



Reaching the Full Potential of Organic in Africa

By Patricia Francis, Executive Director, ITC
Biofach Fair, Organic Africa Pavilion
23 February 2008
Nuremberg, Germany

The Africa Pavilion is a fantastic initiative to bring more visibility of African exporters, and ITC welcomes the opportunity to contribute to it. ITC supports exporters in East Africa with training in organic production and marketing and trade promotion. As part of this programme, ITC sponsors **excellence in organic exporting**, bringing 15 exporters and NGOs from Kenya, Madagascar, Rwanda, Uganda and Zimbabwe.

We welcome the public-private-NGO partnerships that have been put in place to make the event a success, and wish to especially congratulate the organizers: Gunnar Rundgren of Grolink and Haike Rieks of AgroEco.

I also wish to highlight the contributions of others in the UN family, who also support organic product development in Africa and contributed to the success of the Pavilion. They are the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Environmental Programme (UNEP), with whom ITC has been working very closely on issues related to organics in the past year; and of course the United Nations Food and Agriculture Organization (FAO), with whom we also have joint activities in the organics field.

Exporting Organics as “Brand Africa”

The Africa Pavilion is remarkable for its ability to showcase strong business leadership and contemporary products that meet modern consumer needs, yet also contribute to sustainable local development in Africa. The firms at the Pavilion represent a new and changing “Brand Africa”.

This is just one of many examples – from organic cosmetics to essential oils to quality organic produce -- where ITC is partnering with Africans to sell quality “Made in Africa” products around the world.

Helping exporters through such initiatives is, in short, what ITC is about: Export Impact for Good. ITC’s mandate, as an agency of the United Nations and the World Trade Organization, is to enable small business export success in developing countries. That is why we are here. It’s our job to help exporters, in partnership with national bodies, to increase their competitiveness -- in this case in the organic sector. Helping exporters such as those at the Pavilion, and many more through our ongoing programmes, helps create jobs that reduce poverty, empower women and improve the environment. We see these efforts as concrete steps to help achieve the Millennium Development Goals.

Getting exporters to travel that last mile to export success is what the Biofach Fair is about. It’s also about travelling the first mile, and many of you are here to listen and learn.

Much of export success in organics is about getting the quality of the product right and meeting certification requirements, often driven by consumer demand.

As consumers everywhere become more aware and involved in environmental, ethical and social stewardship, they are demanding more responsible behaviour from producers and businesses. The voice of the consumer is triggering a shift in influence. Enterprises and economies must be prepared to keep pace.

In fact, the trade liberalization agenda driven by WTO and regional and bilateral trade agreements has meant that for developing countries, tariff/border issues are no longer the main issue. *Short and simple, today's main issue for developing countries is the issue of being able to produce goods and services competitively.* In other words, competitiveness is based on issues of quality, SPS requirements, supply assurance, access to retail supply chains and so forth. As a consequence, the main issue on today's trade agenda is no longer related to border issues, including tariff issues, but behind-the-border-issues.

At ITC we are assisting exporters in this process, as well as providing market information services and global advocacy on standards.

From Organics to Climate Change

Organic agriculture is often described as providing a development “win-win” for poverty reduction and the environment. Until recently, only local environmental benefits were mentioned, like improved water quality or reduced soil erosion through substitution of organic manures for agro-chemicals.

However, the overriding policy concern for this century is climate change. Organic agriculture and trade must respond to that agenda. To quote the UN Secretary General Ban Ki-Moon, “by being creative, we can reduce emissions while promoting economic growth... and integrate climate change risks into national policies and practices.”

Trade policies are beginning to intersect with those for climate change, with implications for organic agriculture and trade development in Africa.

Climate change policies offer both opportunities and challenges for organic agriculture. There is room for innovative thinking on both fronts.

Today, the global market for environmental goods and services is worth more than \$550 billion dollars a year. Several developing countries, notably Peru, have proposed that organic products be eligible for tariff reductions under the WTO negotiations on the liberalization of Environmental Goods and Services. But other country missions to the WTO have not formally accepted the Peruvian proposal negotiations and it appears unlikely that the negotiations will be concluded imminently.

Meanwhile, it's time for innovative thinking on carbon credits, as the Peruvians have been doing in the WTO context. There is, for example, potential in voluntary carbon markets – where organic agriculture may in the future qualify for **carbon credits**. Until now, the prevailing thinking has leaned towards longer-term carbon sequestration options like forestry. Given that agriculture emissions will grow, we need information about the rationale for organics to qualify for carbon credits.

To help gather that information, ITC – in association with the Swiss Federal Institute of Organic Agriculture – has conducted a literature review of the evidence for the mitigation and adaptation role of organics. Our review confirms the potential for organic agriculture to reduce emissions and act as sink for carbon, while remaining adaptive to climate change. You will find this research at the ITC booth in the Africa Pavilion. We hope you find this informative and welcome your comments.

We also plan to publish a guide to voluntary carbon markets later this year. The guide will provide information about market opportunities for SMEs, cooperatives and forest community groups. These groups are currently constrained by high transaction costs and lack of available intermediaries. ITC aims to help developing countries overcome these obstacles through this first step and subsequently a programme of technical assistance.

Challenges

A few words about challenges facing the organic sector in terms of climate change policies.

Globalization is strongly driven by the power of the consumer. This is a positive force in many ways. But we are now seeing consumers and other interest groups call for restrictions on trade or a “relocalization” of production to reduce a product’s carbon footprint or “**food miles**”. While these policy debates are essential to reducing climate change, the public does not always have the full picture.

For example, the UK’s leading organic certifier, the Soil Association, proposed last year to withdraw organic certification for air freighted products. Organic fresh fruit and vegetable exporters in east and west Africa were alarmed, since they had spent hundreds of thousand of dollars in investments in the organics business and feared the loss of valuable markets. ITC, like African governments, NGOs and other agencies were concerned about the impact this would have on farm workers and smallholders.

So we researched the economic impact of a ban, with the Danish Institute of International Studies, and found that over 70% of these exports were coming from poor countries. We also found that up to 20,000 people in five poor countries would be directly affected by the market loss. For example in Kenya, family income from organic export enterprises pays for the education of an average of two extended family members.

Moreover, people in these communities have a carbon footprint 1/50th of the average European. Carbon emissions from Africa may be lower than we think. There are studies saying that Kenyan flowers air-freighted to Europe, for example, emit a third of the carbon emissions of flowers grown in Holland.

At the same time, more energy intensive areas of the supply chain are not being targeted. Beef production is one of them (it has a Global Warming Potential three times higher than other animal protein production).

So at the heart of **solution for climate change is getting government policies and prices right** on carbon -- not restricting trade. Reaching agreement on a global carbon tax or quota over the next two years, as agreed under the Bali Road Map, is the big challenge for international negotiators.

ITC is committed to work with its African and international partners in this mission and on a more practical level where support is needed to bring products to market. The Africa Pavilion is a marvellous example of this cooperation and bodes well for future work in this field.

We plan to continue to explore these issues in greater depth at our flagship event, the World Export Development Forum, which takes place later this year (from 8-11 October) in Montreux. We welcome your views in this regard, and encourage you to contact us at the ITC stand during this event, or by contacting us subsequently at ITC.

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For more information:

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About ITC

The International Trade Centre is the joint technical cooperation agency of the United Nations Conference on Trade and Development (UNCTAD) and the World Trade Organization (WTO).