farm size of 0.32 hectares (FAO 2015). Smallholders face many challenges in the production and trade of agroforestry products as their farms are often less efficient due to their fragmented nature (World Bank 2016). Farmers often lack access to markets and market information while also facing rapidly increasing costs relating to transportation and inputs, as well as challenges related to climate change and access to financial resources (see for example Mpandeli and Maponya 2014; Thoan et al. 2020).

In Tan Lac district, there is great potential for the Indigenous Muong people to develop sustainable forest enterprises for their forest products. Apart from acacia timber, their main product is the Tan Lac red pomelo fruit, which is indigenous to the local area and grows best in the climate and soil of Tan Lac district. Wishing to realise the potential of their local red pomelo, from 2008 to 2014, 20 farmer groups from Tan Dong, Dich Giao and Phu Vinh communes were supported to establish the Tan Lac organic Participatory Guarantee System (PGS) to certify their organic produce. Prior to certification, both productivity and product value was low, with individual farmer households only retailing to local markets. The new system trained members to produce red pomelo using organic cultivation methods and used the Tan Lac organic PGS shared collective label to certify their organic pomelos and vegetables, improve traceability, and ensure that members adhered to organic production.

In 2016, the Tan Dong organic pomelo cooperative group was established, with 16 members farming a total of 14 hectares. However, they began to experience difficulties. Part of the problem was the challenge of converting from conventional to organic farming, especially in the early years. The practice of organic farming is a long and difficult journey where the health of the ecosystem must be improved with each crop. Another difficulty was that although a Tan Lac organic PGS coordinating committee was established to manage the cooperative, promote the brand and help its members to work together as a group to share learning, it remained relatively ineffective. The cooperative group also lacked the legal status required to participate in agricultural trade fairs to promote its products. Finally, farmers found that there was no difference in the price paid for organic or non-organic produce and as result, ceased farming using organic methods and use of the PGS shared label stalled.
6.2.2 Who does the Tan Lac organic PGS represent?

This situation changed in 2019, when the Forest and Farm Facility (FFF) signed a cooperation agreement with the Centre for Organic Agriculture (COA) of the Viet Nam National University of Forestry 26 to offer farmers training in organic agriculture and how to effectively operate the PGS system. FFF has played an important role in building the capacity of farmers’ organisations and in bringing the Tan Lac organic PGS out of its ‘hibernation’ to realise its potential value. This also helped to re-establish the Tan Dong cooperative and expand its membership from 16 to 25 members, farming a total area of 25 hectares. Although groups from the Dich Giao and Phu Vinh communes are no longer involved in organic production nor have PGS certification, the Tan Dong cooperative is still able to actively support its remaining members in organic production (see also Box 6.1). Figure 6.1 shows the cooperatives and groups currently participating in the Tan Lac organic PGS.

With support from the FFF, the four functional departments of the Tan Lac organic PGS coordinating committee (the technical and training department, quality assurance department, production promotion board and sales promotion board) have been consolidated and reactivated. Difficulties and solutions were discussed during roundtable meetings among farmer groups and cooperative groups in the Tan Lac organic PGS, helping to reconnect members. The Tan Dong cooperative now also has the legal status required to issue invoices and promote their products at agricultural trade fairs.

Box 6.1 About Tran Hong Nang, leader of Tan Dong cooperative

An industrious farmer who is passionate about organic agriculture for sustainable development, Mr Tran Hong Nang has been instrumental in the development of the Tan Dong cooperative. Nang realised the long-term benefits of clean and safe agricultural production and how it could add value to the local red pomelo tree. Based on his expert knowledge of pomelo care and his reputation within the community, he has convinced members of the Tan Dong cooperative to continue with organic production and PGS certification. Nang also provides technical guidance to members of the Tan Dong cooperative and, with the support of the FFF and VNFU, the cooperative now actively participates in the Tan Lac organic PGS. Mr Nang and the other leaders have made the cooperative a bridge between member households and the market and the mechanisms and policies of the Vietnamese government.

26 See https://coa.org.vn
6.2.3 Why adopt the PGS shared label?

In Vietnam, there is a paradox that while the demand for organic agricultural products is high, only 0.2% of this demand is actually covered by domestic production (Christy et al. 2019). In addition, consumers have little way of knowing whether the products they buy are truly organic or if they contain harmful chemicals. For farmers wanting to profit from organic production resulting in healthier produce and a sustainable environment, they need to connect with the market segment of consumers who buy organic products.

Following FFF exchange visits between cooperative groups, the Tan Lac organic PGS members realised that to develop their enterprise they needed to promote the development of the Tan Lac organic PGS shared label, support each other in that process, develop relationships with other actors in the red pomelo value chain, and strengthen consumer confidence in the Tan Lac organic PGS system.

In 2020, the cooperative was granted PGS certification and thanks to the reactivation of the PGS, 100% of cooperative members have returned to organic production. The costs of analysing soil and water samples from where pomelos are grown (about 2 million Vietnamese dong per pomelo hill) was covered by FFF. Members also received training supported by FFF in organic farming methods, including:
Microbiology techniques,

Selective technical advances,

Diversifying crops by canopy layer and season,

Use of indigenous plant varieties and livestock,

Improving soil fertility based on recycling organic materials and increased biomass production, and

Improving farm ecology within the production system to enhance pest tolerance.

During this process, they took photos and shared their stories on social networks such as Facebook and Zalo (a popular app in Southeast Asia similar to WhatsApp). Another FFF training course on market analysis and development (MA&D) supported the Tan Dong cooperative to conduct market research and business planning, by researching and contacting clean food organic supermarket chains and showcasing their products at agricultural fairs. At the same time, they invited representatives from local government, businesses, departments and unions to visit their pomelo farms to promote their PGS-certified products.

To be part of the PGS scheme, farmers must also strictly adhere to the rules governing the use of inputs. Farmers may not use for example chemical fertilisers, pesticides, genetically modified seeds, herbicides or animal manure from industrial farms. This is challenging for farmers who are accustomed to monoculture production, especially due to the loss of yields during the early stages while they re-establish the natural order in the field ecosystem.

With the support of FFF, farmers have also diversified what they produce under the forest canopy to improve their livelihoods. Through peer-to-peer learning, the Tan Lac organic PGS cooperative has begun to experiment with beekeeping and intercropping indigenous medicinal plants.

Cooperative leader Mr Tran Hong Nang providing technical guidance to farmer members © Dinh Cong San

27 ‘Clean food’ (food that is clean of potentially harmful substances such as pesticides or animal hormones) has become a popular health concept in Vietnam and there are now several chains of clean food stores in Hanoi, such as Uncle Tom’s Clean Food. See for example https://toplist.one/top-10-most-prestigious-clean-food-stores-in-dong-da-district-hanoi.
in five hectares of acacia forest (such as basil, ginger, lemongrass and some legumes and vegetables) to diversify income and better control pests and weeds. They have also converted five hectares into large timber forest. Before, pomelo-growing households were not making a sufficient profit from their acacia forest. They lacked the knowledge of how to calculate timber reserves, while prices fetched were dependent on traders. Income from the acacia forest was very low: about 50 million Vietnamese dong (US$2.173) per hectare. Expanding their forest area will help to increase both incomes and the provisioning of essential ecosystem services, helping farmers better respond to the ever-increasing impacts of climate change.

In addition, by sharing quarterly market information, the Tan Lac organic PGS has helped its members understand how to add more value to the Tan Lac red pomelo, for example by improving product quality based on innovation, science and technology, and being creative in improving product designs. Thanks to the PGS, the quality of the red pomelo has been improved. It is sweet, fragrant and succulent – qualities that many customers appreciate. Members are now actively experiment with methods to shape their pomelo fruits (for example the ‘fortune’ pomelo has a particular shape that sells very well during the Lunar New Year in Vietnam). At the same time, they are also experimenting with grafting techniques to create new cultivars. The cooperative was confident enough to propose its red pomelo product to the One Commune One Product OCOP28 programme in 2021, where it achieved a three-star rating.

The PGS shared label has also helped during the COVID-19 pandemic (which affected product sales) and in managing problems related to climate change and adverse weather conditions (which affect the ability to set fruit on citrus trees in the northern region). Thanks to the Tan Lac organic PGS certification and product diversification, the impacts of these risks has been reduced. Members still have enough product to supply to the market (mainly agents and retailers of organic products) and sell at a higher price than

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28 The focus of the OCOP program is to develop agricultural, non-agricultural products and services with advantages in each locality along the value chain.
other conventionally farmed local red pomelo products (average selling price of 20,000 Vietnamese dong compared to 15,000 Vietnamese dong). The main distribution channel is through private traders in the provinces of Bac Giang, Bac Ninh, Nam Dinh, Hanoi and Ninh Binh (see also Figure 6.2).

Figure 6.2 The Tan Lac organic PGS value chain

6.3 Context: governance, institutions and rules

According to Vietnam’s 2012 Cooperative Law, the Tan Dong cooperative is a collective economic organisation, with co-ownership and legal entity, and is established voluntarily by 25 households who mutually cooperate and assist in the production, sales and job creation to meet the general needs of all members. The operation of cooperatives is based on the principles of autonomy, self-responsibility, equality and democracy according to the cooperative law.

The organisational model of this cooperative includes a board of directors, a director, a supervisory board, a treasurer and an accountant. The cooperative has three producer groups including Muong Hai; Bai Trang and Tan Lai (see Figure 6.3). Each group has a
person in charge of technical and marketing functions and the board of directors and supervisory boards are elected during annual general meetings. The board of directors is the management agency, while the supervisory board operates independently and examines and supervises the activities of the cooperatives, in accordance with the law and cooperative charter. According to the social mission of the cooperative, the Tan Dong cooperative also contributes to different funds, including a charity fund and a gratitude fund, and contributes labour towards building local infrastructure such as roads.

Figure 6.3 Organisational chart of the Tan Dong cooperative

6.3.1 General principles: the PGS Vietnam network

Participating PGS farmers must follow the general principles of the national PGS Vietnam network relating to active participation, trust and learning, creating a shared vision and increasing transparency.

- **Participation:** Participation is a prerequisite for building a PGS. Its strength depends on the participation of all stakeholders: the more people involved, the greater the influence. Key stakeholders include producers, consumers, businesses, retailers, trainers, local regulatory agencies and NGOs. Their participation is decisive to sustainable enterprise development, quality assurance, traceability and consumer confidence.

- **Shared vision:** This relates to all aspects of production and operational methods in order to achieve the specific requirements of organic production: that is clean, safe and complies with legal regulations and that it provides a social balance that respects autonomy, local cultures and ecosystems.
● **Transparency:** It is imperative that all stakeholders, including farmers, understand exactly how the PGS system works and how decisions are made. Building transparency into the system includes the following:

- Maintaining clear and updated records and providing public access to data including lists of certified producer groups, production information, violations and sanctions.
- Regular meetings and workshops to ensure that farmers, producer groups and intergroups can share information and learning, including participation in internal audits and decision-making.
- Strengthening equality in the PGS system, as reflected in the organisational structure and collective responsibilities of stakeholders, such as shared responsibility, annual on-farm peer appraisals and transparency in decision-making.

● **Trust:** All stakeholders are jointly involved in developing a shared vision and in establishing and reviewing operating regulations for the PGS system. All producers, farmers and farmer organisations commit to complying with regulations and processes in producing organic products and clean food. Other stakeholders have a role in helping to build the brand and consumer confidence.

● **Learning:** Learning is a key principle behind the PGS system. Sharing learning and knowledge between stakeholders helps to build and maintain a shared vision and keeps the system functioning smoothly. It also plays an important role in developing mutual trust.

● **Feedback mechanisms:** Another key element is that each component in the PGS systems is closely aligned. Feedback mechanisms such as meetings and roundtables help to continually support and develop each component in the system – from local-level meetings between production groups and intergroup meetings for local PGS groups such as the Tan Lac Association, to national-level annual meetings such as the Vietnam PGS. Inspections also provide an important feedback mechanism (spot-check inspections, regular in-process inspections and market inspections).

● **Participatory monitoring:** The use of annual peer-appraisal inspections provides an effective monitoring tool while also supporting farmers to adhere to PGS guidelines and principles. Monitoring is also conducted at various stages of crop development to identify any problems with PGS organic production standards (such as conducting field inspections when there is a high probability of pest or disease occurrence). In addition, PGS Vietnam has a team of volunteer market inspectors who regularly inspect the products of local PGS intergroups. They include business representatives and farmer technicians appointed by retailers from organic supermarket chains to supervise and provide technical support for local PGS groups.
6.3.2 Structure of the Tan Lac organic PGS

The national PGS Vietnam network was developed and approved by IFOAM Organics International in 2012. Currently, the PGS Vietnam coordinating board is the unit that trains and advises local PGS groups. The detailed roles, functions and duties of the members of PGS are clearly defined in the operating rules of each local PGS. PGS certification is issued to intergroups (producer groups that are linked together), which are then supported and managed by the local coordinating committee. When a farming household wishes to join the PGS scheme, they must agree to adhere to the PGS guidelines on organic farming practices and to have their farming activities monitored on an annual basis during peer appraisals. The operational objectives of the Tan Lac organic PGS are to promote the movement of organic agricultural production in Tan Lac district through the functions, duties and powers of the coordination committee, functional boards, intergroups, heads of producer groups, representatives of distributors and retailers, and member farmers. The following sections explain how they participate in the PGS structure.
Farmer households

Farmer households who wish to participate register with the producer group in their region. Their main roles and responsibilities include:

- Learning the principles and methods of organic farming
- Producing agricultural products according to the PGS standards
- Signing the farmer's pledge/farm management plan and committing to adhere to it
- Participating in annual peer-appraisal inspections
- Encouraging and helping other farmers to join the PGS
- Actively participating in group activities (meetings, trainings, inspections)
- Regularly updating their farm management plan

Local PGS producer groups

Producer groups consists of at least five farming households who live close to each other. Their main roles and responsibilities include:

- Supporting member farmer households
- Collecting farmer pledges and ensuring members have a clear understanding of PGS standards
- Production planning and product promotion
- Conducting annual peer-appraisal inspections and producing summary recommendation reports
- Regularly verifying the compliance of farmer members
- Facilitating members to achieve common goals
- Ensuring fairness among members
- Organising member meetings and producing PGS certificates once they have been authorised

Intergroups and cooperatives

An intergroup consists of between two and four producer groups in a certain area and consists of heads of producer groups and other interested parties. Their main roles and responsibilities include:

- Coordinating the finalising of farm management plans and farmer pledges
- Recording and updating members' production data
- Coordinating inspections
Managing certificates and taking action on group violations of the PGS standards and guidelines

Drafting summary recommendation reports to the local PGS coordinating committee

Facilitating members to achieve common goals

Ensuring fairness among members

Local PGS coordinating committee

The Tan Lan PGS coordinating committee members are volunteers with technical and business competence. The committee head and committee members representing the four functional departments are elected by members during annual general meetings organised in accordance with the local PGS regulations and are re-elected every three years. Committee members are selected from the PGS groups. The main roles and responsibilities of the local coordinating committee include:

- Reviewing certification requirements and inspection reports
- Conducting random inspections and sample checks
- Coordinating with functional agencies, institutes, universities, colleges, research centres both inside and outside the province regarding science and technology for developing organic agricultural production in Tan Lac district
- Promoting the expansion of the PGS by encouraging new members and encouraging producer groups to diversify their organic agricultural products
- Verifying and approving proposals from the functional departments
- Issuing identification codes to farmers /producer groups
- Issuing PGS certificates for organic agricultural products within Tan Lac district
- Recording and updating data on the certification status of all farmer groups
- Monitoring, managing and resolving violations of members, businesses and individuals with the participation of farmers and other stakeholders
- Organising annual general meetings
- Supervising the implementation of organic agricultural production processes; reviewing and coordinating with farmer groups to resolve complaints related to organic products in Tan Lac district
- Researching new markets for certified Tan Lac organic PGS organic agricultural products
- Submitting annual reports to the Tan Lac District People's Committee
- Sharing information with PGS Vietnam coordinating board about the board's activities
PGS Vietnam coordinating board

Like the local coordinating committees, the members of the PGS Vietnam coordinating board are volunteers with technical and business competence who are elected at national-level annual general meetings. Main roles and responsibilities include:

- Protecting the interests of local PGS groups and farmer members
- Approving the use of input materials in production
- Maintaining and updating PGS standards and legal documents
- Receiving applications from new local PGS groups and organising them into appropriate intergroups
- Providing training and support to local PGS and intergroups to improve procedures and systems
- Promoting PGS products and communications.

6.3.3 Steps in the PGS organic guarantee certification process

Step 1: Joining a local PGS group

Individual farmers wishing to participate begin by contacting their local producer group. Each farmer must attend a training course on organic farming and PGS organic standards conducted by farmer trainers from the local PGS network and then complete and sign the farmer's pledge. The pledge is to demonstrate that the farmer voluntarily follows the standards and certification procedures of the PGS. Along with this commitment, farmers must also complete and return to the intergroup a farm management plan. The time needed to convert from conventional farming to organic farming ranges from 12 months (for short-term crops) to 18 months (for perennials).

The Tan Lac organic PGS collects a membership fee of 2,000 Vietnamese dong per month from each farmer household, which covers costs such as paying the farmer...
trainers. Farmers also pay for the analysis of soil and water samples from their farm (about 2 million Vietnamese dong). As members of cooperatives or cooperative groups are often farmers with adjacent farming areas, this helps to reduce the number of samples required to be analysed. In addition, farmers contribute to the cooperative's fund every year, which helps to cover the cost of analysis if required.

Figure 6.4 Process for obtaining PGS certification

Step 2: Verifying farm management plans

Once a farm management plan has been submitted, the intergroup/cooperative verifies that the plan is completed and then notifies the producer groups to conduct a peer appraisal.
Step 3: On-farm peer appraisals

Following this, farmers and their fields are inspected by other members of the local PGS producer group. Peer-appraisal inspections take place annually, led by the intergroup certification director. Before the inspection, farmers must update their farm management plan and other records (such as records of inputs used, product sales). In addition, the local PGS coordinating committee will randomly select approximately 10% of farms every year for reinspection.

Producer groups in close proximity conduct peer-appraisal inspections for each other. Each producer group also has three trained farmer inspectors who conduct daily monitoring among their group members and cross-supervision as assigned by the intergroup. If one member of the group violates the rules, the other members of the group will all be subject to the same sanctions.

At least three inspectors from the producer group need to be present for a peer-appraisal inspection, and the PGS handbook for inspectors provides more specific information for the inspection process. The group can send more than three inspectors and they must all sign the group inspection checklist (following a template). Questions include checking that farmers have understood the PGS organic standards they have agreed to follow.

Inspection work includes both a physical inspection (fields, warehouses, primary processing areas, houses, etc.) and farms records and other documents kept by farmers according to regulations. Inspectors also take soil and water samples. Farmers are exempt from this inspection if they have been tested within the previous 12 months or if the farmer has obtained a certificate of organic agricultural production.

At the end of the inspection, the inspection report is read aloud so that the farmers can hear it clearly. If the farmer has any comments, these are also added to the report. The report is then signed by the farmer and the inspectors.

Step 4: Summary recommendations

The intergroup certification committee will decide on the certification status for each farm based on the inspection report, soil and water analysis, and audits. They also check the farmer’s pledge and farm management plan have been submitted. A decision is then sent to the coordination team which includes actions to take if a violation has occurred.

Step 5: Issuing PGS certificates

Next, the local PGS coordinating committee enters the summary recommendations for each farmer into the data system and issues certificates to those eligible. The local PGS coordinating committee then decides whether to approve or change the farmers’ certification status. The certificate is valid for one year from the date of inspection. The certificate contains a unique ID number for each farmer and intergroup ID codes.
6.4 Outcomes and learnings

6.4.1 Key outcomes to date

After three years of operations, with the support of the FFF programme, the Tan Dong organic pomelo and agricultural services cooperative is now much more widely known and as a consequence has attracted more resources and support. In the context of improving food security in Vietnam, PGS certification has also contributed to changing the behaviour of producers and thereby improving livelihoods. It has helped members to understand the needs of the market, increased their sense of social responsibility, created links within the community, and produced sustainable and environmentally friendly products. Some key outcomes include:

- The Tan Lac organic PGS organic red pomelo is now retailed at a large supermarket in Hanoi, BigC Thang Long. It has also been promoted at the international Hanoi Agriculture Fair. As a result, all of the red pomelo produced in both 2019 and 2020 quickly sold out.

- Tan Lac Department of Agriculture and Rural Development has organised training to improve management skills and learning visits to enable members of the cooperative to visit and learn about different fruit-tree production models in Son La and Nghe An provinces.

- From 2020, the provincial Department of Science and Technology now supports the traceability of the cooperative's organic produce with a stamp of origin. The pomelo products are certified by the Quality Control Department for food safety and hygiene standards and a stamp issued. The stamp includes a scannable barcode which enables consumers and retailers to check product information.

- Thanks to PGS organic production, no chemicals are used during cultivation and harvesting, which is beneficial to the health of the soil, the ecosystem, producers and consumers.

- The Tan Lac organic PGS produce has also been promoted and sold via an online shop set up by Viettel (a telecommunications company) to facilitate the distribution of produce during Covid-19 restrictions.29

- In 2021, following a series of roundtable meetings with departments and mass organisations, the local authorities have allowed the Tan Dong cooperative to build a new pre-processing and packaging premises for their organic products.

- Thanks to Tan Lac organic PGS, the lives of cooperative members have been constantly improving. In 2019, the cooperative collected more than 140,000 fruits

from its 20 hectares. In 2020, the total output of pomelos was 250 tonnes, despite the impacts of the pandemic and the weather. With an average selling price of 18,000 Vietnamese dong per fruit, revenue was 2.43 billion Vietnamese dong (US$105,652). This price is high compared to many other crops farmed in the commune and district. Each member household earned 300–400 million Vietnamese dong/ha after expenses. A recent FFF field survey showed that PGS member income is now three to four times higher than the income of non-member households and farmers are now actively promoting the benefits of organic farming to other communities. As a result, in 2021 several more farming households in Dong Lai commune have applied to join the cooperative and the Tan Lac organic PGS network.

6.4.2 Factors contributing to success

The Tan Lac organic PGS has benefited from and supported peer-to-peer learning between farmers, experts and other stakeholders in the value chain and includes some of the most experienced and technically proficient farmer trainers in the PGS system in Vietnam. Using farmer field school (FFS) techniques and learner-centred approaches, including learning from older farmers and those from different ethnic backgrounds, farmers have been given the opportunity to work together to collectively share knowledge, discuss challenges and identify solutions.

The Tan Dong cooperative has also developed its enterprise based on sustainable natural resource management. The Tan Lac organic PGS certification – with its strong branding and stamps of origin for traceability – has brought numerous benefits to its participating members (Table 6.1). In addition, to help overcome initial challenges in re-establishing the PGS system and improving the performance across all components of the system, promoters at all levels and the FFF project management board have provided essential support, including a small grants package.

Uncle Dinh Cong San, a Tan Lac PGS farmer trainer and member of Tan Dong Cooperative speaking at a meeting of Tan Lac PGS in 2021 © Ho Thi Thoan
### Table 6.1 Sustainable enterprise development: the benefits of PGS certification

| **Financial benefits** | • Tan Lac organic PGS helps target the desired market segment (consumers who care about health and the environment).  
| • The PGS has increased the value of products and therefore profits to participating farmers (the price of Tan Lac pomelo has increased by 20–30% since certification) despite farmers now producing less produce compared to conventional farming methods.  
| • Organic farming requires fewer inputs such as fertiliser which reduces costs and improves soil quality.  
| • Indigenous varieties adapt well to local conditions and are more disease resistant.  
| • More diversified production means more income.  
| • Some PGS pomelo products are now sold in organic clean food supermarket chains in Hanoi (including Uncle Tom's Clean Food, Sea Wolf Clean Food, Tam Dat Organic Food). |

| **Environmental benefits** | Following the principles of organic production and sustainable natural resource management, Tan Lac organic PGS is helping to restore ecosystems. The four key principles of the PGS are:  
| • Healthy: Organic farming methods protect the health of producers, consumers and the environment.  
| • Ecology: Organic agriculture works with and preserves ecosystem. Our produce is seasonal and indigenous/adapted to local conditions.  
| • Fair: The PGS system ensures an equitable relationship between producers, suppliers, distributors and consumers.  
| • Care: Organic agriculture respects the environment and preserves natural resources for present and future generations. It improves resilience through the use of appropriate, transparent technology. Crop diversification mitigates risks such as adverse weather, pests and diseases and financial risks. |

| **Social and cultural benefits** | • The participatory Tan Lac organic PGS network promotes and connects all actors in the value chain, while ensuring transparency and fair sharing of risks/benefits.  
| • Tan Lac organic PGS has improved livelihoods and created jobs for family members due to the diversification of crops and livestock. |

| **Institutional and legal benefits** | • Tan Lac organic PGS has attracted resources from other state programmes and policies such as the OCOP programme and the Vietnam product and goods traceability portal.  
| • The PGS has also attracted the attention of the Dong Lai Commune People’s Committee through roundtable discussions and meetings between FFPOs, cooperatives, organic farmer groups, the PGS coordinating committee, the district and provincial farmers’ unions, and local authority leaders. The Dong Lai Commune People’s Committee has now incorporated organic rice production into its plan to expand organic production in the locality. |
6.4.3 Identifying challenges ahead

Despite its success to date, the Tan Lac organic PGS still needs to continue to develop so that it can better support its members. The Tan Lac organic PGS needs to:

- Continue working closely with farmers to create more product lines and provide technical support to improve quality,
- Connect with more organic businesses, retailers and other organisations to increase its market share
- Increase its membership by continuing to raise awareness within communities about the benefits of organic farming following the PGS principles and guidelines, and
- Create a fundraising and advocacy board to identify and seize opportunities such as mobilising resources to further develop organic production methods as part of the Hoa Binh organic agriculture development scheme.

The Tan Lac organic PGS also recently conducted a SWOT analysis with groups of farmers discuss and identify its strengths, weaknesses, threats and opportunities for further development (see Table 6.2).
Table 6.2 Tan Lac organic PGS SWOT analysis

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Tan Lac organic PGS's organic red pomelo products are now well known to many consumers in Hanoi and neighbouring provinces. The products are indigenous to the locality and able to adapt well to local conditions.</td>
<td>• The number of products certified by Tan Lac organic PGS is limited, which also limits its consumer base. Also, although the Tan Lac organic PGS is seeking to diversify its range of organic products, it is still in the testing phase.</td>
</tr>
<tr>
<td>• Tan Lac organic PGS has a team of experienced technical farmer trainers.</td>
<td>• There is not enough uniformity in the shape of its organic products (the shape of the pomelo is a key selling point).</td>
</tr>
<tr>
<td>• Following recognition of its work, the Tan Lac organic PGS has been selected by local authorities and mass organisations to promote local sustainable production models.</td>
<td>• Tan Lac organic PGS still has limited capacity in organising production, conducting business and building relationships along the value chain and with other intergroup/cooperative enterprises and its management board.</td>
</tr>
<tr>
<td>• Farmers in organic producer groups are trained and able to practice organic production.</td>
<td>• Tan Lac organic PGS relies on contributions from its members to operate, but more financial resources are needed.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
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<tbody>
<tr>
<td>• PGS certification is encouraged by the government in Decree 109/2018/ND-CP on organic agriculture. This is a prerequisite for local incentive programmes for organic production.</td>
<td>• Government-management agencies in charge of food safety have not yet recognised and promoted the role of PGS-certified organic products, as PGS has not been officially recognised as a quality assurance mechanism.</td>
</tr>
<tr>
<td>• The PGS certification scheme is appropriate for Vietnamese smallholder farmers both in terms of cost and production organisation. This should help expand organic production to other areas, in line with Hoa Binh province’s organic agriculture development project (2021–2030).</td>
<td>• PGS is only known in scattered locations across the country.</td>
</tr>
<tr>
<td>• Organic farming is becoming more financially attractive to farmers due to price increases in chemical fertilisers in Tan Lac over the past two years (by 100–200%).</td>
<td></td>
</tr>
</tbody>
</table>

30 In Vietnam, mass organisations such as the Viet Nam Farmers’ Union (VNFU) are party-sponsored civil society organisations that remain connected to the state from the central to the village levels, with strong grassroots links and large memberships (Asian Development Bank 2011).
6.5 Concluding findings

If the Tan Lac organic PGS continues to perform well according to its goals and principles, it will help participating farmers to continue diversifying their agricultural production and aid the harmonisation and sustainability of forest landscapes. Farmers will continue to benefit from sustainable resource management and enterprise development, helping to build stability and peace, protect the environment and preserve local cultural identity.

For product certification to work for smallholder farmers it needs to be flexible and accessible, and PGS certification is a typical example. Using monitoring and peer-appraisal inspections, the PGS system has assisted farmers to comply with organic agricultural practices. The products that can be certified are diverse and certification is easy to obtain, especially if groups of local farmers actively participate in their local PGS network. For example, products from the same area can be more easily certified.

The diversity of stakeholders in the PGS coordinating committee and intergroups helps bring together experience, knowledge and skills. The more that is shared and applied in production practice, the more sustainable these smallholder enterprises will become.

Finally, the process of monitoring and supporting farmers, groups and cooperatives in understanding the actual situation on the ground also makes a positive contribution to the FFF programme. It improves the connection between and active participation of stakeholders in helping to find solutions to overcome difficulties and to ensure the smooth running of the PGS system.

Acknowledgements

Sincere thanks go to the Forest and Farm Facility (FFF), the Tan Lac organic PGS coordinating committee, the Farmers’ Union of the Tan Lac district, the Hoa Binh Provincial Farmers’ Union, the PGS Vietnam network, the Viet Nam Farmers’ Union, the Tan Dong organic pomelos, and agricultural services cooperative and the Dong Lai People’s Committee leaders for providing the information used to write this case study.
Sustainable charcoal production in Zambia: a case study of the Choma Charcoal Association PGS

Emmanuel Mulenga

7.1 Summary

Charcoal production will be with us for as long as humans need energy. In Zambia, charcoal consumption accounts for 90% of the country’s total energy requirements, contributing to environmental degradation – and it will be almost impossible to stop its production. However, the real question is: how can charcoal be produced in a manner that sustains both the livelihoods of the producers and the environment at the same time?

To answer this question, in 2017 charcoal producers from the Choma district – one of Zambia’s charcoal production hotspots – decided to form the Choma Charcoal Association (CCA). The aim of the association is to improve sustainable charcoal production. To monitor adherence to its guidelines, the association set up a pilot Participatory Guarantee System (PGS), where the charcoal produced by its members bears a collective trade mark. As a locally focused quality-assurance system, the PGS mark demonstrates that the participating
CCA members now receive support to sustainably produce charcoal, whereas before many chiefs had banned the production of charcoal in their chiefdoms due to environmental degradation caused by unsustainable practices. These bans have since been lifted due to growing evidence of sustainable forest-management and charcoal-production practices brought about by the PGS. The role of the traditional leadership in supporting the PGS is vital at community level – and one chief has even allocated land to a local charcoal producer group for forest regeneration. The formation of charcoal-producing groups across the district and the PGS has also helped to improve adherence to forestry laws and regulations (for example, producers paying production and conveyance licences) and this has significantly increased the revenues collected by the local forestry department.

As a pilot project, PGS has met with challenges along the way. One lesson is that the CCA should have implemented the PGS pilot on a much smaller scale involving fewer groups, so that it could champion, observe and learn from them. Not all the producers in the pilot scheme have been trained in PGS and this has led to little appreciation of the system. Some stakeholders still do not fully understand role of the PGS in the charcoal value chain and that makes it difficult for the producers to easily accept the guidelines. However, at present the CCA does not have enough capacity to provide training or follow up with producers, meaning it may take a while before more producers can participate in the PGS. The COVID-19 restrictions have also impacted negatively on progress, resulting in fewer meetings with producers.

But despite these setbacks, using the PGS as a shared label is a useful tool for monitoring sustainable charcoal production. There are good indications that the Choma Charcoal Association and the PGS will succeed. Compared to the situation beforehand, its groups and members have demonstrated a much higher adherence to both the CCA sustainable production guidelines and district forestry department requirements.
7.2 Introduction

The Choma Charcoal Association is located in Choma district of Southern Province, Zambia (see Figure 7.1). The town of Choma became the provincial capital of the Southern Province in 2011 when the capital changed from Livingstone. Since then, Choma has seen rapid growth in size and its energy needs – including charcoal consumption – have also grown. With an estimated population of 9,416 households (CSO 2012), the monthly household consumption of charcoal in Choma is nearly 1,700 tonnes – or 90% of the town’s total energy requirements (Gumbo et al. 2013).

7.2.1 About the Choma Charcoal Association

The CCA was formed in 2017 with the aim of strengthening and supporting sustainable charcoal production and improving the livelihoods of charcoal producers. The CCA was established with the support of the Forest and Farm Facility and other cooperating partners including the Zambian Forestry Department under the Ministry of Lands and Natural Resources.

The CCA has 949 members, of whom 385 are men, 399 are women and 165 are youths. This membership is made up of the following groups:

- **Charcoal producers**: men and women who produce the charcoal,
- **Traders**: middle men and women who buy charcoal from the producers wholesale and resell to retailers in the city,
- **Transporters**: men and women involved in the transportation of charcoal from the areas of production to the city, and
- **Retailers**: men and women who buy charcoal from traders at wholesale prices to resell at retail prices (both in large volumes or repackaged smaller volumes).

Figure 7.1 Map of Zambia showing the location of Choma district
7.2.2 Why adopt a PGS shared label?

A set of sustainable charcoal guidelines was developed by the CCA for its members to follow – but the challenge came with monitoring how well these guidelines were being followed. To tackle this issue, the CCA developed its PGS shared label for sustainable charcoal production. According to IFOAM Organics International, Participatory Guarantee Systems are ‘locally focused quality-assurance systems [that] certify producers based on active participation by stakeholders and are built on a foundation of trust, social networks and knowledge exchange’ (IFOAM). For the CCA, the PGS system allows producers to certify their products and aims to ensure transparency and integrity along the whole of the charcoal value chain (see also Figure 7.2). Using the PGS, both consumers and producers agree on conditions for production and how adherence will be verified.

The CCA’s motivation for establishing the PGS shared label was twofold. First, it aims to tackle deforestation and environmental degradation. This rate can be slowed through producer regulation by observing sustainable charcoal production guidelines. For example, Zambia loses 300,000 hectares of forest cover to deforestation annually and 25% of this is due to charcoal production (Kalinda et al. 2008). Some chiefs of Choma District had even banned the production of charcoal in their chiefdoms due to high deforestation levels and the loss of ground cover leading to soil erosion. However, some have since reversed these bans upon learning that producers now monitor the sustainability of their production through the PGS shared label.

Figure 7.2 The Choma Charcoal Association charcoal value chain
Second, the PGS shared label helps to improve livelihoods. It provides an incentive for approving charcoal production under community forest management and a tool for stakeholder participation in monitoring sustainable charcoal production. The district forestry department has committed to providing preferential market places for charcoal produced under the PGS. This commitment offers a first-of-a-kind incentive for sustainable charcoal practices in Choma and Zambia as a whole. And although market demand for PGS charcoal has not yet been established, a market survey of the charcoal value chain carried out in 2018 indicates that 89% of the households interviewed would support and pay extra for sustainable charcoal (KATC 2018).

Figure 7.3 Structure of the Choma Charcoal Association PGS groups
7.3  Context: governance, institutions and rules

7.3.1  The CCA and the PGS governance structures

The Choma Charcoal Association and the PGS have different administrative structures. The CCA association is made up of the executive board: the chairperson and vice chairperson, secretary and vice secretary, treasurer, nine committee members from the three chiefdoms in Choma District, and one committee member from Choma town. Below these are cluster leaders. The cluster leaders represent a collection of charcoal producer groups in a specific area (for example, an administrative zone within a chiefdom). These clusters can consist of any number of charcoal producer groups. The CCA also has a cluster in Choma, mainly consisting of traders.

The PGS administrative system is different, and consists of producer families, PGS groups, peer appraisal groups, district coordinating bodies and a national coordinating body. CCA members mostly remain as producers or traders (see Figure 7.3). As a grassroots-based arrangement, it is the members really drive the process and the producer families who make up the building blocks of the PGS groups. The following sections explain how they participate in the PGS structure.

The producer families

As CCA members, individual producer families are responsible for participating in the development of the sustainable charcoal production guidelines and standards (including sanctions for non-compliance). They agree to follow sustainable forest management practices and pledge to adhere to the CCA guidelines and standards. The producer families also participate in peer appraisals of other producers in the local group at least once per year. The families participate in all meetings and trainings, share information and advice, and help to improve the capacity of the group as a whole.

The local PGS groups

The local PGS groups provide the first point of contact for producer families and together they act as a core support network for members. They coordinate and endorse peer appraisals and recommend which producers are to be certified for the year, file declarations/pledges and appraisal forms for each producer, and provide the district coordinating body with information such as production area details, yield estimates and the volume of charcoal produced and sold. The local PGS groups also take action on non-compliance as per sanction guidelines (see the sustainable charcoal guidelines in Annex 7.1). In addition, local groups use study circle groups to share learning and knowledge. They decide on a subject to be discussed during meetings, including sustainable charcoal production practices, marketing and peer appraisal processes.
Peer-appraisal and inspection groups

These are temporary groups which are only constituted during the peer appraisal inspection period. They are responsible for carrying out appraisals of each member on an annual basis and recommending whether members should be awarded a PGS certificate for the following year. The group follows an inspection checklist, summarises the results and submits their recommendations to the district coordinating body.

The district PGS coordinating body

The next level of governance is the district coordinating body. For the Choma PGS, the district coordinating body is composed of the Choma Charcoal Association, the district forestry department (FD), the Zambia National Forest Commodities Association (ZNFCA), the Cotton Association of Zambia (CAZ), WeEffect,31 the district office for community development, the local municipal council, and representatives of the three chiefdoms in Choma district. These NGOs and government departments all have an interest in the district charcoal value chain and sustainable charcoal production.

Based on the peer appraisal group’s summary recommendations, the district coordinating body is responsible for awarding PGS certificates and generating producer IDs to local PGS group members. They also hold training workshops and coordinate local group activities. The coordinating body is also responsible for spot sampling local PGS peer appraisals and provides guidance on sanctions for non-compliance. The body also maintains a system for providing information to interested parties (transparency) such as members of the public and the media, and helps to support and raise the profile of local PGS groups.

The national PGS coordinating body

Although the governance of the PGS at national level has not yet been formalised, three institutions currently work with the CCA on the charcoal PGS: the Zambia Forestry Department, ZABS and the ZNFCA. Efforts are being made by the CCA and the district forestry department to liaise with ZABS to produce sustainable charcoal guidelines and standards for the whole Zambia.

The responsibilities of the national PGS coordinating body include providing linkages to other PGS verification systems in other countries, conducting random inspections

31 WeEffect is a global organisation that aims to strengthen grassroots cooperatives. See https://weeffect.org

Draft PGS group certificate © Emmanuel Mulenga
at production sites and selling points, engaging with the government and lobbying for funding for PGS groups, and linking up with the Zambia Bureau of Standards (ZABS) to legitimise sustainable forest-management standards. The national body also oversees the direction of the PGS groups, although this does not affect the autonomy of local, district and provincial PGS groups.

7.3.2 About the institutions involved

The Choma Charcoal Association is still a relatively young organisation. It has sought the assistance of other organisations in its quest to represent its members’ interests and advocate for a conducive operational environment.

- The district forestry department provides guidance on the provisions of the law and Zambia’s Forest Act regarding the use of forest products, which includes feedstock for charcoal production.
- The Zambia National Forest Commodities Association (ZNFCA) provides guidance on the governance of organisations dealing with forest commodities, including charcoal.
- The Cotton Association of Zambia (CAZ) works with the CCA on alternatives to charcoal as fuel and its network of on-the-ground staff in Choma district has been more visible than the Ministry of Agriculture’s.
- The Forest and Farm Facility (FFF) works with CAZ to promote the use of cotton stalks to make charcoal briquettes as an alternative to cutting trees for charcoal production.
- WeEffect provides guidance to charcoal groups on how to organise and conduct meetings. It has also provided extensive study-circle material on different aspects of sustainable charcoal production and sustainable forest management.
- The Center for International Forestry Research (CIFOR) helps the association conduct forest inventories for CCA members in the Choma district.
- The Kasisi Agricultural Training Centre (KATC) has assisted the CCA to establish PGS as a shared label for its members.
- The Choma district office for community development assists on issues concerning the welfare of producers while the Choma district council authorises the allocation of trading places/markets for charcoal.
- As custodians of most of the areas where charcoal is produced, the three chiefs of Choma district are also involved.
7.3.3 Rules and guidelines

The PGS is guided by the CCA’s sustainable charcoal guidelines. PGS members have participated in developing these guidelines and sanctions, to which they have pledged to be governed by (members of the PGS groups also have to adhere to the constitution of the CCA). Importantly, the sanctions for those who do not adhere the guidelines have been formulated by the group. The guidelines are intended to ensure the smooth running of the PGS operation and to create a shared vision for producers in the implementation of the PGS process.

Figure 7.4 Matrix of organisations involved in the Choma Charcoal Association PGS

[Left] Sustainable tree-cutting methods showing pollarding © Emmanuel Mulenga
[Right] An improved charcoal-producing drum kiln, which emits fewer GHGs than traditional kilns © Emmanuel Mulenga
7.4 Outcomes and learning

The formation of the Choma Charcoal Association has provided a different view of charcoal production for the whole district. In the four years since the CCA began, a number of benefits have emerged. Charcoal producers were once perceived as destructive and careless of the environment. But now traditional leaders, the district forestry department and the police see them protecting the environment and practising sustainable livelihoods. There are so many benefits for those who adhere to the PGS guidelines and the following sections discuss the key outcomes and lessons of implementing PGS in charcoal production in Choma.

7.4.1 Environmental benefits

- The shared label has had environment benefits in the parts of the district where the PGS groups are practising sustainable charcoal production. By following the PGS guidelines, the producers practise selective tree cutting instead of indiscriminate clear felling. The producers also cut trees in ways that allow sprouting. They also use improved earth and drum kilns to produce charcoal instead of the traditional earth kilns, which release more greenhouse gases.

- A key aim of the PGS is to produce higher-quality charcoal than charcoal not sustainably produced. PGS sustainable charcoal (produced in improved earth or drum kilns) has higher carbon retention levels so burns longer than ordinary charcoal (produced in traditional earth kilns). In the long run, consumers will need to use less charcoal and the rate of charcoal production will slow down.

- The PGS label is helping to improve traceability in the charcoal value chain. Before producers can apply for a production license, s/he must obtain a letter of consent from traditional leadership to verify that the production area to be licensed contains the raw materials for charcoal production. The process involves chiefs, headmen/women and other stakeholders in the communities such as local teachers and agricultural extension officers.

- During annual peer appraisals, charcoal producers must be able to produce records of their annual production and allow a physical inspection of their production area as proof that their charcoal comes from a permitted area and was produced sustainably.

7.4.2 Improved livelihoods and incomes

- The use of the shared label has already started yielding economic benefits for charcoal producers. In August 2021, the CCA entered into an agreement with Frontier Capital Partners (an Africa-focused private investment company) for purchasing sustainable charcoal from its members. Part of the agreement is that the buyer will
provide bulk transport, allowing producers to shorten the supply chain and get paid more for their charcoal. However, more business linkages like this are needed.

- PGS charcoal producers now also get first preference in both the issuance of charcoal production licenses by the district forestry department and consent from traditional leaders to operate in charcoal-producing areas. Previously, due to a lack of knowledge about how to obtain a charcoal production license from the district forestry department, charcoal producers were often exploited by traders. Traders would offer them production licenses in exchange for charcoal at a very low price – a move which only befitted the traders.

- PGS group members now have better access to markets for their sustainable charcoal, due to the allocation of trading places by the district forestry department and stricter requirements for proof of sustainable production. This makes it easier for members to sell their charcoal and at a good price, without being undercut by producers whose charcoal is not produced to the same sustainability standards.

- Being part of the PGS has brought recognition to local charcoal producers and made it easier to obtain production and conveyancing licenses from traditional leader and the district forestry department. This has brought benefits to both producers and the local authorities. The district forestry department has recorded a 40% increase in revenues collected from new production licenses between 2017 and 2020. And local headmen and headwomen are also receiving more requests for consent from PGS members to produce charcoal in their local areas.

- Some groups have advanced and are packaging their sustainable charcoal in branded bags. This is in order to distinguish the sustainable charcoal from the charcoal that is not produced following the PGS guidelines. Many people are becoming conscious of the degradation that is happening to the environment and would like to support efforts that can reverse this. The producers are using branding as a way of marketing the charcoal with the message of reducing environmental degradation.

- Working with NGOs and other stakeholders such as the Forest and Farm Facility and CAZ, CCA has helped members of local PGS groups to engage in other income-generating group activities, including savings and loans schemes in the form of village banks, basket making, establishing group tree nurseries for raising tree seedlings, and livestock rearing. This has helped members to reduce their dependency on charcoal production as their only source of income.

### 7.4.3 Capacity building and knowledge sharing

- For education and capacity development, the PGS system supports its members in continuous learning. The PGS is implemented hand in hand with study circle groups, which takes place every one to two weeks. CAZ was instrumental in helping
The PGS groups have also engaged in sustainable charcoal production demonstrations in Sikalongo, a rural community located northeast of Choma District. Following the demonstrations, Chief Cooma has allocated 200 hectares of land to the Sikalongo cluster for forest regeneration (with an additional area to be allocated later), while Chief Mapanza has now lifted the ban on charcoal production in his chiefdom after seeing evidence of the PGS sustainable charcoal production practices.

7.4.4 Lessons learnt

The CCA is still a relatively young organisation and the use of the PGS shared label is only in its early stages. However, some important lessons have already been learnt. To be successful, relevant and sustainable in the long term, any new PGS group must take note of the following key points:

- **There must be a driving need to protect a resource from loss:** In the case of CCA, the wake-up call came from the increased loss of forest cover (Moombe et al. 2020), the growing impacts of climate change (droughts and extreme temperatures) and the realisation that Choma was now a charcoal production hotspot.

- **There must be an existing or developing local market for your sustainably produced product:** The rapid assessment of the charcoal market value chains in Choma (KATC 2018) revealed that 89% of residents would support sustainable charcoal and 65.4% said they would pay extra for it. This showed that there was a developing market that PGS groups could take advantage of. Producers and consumers should work together to agree what the consumers need. In the case of the CCA, the consumers are also stakeholders in the PGS.

- **You need local producers to supply the market:** For CCA members, individual local producers already had a market for charcoal – however, the PGS shared label system enabled them switch to sustainable charcoal production.
The value chain should be short: This helps the producer and consumer to easily trace where the product has originated from. It also reduces paperwork and the distance that the product has to be transported to reach the customer. For CCA members, most of the charcoal is bought by Choma residents.

7.4.5 Challenges to overcome

The CCA still faces some challenges in the implementation of its PGS shared label:

- As a pilot project, PGS has met with challenges along the way. One lesson is that the CCA should have implemented the PGS pilot on a much smaller scale involving fewer groups, so that it could champion, observe and learn from them before expanding the scheme to more members.

- Some producers think the PGS restricts them from producing more charcoal. As with anything new, there is resistance by some charcoal producers to joining the PGS groups and eventually becoming members of the association.

- Implementing the PGS is currently limited by a lack of resources. Neither the CCA nor the district forestry department has the capacity to cover the whole district to sensitise other producers about sustainable charcoal production or the benefits of joining the association. Some members are discouraged and feel they cannot compete with the larger numbers of non-member producers who are still producing charcoal using unsustainable methods in the district. However, non-members are at a higher risk of facing exploitation than those belonging to the association.

- Capacity building of the local PGS groups is a key challenge for the CCA. Some groups are resistant to paying their annual affiliation fees and this may point to a lack of understanding of the role the association plays in the charcoal value chain. It is important that leaders of the PGS groups are helped to value the existence of the association and understand that the association is there to protect their interests.

- So far, apart from the district forestry department, CCA, ZNFCA and CAZ, the rest of district coordinating body has not been very active. There should be deliberate policy to require stakeholders to avail themselves for meetings and activities as the impact of the PGS scheme will be higher with their involvement.

- COVID-19 has had a negative impact on scaling up the PGS system. Due to pandemic restrictions, the groups were only able to meet a few times to discuss processes and establish institutional arrangements. However, many producers have access to mobile phones and it is hoped that this technology can be used by producers to share information about charcoal production and markets, other than only relying on physical meetings.
7.5 Conclusions

The Participatory Guarantee System is a very good tool for encouraging and monitoring the production of sustainable charcoal and providing assurance to the consumer that production follows sustainable forest-management practices. The Choma Charcoal Association aims to encourage sustainable charcoal production that both meets energy needs while protecting the environment and providing benefits to producers such as better marketing opportunities and protecting them from exploitation. However, the CCA needs more assistance from stakeholders such as the district forestry department so that it can strengthen local PGS groups in their quest to continue sustainable charcoal production.

Acknowledgements

I would like to thank the International Institute for Environmental Development (IIED) for making it possible to write this case study. Many thanks also go to the Choma Charcoal Association (CCA) executive committee members for their time and patience while I interviewed them for this study and to the provincial and district forestry officers in Choma for the valuable information they provided. I would like to express my deepest thanks to the Forest and Farm Facility (FFF) of the UN Food and Agriculture Organization (FAO) for the linkages it has continued to provide between my institution and other partners. I would also like to thank the staff from the following organisations for their help:

- Zambia National Forest Commodities Association (ZNFCA)
- Cotton Association of Zambia (CAZ)
- WeEffect
- CIFOR Zambia
- The representatives of the three chiefs of Choma district, and
- Kasisi Agricultural Training Centre (KATC)

Annex 7.1 Sustainable charcoal guidelines

The CCA’s guidelines provide regulations for the sustainable production of charcoal to be verified against. The guidelines cover forest management, tree selection and felling, construction of kilns and packaging, transportation and sales.

Forest management

- All charcoal production must be carried out in approved areas. Those involved in granting approval include traditional leaders, the district forestry department, the CCA, community members and line ministries.
- All sites for charcoal production must be demarcated into coupes (an areas of 6 hectares of forest) (plus look other resources, size of group e.g. BioCarbon Partners).
- All production areas must be protected from fire.
- All burning should be done early in the year (April to June, depending on ecological zone).
- Producers must have measures in place to prevent erosion (such as contour ridges, contour trenches, grass strips or terraces).
- Collection of naturally dry branches from the forest is permitted, as is the collection of mushroom, caterpillars, medicines, leafy foods, wild fruits and beekeeping, including non-commercial sustainably harvested timber.
- No other activities should be undertaken in the sustainably managed forest (such as grazing or cultivation). A holistic view of resources is needed.
- All producers should participate in tree nursery management for the purposes of agroforestry.
- Species used for charcoal production such as *Brachystegia boehmii*, *Brachystegia manga*, *Brachystegia longifolia*, *Combretum molle*, *Julbernardia globiflora* and *Julbernardia paniculata* should be successfully regenerated by coppicing from stumps and from root suckers and seed. Regeneration of these species must be well distributed throughout the miombo forest. Care should be taken not to over cut *Colophospermum mopane*. Cutting should result in a clean stump no higher than 30cm to allow coppicing.
- Alternatives to bark rope should be used for tying charcoal sacks, such as jute.
- Each producer must follow the re-entry period into the coupe. Ecological forest regeneration rate must be decided by the group (and endorsed by responsible leadership).
- Excess stump coppices must be removed (farmer-managed natural regeneration) and used for other purposes. The strongest one or two shoots should be left to grow into a mature tree.
- Each charcoal producer group must be linked to a community forest management group. Environmental by-laws should be developed specific to the groups’ own area. The management of sanctions must align with the local chiefdom’s laws and some sanctions can follow traditional rules (such as being expelled from an area for non-compliance).

**Tree selection and felling**

- All producers must practice selective harvesting of trees of multiple age classes for charcoal production (the sizes to be specified).
- Cutting fruit trees such as *Uapaca kirkiana*, *Anisopylea boehmii*, *Parinari curatellifolia* and *Strychnos spp.* for charcoal production is not allowed. It is also not allowed to cut
trees such as *Pterocarpus angolensis* (known as ‘mukula’ or ‘mukwa’) for charcoal as they have a high commercial value.

- Cutting caterpillar trees is discouraged. Other ways of harvesting should be found (such as shaking to dislodge dead branches).

- Only trees with diameter of over 15cm (20cm–30cm or equal to the diameter of an adult's leg calf) may be cut for charcoal production, although exceptions may be granted. Producers should also consider alternative charcoal species in woodlots such as bamboo.

- All trees shall be cut 30cm from the ground except for those which have a buttress or root swelling. Such trees shall be cut at a point immediately above the buttress or swelling.

- All stumps should be cut at a slant (45-degree angle) to discourage stump rot and promote regeneration. The sanction for first-time non-compliance is sensitisation; the sanction for second-time non-compliance is suspension.

- The stump of the cut tree shall be trimmed of splinters immediately after felling to encourage strong and numerous coppice shoots.

- All branch wood and waste derived from felling the tree or trees shall be lopped to ground level by the charcoal producer and cleared away from all growing trees and live stumps for a distance of at least two metres.

- Do not remove/uproot or burn cut stumps. The sanction for non-compliance is expulsion.

- The bark of the cut stumps must not be damaged by peeling it off. The bark helps to conserve moisture.

- Producers who allow livestock to browse in their forest must practice pollarding: pruning off the crown (top) and branches of the tree and leaving it to grow new branches from the top of the remaining stem. Pollarding encourages growth at a high level.

- Mechanised felling is not allowed. In coupe systems, chainsaws shall be allowed together with mapping of trees to be felled.

**Construction of a kiln**

- All charcoal must be produced using an improved kiln (improved earth/traditional, brick or the metal kilns), depending on availability of resources. These improved kilns must be approved by the CCA/PGS groups and sizes standardised.

- The systematic arrangement of logs in an improved kiln must be followed.
Wood must be selectively cut to appropriate sizes for optimum stacking and allowed to dry for a period of 8–10 days to reduce moisture content. The type of kiln used determines the diameter of wood to be cut. Branch wood should be 15cm and above. An improved earth kiln requires a 15–25cm diameter.

Wood must be stacked as tightly as possible with smaller pieces of wood fitted into any gaps to allow for better heat transfer.

Storage, packaging, transportation and selling

Never mix sustainably produced charcoal with other charcoal. This would be highly punishable.

Charcoal packaging must be clearly labelled ‘Sustainable Charcoal’ and include the producer’s PGS code number.

Sustainable charcoal should only be sold through agreed channels.

All sustainable charcoal should be packaged and stored in bulking centres and at market centres.

All packages must be sealed at original packaging site.

General sustainable charcoal PGS guidelines

Areas that are identified for charcoal production must be inventoried and then endorsed by the district forestry department in collaboration with traditional leadership. Producers must take part in the forest inventory with the forestry department or any other support institution such as CIFOR or the local authorities.

All producers must participate in mapping their charcoal production areas in collaboration with the local traditional authorities, council and forestry department.

All producers must be registered with a sustainable charcoal PGS producer group and obtain a code number from the district forestry department.

All producers must attend the sustainable charcoal PGS meetings of their group and be listed in the register.

All producers must undergo sustainable charcoal PGS training.

All producers must pledge to abide by the PGS group’s sustainable charcoal requirements.

All producers must be willing to follow the sustainable charcoal production regulations and accept the agreed sanctions if they are found to be non-compliant. If they discover a non-compliant member, they must encourage them to stop or report them to the authorities.
All producers must successfully complete an annual peer appraisal of at least one other producer and have had a successful annual peer appraisal of their own production site.

Other stakeholders must be part of the teams during appraisal inspection.

All producers must understand the role of each of the stakeholders in sustainable charcoal production value chain.

All producers must keep records of their production and sales activities.

All producers and their family members must practice and participate in sustainable forest management activities. They are encouraged to open a forest regeneration plot and establish woodlots at or near their homesteads to harvest poles for use in construction, fodder banks for livestock, fertility trees, etc.

All producers must follow the regulations of their local leaders and the forestry department regarding production and sale of sustainable charcoal.

Proposed monitoring and institutional arrangements for PGS

Traditional leaders at community level will approve areas for charcoal production (in consultation with forestry department).

Traditional leaders are also responsible for assessing the summary recommendations of annual peer appraisals and endorsing PGS compliance certificates, which are then issued by the forestry department.

PGS certificates are issued to the PGS group and individual members will be monitored by the group and other stakeholders for compliance.

The forestry department will have the authority to revoke the PGS certificate for non-compliance.

Proposed marketing of PGS-certified charcoal

The Choma Charcoal Association in collaboration with local government must arrange a designate area for marketing PGS certified charcoal.

The forestry department and/or the CCA must provide a label for certified charcoal.

The forestry department and the CCA will promote the PGS system and its certified charcoal via community radio stations and other media.
8

Shared labels: conclusions and lessons learnt

8.1 Introduction – the relevance of shared labels for FFPOs

Collective biocultural heritage and environmental sustainability labels and standards labels, supported by certification, are an innovative marketing tool that can differentiate between products. In this way, they provide a counterbalance to commoditisation. This can increase the diversity of products and value chains and enhance climate resilience, biodiversity conservation and social justice. By valorising product diversity, sociocultural origin and environmental sustainability shared labels open up new market segments, give pricing power back to producers and may provide ecological, economic and sociocultural benefits not just to producers, but to consumers and the wider general public.

The wide range of advantages that shared labels and certification schemes may offer to FFPOs and smallholder producers has been detailed in Chapter 1. Smallholder producers in particular may find them to be a useful way to reliably distinguish products (increase sales volumes), attract new customers (reduce exposure to market risk) and shift willingness to pay (increase sales price). This allows them to focus on ‘quality’ characteristics in the marketplace, rather than competing on cost through scale or uniformity. The capacity to do that in practice depends on how well these quality characteristics are communicated by the label and how credible they seem to the
consumer. Finally, smallholder producers may be motivated to use certification and labelling to legally protect their biocultural heritage and natural endowment.

From the consumers' perspective, there is now also growing evidence of an increasing demand for locally, fairly and sustainably produced products and services not just in international markets of the global North, but also increasingly among the markets serving the middle classes in countries of the global South.

So how can FFPOs and their members take advantage of shared labelling and certification schemes from a practical point of view? Each case study in this collection has provided us with:

- a detailed look at how the motivation and idea for a shared label came about,
- an introduction to how each business adopted its label and their associated value chains,
- an overview of the institutions, rules and governance arrangements for each label and their associated certification systems, and lastly
- the outcomes and learnings.

We analysed the case studies using the following framework to understand:

- their motivation for collective action
- their choice of what claims to make
- their control over the standard behind the claim, and
- the importance of context for outcomes.

While the case studies represent slightly different stages of progress in the development and adoption of a shared label or certification system, they are all still at a relatively early stage. Nevertheless, a range of effects and benefits can be already discerned, and several useful lessons can be deducted.

As the case-study examples in this collection are situated in different contexts, in this summary chapter we start with an overview of key similarities and differences between each case. We then summarise the benefits producers identified since adopting a shared label or certification system. Finally, we review the lessons learnt in each case study and provide recommendations for FFPOs considering the adoption of a shared label as well as recommendations for policymakers wishing to support them.
8.2 Overview of differences and similarities

8.2.1 Motivation for collective action

The initial push to establish a shared label can come from different sources. The preceding chapters document such diverse sources of initiative:

- an apex FFPO (NFGF in Nepal and Anproca in Bolivia),
- a network organisation (NTFP-EP in Indonesia),
- producer organisations and cooperatives (Grupo Chakra in Ecuador and Tan Dong Cooperative in Vietnam), and
- a collective effort by an FFPO, a national government authority and an intergovernmental organisation (Choma Charcoal Association, the Zambian Forestry Department and the Forest and Farm Facility in Zambia).

What seems to be universal in all cases is that a common selling point and a shared value among the different stakeholders of the label was the inspiration for its creation. Having a strong shared value as the basis for organisation can translate into a strong basis for label development.

8.2.2 Market targeting and positioning

Also common in all cases is a growing demand for chemical-free and sustainable products, whether this is international, regional, national or local demand. However, in only one case was a market assessment conducted prior to initiating the development of a shared label (Indonesia). In the other cases, demand was estimated and assumed rather than concretely documented (Nepal, Vietnam, Ecuador, Bolivia, Zambia). In addition, each label described here is in its early implementation phase so it is difficult to assess their marketing impact.

Initial market assessments are vital for designing label standards that correspond to market demand and for developing successful marketing strategies based on these assessments. Each target market demands of the label owners the development of distinct quality criteria, marketing and networking strategies. The labels portrayed in this study differed significantly in what type of markets the label owners were targeting:

- Local markets (Kishan Chautari in Nepal and CCA sustainable charcoal in Zambia)
- National markets (Tan Dong organic pomelo cooperative in Vietnam)
- Regional markets (Forest Harvest collective mark, although this was piloted initially only in Indonesia), and
- International markets (Amazon Chakra Seal in Ecuador and Cafecito Boliviano in Bolivia).
All case studies showed evidence of better market positioning achieved through the shared label. The improved market position was exemplified in:

- Price premiums achieved for certified products
- Preferential market positions (physical and online) afforded to producers
- New market linkages established with a wider range of retailers and consumers, and
- Boosted self-esteem for smallholder producers to engage with markets.

Despite these achievements, all case studies also indicated various ways in which market positioning could be improved in the future, by:

- Developing demand for sustainably produced products locally and nationally
- Increasing production volumes for better access to export markets
- Developing more market linkages, and
- Improving internal marketing capacities of FFPOs.

8.2.3 Choice of what claims to make

The standards behind the labels differed in focus. There are some with a strong focus on sustainable production methods (such as the sustainable charcoal PGS in Zambia of the Choma Charcoal Association, the Tan Dong organic pomelo cooperative's Tan Lac PGS in Vietnam, or organic agriculture promoted by Kishan Chautari in Nepal). Others are centred more around biocultural heritage (such as the Forest Harvest collective mark marketing products with forest origin, or the Amazon Chakra Seal in Ecuador promoting traditional farming systems) or base their collective mark on geographic origin, such as high-altitude coffee marketed by Anproca in Bolivia.

The labels presented in this study also differed in the complexity of value claims producers were aiming to make. The claims made by the labels ranged from a simple single claim to a holistic multiple value claim. The Amazon Chakra Seal and FHCM fall in this latter category as they encompass a range of different claims. While the Amazon Chakra Seal signals an entire cosmovision behind labelled products ranging from agroecology and traditional knowledge to gender, the Forest Harvest collective mark represents sustainable production, products from forest and community sources, and good product quality. On the other hand, other labels focus their value claim on a sole aspect, such as the Tan Lac PGS label for the Tan Dong cooperative in Vietnam, which only claims that it uses organic production. The advantage of a single claim is that fewer standards need to be adhered to by producers, potentially opening up its use to a larger number of producers. Multiple claims on the other hand can provide greater exclusivity and better-defined market niches.
Labels may also refer to an entire production system such as the chakra system in Ecuador or eco-agriculture systems in Nepal, both of which produce and market a range of products under a shared label. In other cases detailed in this study, shared labels are sought for one sole product or product type, such as charcoal produced by CCA members in Zambia or organic pomelo products produced by the Tan Dong cooperative in Vietnam. With increasing complexity of the value claims, more marketing options open up for label owners, but so do more complex systems of documentation and verification.

### 8.2.4 Control over the standard behind the claim

This study also identified variation in who determined which standards were required for authorisation to use a shared label. In the case of CCA sustainable charcoal in Zambia, the producers themselves play an active role in determining the criteria for certification. For the Tan Dong cooperative in Vietnam, a government body set these criteria to be used nationally by all PGSs in the country.

These two cases also highlight another key difference in how the certification process is set: the CCA PGS extends to the whole value chain including producers, traders, transporters and retailers, whereas the Tan Dong cooperative’s Tan Lac PGS only includes the certification of producers themselves, while traders and sellers of Tan Lac PGS-certified products are able to handle non-certified products as well. Common to all shared labels introduced in the case studies is that PGS is either already used or planned to be used as the certification tool. This highlights the universal appeal of cost effectiveness, knowledge exchange, participation and transparency that distinguish PGSs from other certification systems.

### 8.2.5 Importance of context for outcomes

Lastly, the case studies point to differences in pre-existing organisational structures and production systems. The Cafecito Boliviano label for instance is being introduced to valorise the existing ways in which coffee is traditionally produced in Bolivia’s highlands, by smallholder producers using organic production methods. In contrast, in the Vietnamese case of the Tan Dong cooperative, the aim is to actively encourage a shift from conventional to organic pomelo production so that the cooperative’s members can apply the collective Tan Lac PGS label.

There are also differences in context relating to organisational structure. Some of the cases involve pre-existing producer organisations (such as the Grupo Chakra in Ecuador, Anproca in Bolivia, 3R in Indonesia and NFGF in Nepal) seeking to introduce a shared label for their existing members’ products. Others show how new organisations like CCA Zambia have been created with the aim of achieving a shared label. Naturally, necessary organisational development investments differ widely between these two options. Nevertheless, common to all cases in this study is the initial external investment,
facilitation and capacity building necessary to kick-start the shared label and required certification process.

8.3 The demonstrated advantages of shared labels for local producers

The range of potential advantages forest and farm producers could gain from being part of a shared label initiative are manifold and detailed in Chapter 1. The producers and their associated organisations in the case studies were able to confirm a great number of these benefits. The seven points below summarise some of the main advantages a shared label has provided to local producers and their communities:

1. **Quality is incentivised**: Shared labels incentivise producers to increase adherence to local sustainability guidelines and regulations and become more aware of sustainable production methods. This creates several environmental benefits such as forest and biodiversity conservation, water quality improvements and soil restoration.

2. **Recognition and revenues are enhanced**: Shared labels with a sustainability focus have been proven to increase the recognition of local producers’ efforts towards greater sustainability and resilience. They have also positively changed the perceptions of local authorities and other stakeholders about the impact local producers have on their environment, thereby increasing support. Local authorities in turn benefit by increased revenues through the increased legality of production activities.

3. **Biocultural heritage is reinforced**: Shared labels reinforce local values and identities, with producers becoming more aware of the value of their biocultural heritage. This gives producers and their communities greater confidence in advocating for an upgrading of their enabling environment. Shared labels have been seen to be effective development tools when the distinct biocultural heritage and identity of vulnerable and marginalised groups is valorised by the label.

4. **Collective action is strengthened**: Shared labels can encourage the formation of marketing groups, when there is a clear distinction from other producers that gives the grouping a purpose. Even in cases where producers were organised in groups, associations or cooperatives prior to the adoption of the shared label, the introduction of the label has proven to enhance coordination and collaboration among producers, service providers, local authorities and other stakeholders. Through shared labels, producers and their organisations may become part of a network with a higher common goal and a strengthened common voice.

5. **Returns are diversified and improved**: Shared labels are effective marketing tools that allow local producers to expand their marketing options and venture into previously inaccessible markets and command higher prices for the value claims the
label represents on their products. Over time, shared labels may also be useful in providing market access to lesser-known producers, who may ride on the recognition of the shared label and other better-known producers in the network.

6. **Market scale and power are increased:** Shared labels offer the opportunity to bulk production output among producers who have adopted the label. Producers may thus gain more bargaining power with transporters and traders. Through improvements in traceability that shared labels and their required certification processes deliver, consumers' trust increases and the reputations of producers and their organisations are boosted.

7. **Experimentation is encouraged:** Adopting a shared label often inspires product quality improvements and presents an opportunity to upgrade operations. Once the good reputation of a certain shared label is established in the target market, producers have the opportunity to diversify and develop differentiated product types to capture more market segments and increase their resilience. Often upgrades and differentiation in products are achieved by peer-to-peer exchanges and other continuous cross-learning processes at local to regional levels.

Table 8.1 Overview of shared label benefits in each case study

<table>
<thead>
<tr>
<th>Label benefits</th>
<th>Forest Harvest collective mark</th>
<th>Amazon Chakra Seal</th>
<th>CCA sustainable charcoal PGS</th>
<th>Tan Lac organic PGS</th>
<th>Cafecito Boliviano</th>
<th>Kishan Chautari</th>
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<tbody>
<tr>
<td>Quality incentivised</td>
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<tr>
<td>Recognition and revenues enhanced</td>
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<td>Biocultural heritage reinforced</td>
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<tr>
<td>Collective action strengthened</td>
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<tr>
<td>Returns diversified and improved</td>
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<td>Market scale and power increased</td>
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<td>Experimentation encouraged</td>
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8.4 Lessons learnt and recommendations for FFPOs

In their efforts to adopt a shared label, the experiences of the case study organisations during the label and certification development process provide us with several lessons learnt and recommendations for other local producers and their organisations wishing to embark on a similar journey.

8.4.1 Defining origins

- Purposes behind labels must be strong: The case studies make it clear that to ensure widespread acceptance of the requirements enshrined in collective marks, there must be a widely recognised driving need to protect a resource from loss, whether this be natural endowments and natural resources or biocultural heritage and traditional production systems.

- Benefits of collective action to develop a label must be clear: Besides recognition of a need to protect these resources, producers need to be convinced of the economic and social benefits collective marks can offer them. This is essential to ensure wide participation and ownership in the processes and outcome. Encouraging active participation, developing trust among participants and stakeholders, enabling continuous learning, fostering a shared vision, and increasing transparency are all necessary in moving towards ownership of the shared label and its certification requirements. Nonetheless, ownership does not come overnight, and sustained efforts and input are important.

- Communication with the consumer is key: While having an existing or developing market for the products to be labelled is essential, creating a shared label does not yet guarantee increased marketing advantages. Label owners and their support networks need also to actively communicate the message or story their label tells. An initial market assessment can help to identify potential target markets and provide indications on how best to formulate the communication strategy. This is especially important when the label is not a ‘known’ certification label, such as FSC or Fairtrade.

8.4.2 Building relationships

- Partnerships are essential for label development: In the case studies, the involvement of a range of stakeholders in the process of developing the shared labels has been crucial. These can include local authorities, academia, traders, consumers, non-governmental organisations (NGOs) and civil society organisations (CSOs). Using existing, expanding or setting up new multistakeholder forums have proven to be useful. Some of initiatives portrayed here have created designated bodies for fundraising and advocacy to be able to engage with external stakeholders in a coordinated way.
● **Enabling legislation helps enormously:** All of the case studies have shown that supportive local and national legislation is vitally important for shared labels to be successful. The legal requirements and conditions for official recognition of shared labels vary considerably from country to country and need to be assessed prior to embarking on creating a new label. The choice of how producers may engage in a shared labelling scheme is as much a question of their socioeconomic priorities as well as of legal feasibility. Public policies on the use of shared labels provide not only an institutional framework, but also possible support for the various stages of the setting-up process.

● **Second-party certification schemes are cheap and work for local and regional markets:** Second-party certification systems, in particular PGS, have been found to be useful and feasible in all cases where local to regional markets are targeted. This is especially the case where authenticity and purity are important factors for purchase decision. But developing such participatory certification schemes and their numerous components is time consuming and requires active involvement from all relevant stakeholders. Not only the development but also the internalisation of the requirements of the certification process take time. The case studies make clear that PGS needs consistent support and stakeholder dialogue. There is also some recognition that PGS might not be the best certification approach when international markets are targeted as bilateral trade agreements and do not necessarily recognise the validity of second-party certifications. Where local or national markets are of insignificant value to the owners of shared labels, they might be obliged to choose the more costly route of third-party certification, which makes the label accessible to fewer producers and producer organisations who have the necessary financial means at disposal.

### 8.4.3 Ensuring adaptability

● **Keeping it simple can mean the difference between success and failure:** The case studies illustrate that certification systems for shared labels should be appropriate for the realities of local communities and their products. Documentation and monitoring processes required for certification can be an additional burden on producers and they should be kept as simple and affordable as possible to allow wide accessibility and to reduce transaction costs. In general, the shorter the value chain, the simpler the traceability requirements and the shorter the necessary documentation.

● **Make labels transferable across products to allow for diversification:** When setting up a certification scheme and developing standards for a shared label, it may be wise to do it in such a way that the resulting system can accommodate several product types to allow future potential product differentiation and diversification by label owners. Local producers who rely on diversified livelihood portfolios and are
more likely to be forced to change their survival strategies in the face of shocks and externally imposed changes to their operating environment require certification and standard systems. By allowing a shared label to embrace a set of minimum standards that can be adapted to the context of different locations increases the possibility of including more producers under the same label as well as increasing the visibility of the label in an expanded market.

- **Allow enough time and resources for labels to become established:** Once plans for producers’ ownership, stakeholder engagement, marketing strategies and certification systems are in place, it is advisable to build up the shared label system gradually. During a piloting phase, there might be the need and opportunity to reassess and adjust. FFPOs should be aware of the need for continued efforts to improve and innovate the system. FFPOs should therefore make sure that the resources necessary for sensitisation and capacity building, peer-to-peer exchanges, product development, research and development, stakeholder engagement and marketing are at their disposal. Technical and financial support might be necessary, especially during the start-up period.

### 8.4 Recommendations for policymakers

From a national government perspective, the arguments for certification and labelling schemes focusing on biocultural heritage, sustainability and origin are compelling and can be vote winning. For example, through the preservation of Indigenous species and methods of land use (such as terraced cultivation and diverse agroforestry systems), traditional knowledge and biodiversity is preserved. Equally, through their emphasis on a specific type of business model (such as producer organisations), producers (such as smallholder farmers or women) and geographic origin, certified shared labels can benefit marginalised population groups and local boost economies. Policymakers can address both policy issues of sustainability and local socioeconomic development through their support and regulation of labelling schemes.

Certified labels can also contribute to consumer protection, as they provide more information about product qualities than simple trademarks and can help to prevent misleading claims or deceptive advertising. Labelling and certification schemes can be viewed as policy tools that incentivise businesses to move the market towards greater sustainability and transparency.

Policymakers have several options to support certification and labelling schemes. They can range from providing support services to voluntary labelling initiatives over the legal definition of specific terms that might be claimed by a label (such as ‘organic’), to mandatory labelling laws for certain products, the production of which directly impacts public goods (such water quality or forest conservation). Policymakers may use
labelling as a first step to gradually encourage producers and consumers towards more sustainable consumption and production patterns, where voluntary labelling is supported as a precursor to mandatory labelling.

As the cases portrayed in this study illustrate, there are several options governments may choose in supporting voluntary labelling and certification initiatives. The following list provides an overview of these. Governments can help through:

- **Increasing recognition**: Public policies that differentiate between standard products and products with specific sustainability/fairness/origin claims can be especially helpful for smallholder producers gathered under such a label and who might be competing with larger companies in national and international markets. Official recognition, support and awareness raising of second-party certification schemes (in particular PGS) as a quality assurance mechanism for nationally set standards (such as food safety standards) helps to increase marketing opportunities for labelled products.

- **Providing fiscal incentives**: Establishing incentives that reward sustainability or other standards adopted by shared labels provides additional benefits to producers aiming to adopt certain standards and may convince more producers to adopt those standards.

- **Simplifying procedures**: Regulations and requirements around the official registration of shared labels may be streamlined and simplified to reduce the transaction costs of smallholder producers. To mainstream shared labels and certification schemes, local governments may choose to incorporate the provision of their support in local policy acts, programmes and budgets, making it easier for more producers and producer organisations to adopt them.

- **Promotion and procurement**: Marketing efforts can also be supported through trade promotion and preferential offers of support to producer organisations adopting a shared label, for example by allocating more preferable trading positions or linking public procurement to labelling and certification scheme.

- **Development support**: Policymakers can help smallholder producers to overcome their limited local investment capacity by providing technical, research and development, and advisory support and access to differentiated credit. They can also help facilitate connections with other support entities until the shared label has become financially independent.

- **Public education**: Financing public education on policy issues that shared labels aim to address enhances the marketing potential of labelled products.

While the types of possible policy support will depend on the regulatory context as well as sociocultural traditions, the results of this study show the clear potential benefits of shared labels for local producers, consumers and the public in general.
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Planet Earth's resilience lies in its diversity. Diversity provides options to cope with increasingly unstable climate, food, health and geopolitical systems. Worryingly, market forces generally drive monocultures in pursuit of product uniformity and production scale efficiencies. Smallholders are marginalised and their pricing power eroded in patterns of increasing global inequality, while ecological and biocultural diversity decline. Global prospects for safer, more biodiverse carbon storage, climate resilience and social justice are lost.

Organised smallholders offer an alternative. They comprise 84% of all farms worldwide in diverse landscapes that embody great agrobiodiversity and between-farm equity. They can help drive a paradigm shift away from large-scale monoculture. But to be viable in the face of market forces, smallholders need new organisational innovations that foster diversification — and collective action around shared biocultural heritage and environmental sustainability is a necessary foundation. Innovative shared labels used by smallholder groups can give value to that biocultural diversity in the market and can be powerful tools that tell a compelling counternarrative to commoditisation and monocultural uniformity. They can help sell climate resilience, biodiversity conservation and social justice.

This report provides a collection and analysis of six case studies which introduce trailblazing shared label initiatives by smallholder organisations across Africa, Asia and Latin America. Each case study explores the motivation for collective marketing action, the choice of claims to make through a shared label, the control over the standards behind the claims, and the importance of context for outcomes. The lessons learnt from these cases provide a robust resource for smallholder organisations, forest and farm producer organisations (FFPOs) and their support structures in their efforts to give market value to product diversity, sociocultural origin and environmental sustainability. This report also shows that the ecological, economic and sociocultural advantages of shared label approaches are manifold and do not only benefit the producers themselves, but also consumers, the wider general public and the planet as a whole.