



AID-FOR-TRADE: CASE STORY

UNCTAD



**International Partnership for Sustainable Development:
Promoting production and trade of organic agricultural products in East Africa**



**THE GOVERNMENTS OF BURUNDI, KENYA, RWANDA, UGANDA AND THE
UNITED REPUBLIC OF TANZANIA**

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

**International Partnership for
Sustainable Development:
Promoting production and trade of organic
agricultural products in East Africa**

Date of submission: 25 January 2011

Region: East Africa

Country: Burundi, Kenya, Rwanda, Uganda, United Republic of Tanzania,

Type: International Partnership for Sustainable Development

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Executive Summary

United Nations agencies and civil society joined forces to successfully promote production and trade in African organic products.

1. Organic agriculture: a promising trade and sustainable development opportunity for Africa

Over one third of the world's certified organic producers are in Africa.

Organic agriculture is one of the most promising options in meeting the challenge of alleviating poverty, increasing incomes, enhancing trade while at the same time protecting the environment.

Global markets for certified organic products have been growing rapidly over the past two decades. In 2009, global certified organic sales were estimated at 55 billion dollars, more than tripling in value from 18 billion in 2000¹. Organic farmers enjoy higher prices, lower inputs costs and more stable market demand, and consequently earn higher incomes than their conventional counterparts.

Certification is required for sales at a distance (trade). But certification is not necessary to reap a whole range of poverty alleviation, environmental protection and food security benefits offered by organic and other sustainable agriculture systems, including:

- Increasing income and/or reducing costs of externally purchased inputs;
- Increasing yields in low-input areas over time
- Conserving biodiversity and nature resources on the farm and in the surrounding areas;
- Improving soil fertility and structure, thus improving water retention and resilience to climatic stress, contributing to climate change adaptation;
- Mitigating climate change by utilizing less energy than conventional agriculture and also sequestering carbon;
- Reducing illness and death in farm families due to agro-chemical exposure;
- Producing safe and varied food;
- Being sustainable in the long term.

Organic production is particularly well-suited for smallholder farmers, who comprise the majority of the world's poor. The vast majority of organic producers in Africa are smallholders. Resource poor organic farmers are less dependent on external resources and experience higher and more stable yields and incomes, enhancing food security. Moreover, organic agriculture builds on and keeps alive farmers' rich heritage of traditional knowledge and traditional agricultural varieties. Organic farming has also been observed to strengthen communities and give youth an incentive to keep farming, thus reducing rural-urban migration. It also offers opportunities for female farmers to improve their incomes.

¹ Sahota (2011) in (Fibl-IFOAM 2011) World of Organic Agriculture: Statistics and Emerging Trends 2011.

Organic agriculture is a powerful tool for achieving the Millennium Development Goals, particularly those related to poverty reduction and the environment.

2. UNCTAD and UNEP join forces...

For these reasons, in 2004 UNCTAD and UNEP selected organic agriculture as the focus of joint work in the framework the UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development (CBTF).

At that time, the organic agriculture sector was starting to develop in East Africa, particularly in Uganda and the United Republic of Tanzania, where the Export Promotion for Organic Agriculture Products for Africa (EPOPA) had been working for several years. Yet general awareness and understanding of organic agriculture and the multifaceted benefits it offers was very low: misconceptions and misinformation was the norm. There was little government interest, limited public-private sector dialogue, and no supportive policies. The private sector was organizing itself a bit in the three core East African countries. Several private organic standards were developed in the region, but these were not harmonized and ran the risk of fragmenting the East African organic market.

3. ...to pursue these objectives....

The overarching objective of the project is to contribute to poverty reduction, trade promotion and environmental protection by building capacities in East Africa to seize trade and sustainable development opportunities offered by organic agriculture. Main goals include:

- 1) Research on key areas identified by beneficiaries, including an overview of the current state of organic agriculture production, markets, trade and policies in the region and opportunities for regional cooperation
- 2) Facilitate vibrant public-private sector partnership/dialogue/information exchange at regional and national levels.
- 3) Facilitate the development of supportive policy frameworks.
- 4) Promote development of national, regional and international markets for East African organic agricultural products, including by exploring and facilitating the potential development of an East African organic standard that would be tailored to local agro-ecological and socio-economic conditions and facilitate trade.

4.in partnership

The project was designed and implemented by the UNEP-UNCTAD CBTF in partnership with:

- the International Federation of Organic Agriculture Movements (IFOAM), the global umbrella organization for the organic sector,
- the International Trade Center (UNCTAD/WTO)
- the EPOPA project
- National organic movements
- National Governments.

The development of the East African Organic Products Standard was supported jointly by the CBTF project and the IFOAM Organic Standards in East Africa project.

5.with these results

During Phase I (2004-2007), consultations were held with key public and private sector stakeholders to assess needs and identify key areas of action; research was carried out on the state of organic agriculture in the three countries, organic agriculture and food security in Africa, and best practices for organic policy. A number of national multi-stakeholder dialogues were held in the context of Integrated Assessments of organic agriculture.

Public-private sector dialogue and cooperation at regional level was facilitated by several regional conferences and working groups. For example, there was a workshop for policy makers to exchange best practices and lessons learnt regarding development of supportive policies.

The East African Organic Products standard was developed through an inclusive regional public private sector partnership. The Regional Standard Technical Working Group (RSTWG) comprising public and private sector stakeholders from the five East African countries met four times to draft the standard, which was based on the several existing standards already existing in the region. National and international consultations on drafts were held and the standard was field tested. The standard was finalized and then adopted by the Council of Ministers as the official East African organic standard (EAS 456:2007). It was publicly launched, along with the East African Organic Mark, in May 2007 by the Prime Minister of the United Republic of Tanzania.

The EAOPS is the second regional organic standard in the world, after that of the European Union, and the first in a developing country region. Pacific countries were inspired by the East African model and developed their own regional standard. Central America and Asian regions are also now looking towards harmonizing their standards. So the East African work is having an impact well beyond the region.

Phase II (2008-2010) kept the momentum going at national and regional levels. National public-private sector consultations were held in six countries--the five East African Community members plus Ethiopia. Supportive organic policies and programmes were developed in Kenya, United Republic of Tanzania and Uganda. Organic products were included in the trade strategies of Uganda, United Republic of Tanzania and Rwanda. Awareness of the benefits of organic agriculture started to spread. CBTF co-organized the first African Organic Conference in 2009 and supported the first West African organic conference (2008) and African Union conference on ecological agriculture (2008). The African Union Commission became engaged and organic agriculture is mentioned in the Ministerial outcome for the first time in 2010.

Thanks to the joint efforts of all partners united in the African Organic Team, the East African and African organic agriculture sector has grown significantly during the project period (2004-2010). Africa is now home to over one third of the world's certified organic producers. Their numbers have increased from some 120,000 in 2004 to over 512,000 in 2009 and are still on the rise.² In addition to this there are many millions that produce according to organic production techniques but are not certified. African exports are rising rapidly. For example, organic exports from Uganda reached 37 million USD in 2009/10-- more than triple the USD 10 million recorded in 2004/5. Domestic markets are also on the rise. In Kenya, for

² Fibl-IFOAM (2011, 2010 and 2005) World of Organic Agriculture: Statistics and Emerging Trends 2011, 2010 and 2005.

example, domestic sales are growing at 50 per cent per annum, largely fuelled by the East African Organic Products Standard and Mark.

6. A few challenges encountered

A main challenge was raising awareness and changing mindsets. Particularly in Ministries of Agriculture, many staff have been trained in conventional agro-industrial agriculture only and believe that is the only way to improve farmers' livelihoods.

Both the UNEP-UNCTAD CBTF and the IFOAM Phase I projects received excellent evaluations from independent evaluators. The evaluator for the CBTF project stated it was the best project he had ever evaluated. Yet the follow-up project was turned down in the final hour by final committee of the donor. The IFOAM follow-up project was approved in principle but then got stuck in a donor internal reorganization for three years. The resulting three year gap in large-scale funding meant that the planned intensive follow-up activities could not be undertaken. Thanks to a third country's modest and timely support, the momentum was not lost completely.

7. and recipe for success: Cooperation and Commitment to a Common Vision:

The project was designed and implemented in close consultation with public and private sector stakeholders in East Africa. A Regional Steering Committee met regularly to fine tune activities in the Phase I project. Therefore, the activities and outputs responded well to the needs and aspirations of beneficiaries and they felt ownership of the project.

A key factor for success was that all partners were deeply committed to a common vision: the development of a vibrant organic agriculture sectors in East Africa with improved livelihoods, food security and environmental protection.

The international and national partners were united in an African Organic Team. Each team member made his/her unique contribution towards the common goal. The African Organic Team concept brought unity in diversity.

The two projects, CBTF and IFOAM, were implemented as one. This was possible because of the shared common vision and close communication.

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