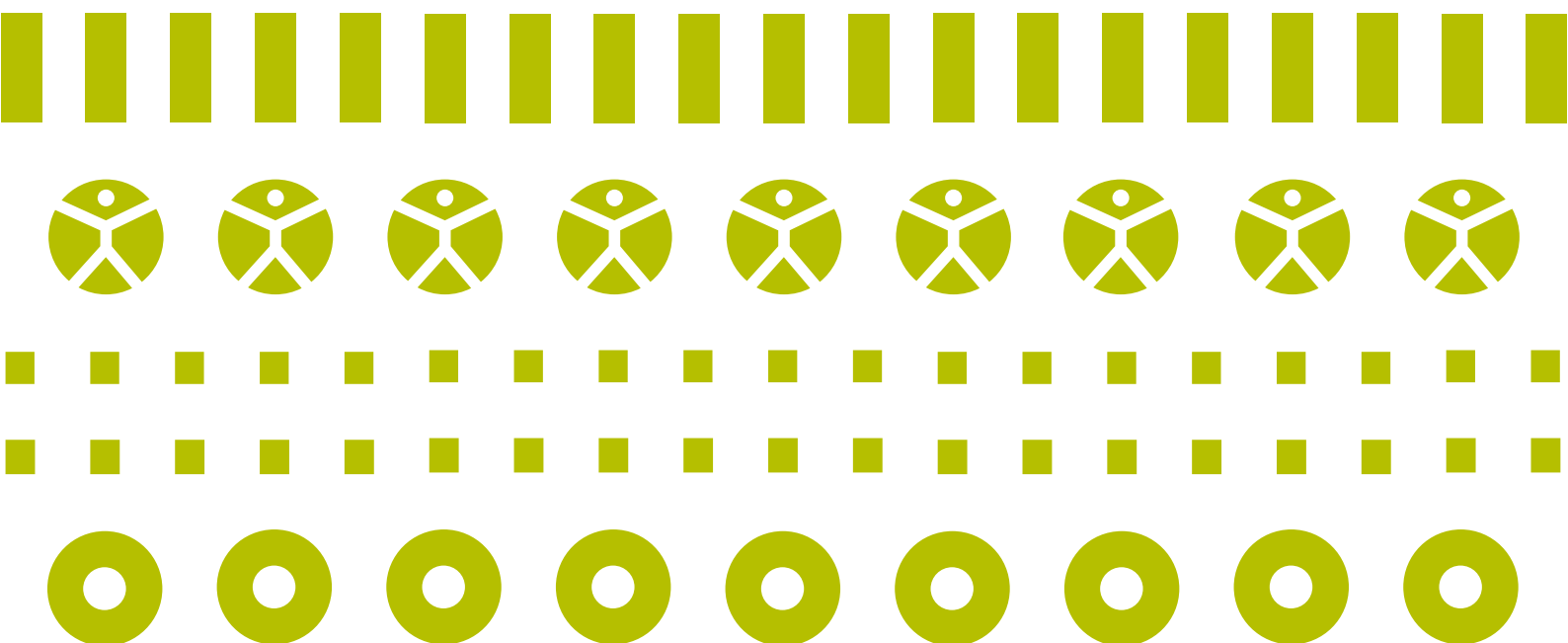


# Participatory Guarantee System Learning Series - Case Study 2

When PGS falters: key lessons for the  
improvement of PGS in Vietnam



# When PGS falters: key lessons for the improvement of PGS in Vietnam

Participatory Guarantee System (PGS) is a low-cost quality assurance mechanism that guarantees the quality of agricultural products and has the potential to regain consumers' trust. Implemented in 66 countries worldwide, it has been used in Vietnam for over 10 years. As part of the project **“Capitalisation of Participatory Guarantee System experiences in Vietnam for upscaling & institutionalisation”**, Vietnam National University of Agriculture and Rikolto investigated all the existing PGS in Vietnam to assess their strengths and weaknesses and come up with recommendations on how to improve PGS in the Vietnamese context.

Over the 10 years of PGS' existence in Vietnam, many great successes have been achieved. However, the purpose of this case study is not to dwell on those successes but to look at the various challenges that can prevent the effective operations of PGS and how to address them. Because most success stories are often preceded by failure, we must analyse the reasons why some PGS have struggled in the past in order to draw lessons and create the conditions for future success. The case study below looks at one PGS in particular which has struggled with sustainability and operational effectiveness.

Because of the sensitive nature of the content shared below, we decided to preserve the anonymity of the PGS targeted in this case study. Nevertheless, in the interest of transparency, we remain available to share additional information privately upon request.



## What is PGS?

IFOAM, the International Federation of Organic Agriculture Movements defines PGS as a “low-cost, locally based system of quality assurance with a strong emphasis on social control and knowledge building.” It is a simple but effective participatory certification system that involves a wide range of stakeholders such as farmers, consumers, retailers, NGOs and local authorities in agricultural products' quality assurance. It has a lower cost and complexity than third-party certifications, making it more in line with the reality of smallholder farmers. Principles and rules for safe or organic production are conceived and applied through contributions of all stakeholders. They are adapted to fit the local context, taking into account individual communities, geographic area, cultural environment and markets.



## Context

*The research team visiting the production area*

Food safety remains a major challenge in Vietnam where chemical residues in agricultural products often exceed recommended thresholds. This situation has recently led to a surge in consumers' concern about the safety of their food. Vegetables, in particular, have been the subject of intense worries, especially in cities. To address this situation, the government of Vietnam has been promoting VietGAP, a third-party certification inspired by GlobalGAP and EurepGap. Although a high-quality and comprehensive standard, VietGAP revealed to be largely inaccessible to smallholder farmers due to its high price and complexity. Participatory Guarantee Systems (PGS) constitute a credible alternative to third-party certifications. While the PGS methodology was developed by IFOAM (the International Federation of Organic Agriculture Movements), PGS was first

introduced in Vietnam in 2008 by the Danish NGO ADDA to support organic agricultural production by smallholder farmers. In 2013, considering the growing demand for safe vegetables, Rikolto adapted the methodology and used it with a food safety standard, BasicGAP.

The Organic PGS mentioned in this study was launched in 2011 and received over the years the support of various national and international NGOs. It is located in a mountainous province, about 100 km outside of Hanoi. Most farmers in the PGS belong to ethnic minority groups and rely heavily on agriculture as their main source of income. Seven years after the launch of PGS in the commune, the system is at a standstill, no longer able to provide support and certify farmers.



## Challenges

There are various reasons explaining the poor performance of this Participatory Guarantee System.

First, due to the **mountainous terrain**, farmers' production is scattered and cultivated with low-efficiency. Because of the additional efforts required to cultivate those lands, production remains at a small-scale and there is limited surplus to be marketed.

Second, most farmers had **limited awareness and/or knowledge** of organic vegetable production techniques prior to joining the PGS project. Before PGS started, it was common for farmers in the community to use large amounts of agrochemicals. Joining PGS requires a significant change in mentality and practice, especially for organic production. Despite trainings provided by NGOs, farmers' organic farming skills remained low. As a result, the quantity and quality of the vegetables produced was unstable and didn't meet the requirements of buyers.

Third, farmers' **linkage with safe and organic vegetable markets** is weak. The local market for safe and organic vegetables is limited and sales yield lower prices than what they would in Hanoi. PGS is not well-known by local consumers due to **insufficient promotion activities**. They are also reluctant to pay a higher price for PGS vegetables due to a lack of information and the absence of a good reputation. Farmers nevertheless managed to sell some vegetables to Hanoi but due to the distance and **suboptimal post-harvest handling**

and storage, vegetables were regularly spoiled when reaching the capital, leading buyers to end their relationship with the farmers. Furthermore, farmers did not plan their production according to the demand of the market, leading to mismatch between supply and demand.

Fourth, PGS farmers **relied heavily on external NGO support** and subsidies. The progress of the system was very much depending on NGO's impulse and action in a context where farmers' agency was limited. Furthermore, the **geographical distance** between farmers and the Local Coordination Board of PGS located in Hanoi has led to a weaker supervision by the board and less technical support. Therefore, the farmers were often left to their own devices.

Fifth, the **local government's support** for PGS was limited, both at district and provincial levels. PGS' mixed results didn't encourage authorities to invest their time and efforts in further developing PGS, despite some initial enthusiasm by communal authorities. More investment on their part in promoting the system to consumers, buyers and farmers would have helped build momentum and trust in farmers' produce.



*After receiving trainings and participating in PGS vegetable production, farmers improved their understanding of PGS and organic production. They want to participate in PGS as long as they have stable markets. However, finding markets is still very difficult for the farmers.*

—  
*Vice-President of the local farmer association.*

# Recommendations

Based on the observations above, a series of recommendations can be made to avoid the pitfalls encountered in this PGS and to a lower extent in other PGS:

- 1** A **clear market** for PGS vegetables must be identified from the inception phase of PGS. Continued sales are a critical success factor and help keep farmers' motivation high.
- 2** PGS should be launched with a **small group of motivated farmers**. Despite offering higher price prospects, applying safe or organic production techniques is **labour-intensive** and can discourage farmers from pursuing safe or organic farming. Working with a small group of champions is more effective than starting with a large group of non-committed farmers.
- 3** A comprehensive **training programme** targeting farmers' organic/safe production capacity, post-harvest handling and storage, business skills, production planning and organisational capacity should accompany the PGS development process. The programme should be delivered using participatory training methods such as Farmer Field School, putting the farmer at the centre of the learning process.
- 4** Skilled farmers with high potential for leadership should be **trained as trainers** to continue the capacity building process when external support programmes end.
- 5** In line with the PGS philosophy, farmers and local communities must be in the driver's seat. The **roles and responsibilities** linked to PGS operations must be clearly defined and divided among community members. Specific roles should also be allocated for positions related to production planning, marketing, traceability and information management.
- 6** PGS should be widely **promoted** in the local area to foster support for and trust in PGS vegetables. **Product information** should be readily available on the packaging and clearly indicate the origin of the vegetables.
- 7** In this particular PGS characterised by beautiful landscapes and diverse ecosystems, organic farming could be coupled with **agro-tourism** activities to generate additional income for the farmers.
- 8** Local **government support** is a key success factor for a sustainable PGS. The inclusion of PGS in local policies and practice would support the continuation of service delivery to PGS members after development assistance ends and contribute to fostering consumers' trust in PGS vegetables.

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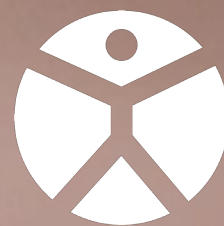
Rikolto and VNUA express their sincere gratitude to all the farmers, consumers, representatives of companies, local authorities and NGOs for their participation in the PGS capitalisation study. Their insights offer a wealth of knowledge and have strongly contributed to improving our understanding of the current situation of PGS in Vietnam.

### About Rikolto

Rikolto is an international Non-Governmental Organisation (NGO) with more than 40 years of experience in partnering with farmer organisations and food chain actors across Africa, Asia, Europe and Latin America. Rikolto envisions a world with food systems that allow poverty and hunger to be eradicated and that do not burden our planet more than it can bear. Active in Vietnam since 1994, we run programmes in 15 countries to foster more sustainable and inclusive food systems. Rikolto builds bridges of trust and trade, between the food industry, governments, research institutions, and farmer organisations around this one central question: ‘What will we eat tomorrow?’.

### About VNUA

Vietnam National University of Agriculture (VNUA) was established in 1956 as one of the first national universities of Vietnam. VNUA is a multi-disciplinary research university focusing on agriculture and rural development. VNUA is also a relied-upon consulting agency for the Ministry of Agriculture and Rural Development as well as other local governmental bodies across the country. The university has approximately 38,000 students and comprises 14 faculties and 5 research institutes. The present study was conducted by staff members at the Faculty of Food Science and Technology.



## To learn more

Rikolto's project page on Participatory Guarantee Systems for Safe Vegetables: <https://vietnam.rikolto.org/en/project/participatory-guarantee-systems-safe-vegetables-vietnam>

The website of PGS Vietnam (organic vegetables): <http://vietnamorganic.vn/pgs>

ALiSEA - a regional platform to network initiatives that support agroecology in Southeast Asia: <http://www.ali-sea.org>

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