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Expanding organic agriculture in developing countries: Examples from Uganda, Lao PDR and Tanzania.

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Goals

- Organic agriculture as a means to increase the income of rural communities (via organic price premiums)
- improving environmental sustainability
- Support healthy nutrition



Background



- UNCTAD works on developing organic markets since 2004
- Focused on east Africa and Asia



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Background (2)

- Organic standards harmonization and equivalence
- Global organic market access (GOMA)
- Private standards (UNFSS)
- Developing linkages between organic agriculture and tourism industries
- Standard-setting
- Field training
- Assistance for the expansion of organic agriculture movements and policy to expand organic agriculture



Uganda

- One of the first country projects by UNCTAD
 - UNEP-UNCTAD Capacity building project
 - Development of the East African Organic Product Standard
 - Domestic and regional marketing of OA products
- Support for creation of National Certification body
 - Ugocert (40% of certified projects)
- Key stakeholders: Private sector and National Organic Movement of Uganda
 - NOGAMU
- 90% of organic farming done by smallholder farms



Uganda (2)

- Critical factors
 - Coordination of OA movement and policy advocacy by National Movement (NOGAMU)
 - Early support from UNEP, UNCTAD, ITC and HIVOS
 - Engagement by government and smallholders
- Today: 250.000 organic farmers
- 305.000 ha of certified land
- 44 certified export companies
 - 40% yearly growth in exports (2013)



Laos and Tanzania

Institutional setup

- UN inter-agency cluster on Trade and Productive Capacity,
 - 2012: Lao PDR, namely “**Enhancing sustainable tourism, clean production and export capacity in Lao PDR**”
 - Cluster members: other United Nations agencies (ILO, UNIDO, ITC and UNOPS)

Approach in Laos and Tanzania

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- Understanding and reinforcing the backward linkages between Organic Agriculture and Tourism
- Rationale: Tourism market as a seed to organic market expansion

Study information

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- Focus: understanding demand sources of organic agriculture products in Laos
 - Focus on tourism sector
- Carried out between 2013 and 2014
 - 131 interviews (policy makers, private sector and tourism - tourists, hotels and operators).
 - Literature review



Tourism in Lao PDR

- + Tourism -> increased food imports
 - Hurts local agriculture
 - Reduces foreign exchange reserves
- Sourcing agriculture products locally is important to meet growing demand from tourism
 - Pattern in different developing countries
- Tourism in Laos increased dramatically
 - 14.000 tourists in 1990; **3 million today**
 - Main source of foreign exchange
 - 140.000 jobs; 5% of GDP

Tourism in Lao PDR (2)



- Tourism in Laos expected to double by 2023
 - Strong ongoing investment in tourism: 9% of total national investment
- Inbound visitors primarily from ASEAN neighbor countries
 - 80% - Thailand, Vietnam and China



Demand sources for tourism in Laos

- 1 - Backpackers
 - Adapted to limited infrastructure
 - Interested in nature / ecotourism
 - Low budget (expenditures less USD10/day)
 - Profile of backpackers
- 2 - Asian luxury travellers
 - Fast growth (Chinese tourists)
 - Require better infrastructure and services
 - Similar to backpackers, interested in nature & sightseeing
 - changing from low-cost accommodation to more refined hotels

Bottlenecks to tourism development

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- Small scale of businesses
- Limited air transport connectivity
- Acomodation quality
- Excursion trips are limited to few areas in the country



Supply side: organics and handicraft

- Silk production, handicrafts and traditional agriculture are important components of Laos economy
- Luang Prabang: tourist-friendly night market (400 stalls)
 - Buyer profile has been changing
 - Need to upgrade to higher value-added products
 - Both handicraft and agriculture (incl. Organic) products
 -



- Tourism industry as buyers
 - Hotels, Restaurants and Guesthouses: Important buyers of handicraft, fine food and souvenirs (bulk sales)



Organics and Tourism: Key areas of work

- Stimulate supply + demand structures in Laos
- Continue to improve marketing of organic (and tourism) products
- Produce availability of intermediary factors of production (tools, seeds, materials)
- Government policy
- Communication between stakeholders
 - Organic Agriculture Forums

Laos Organic Agriculture Forum





Overall findings

- High level of imported goods in Laos
- Limited product quality
- Incomplete knowledge of tourist expectations on handicraft + food
- Mid range hotels have relatively few locally produced goods
 - **Opportunity** to meet this demand

Examples from other countries

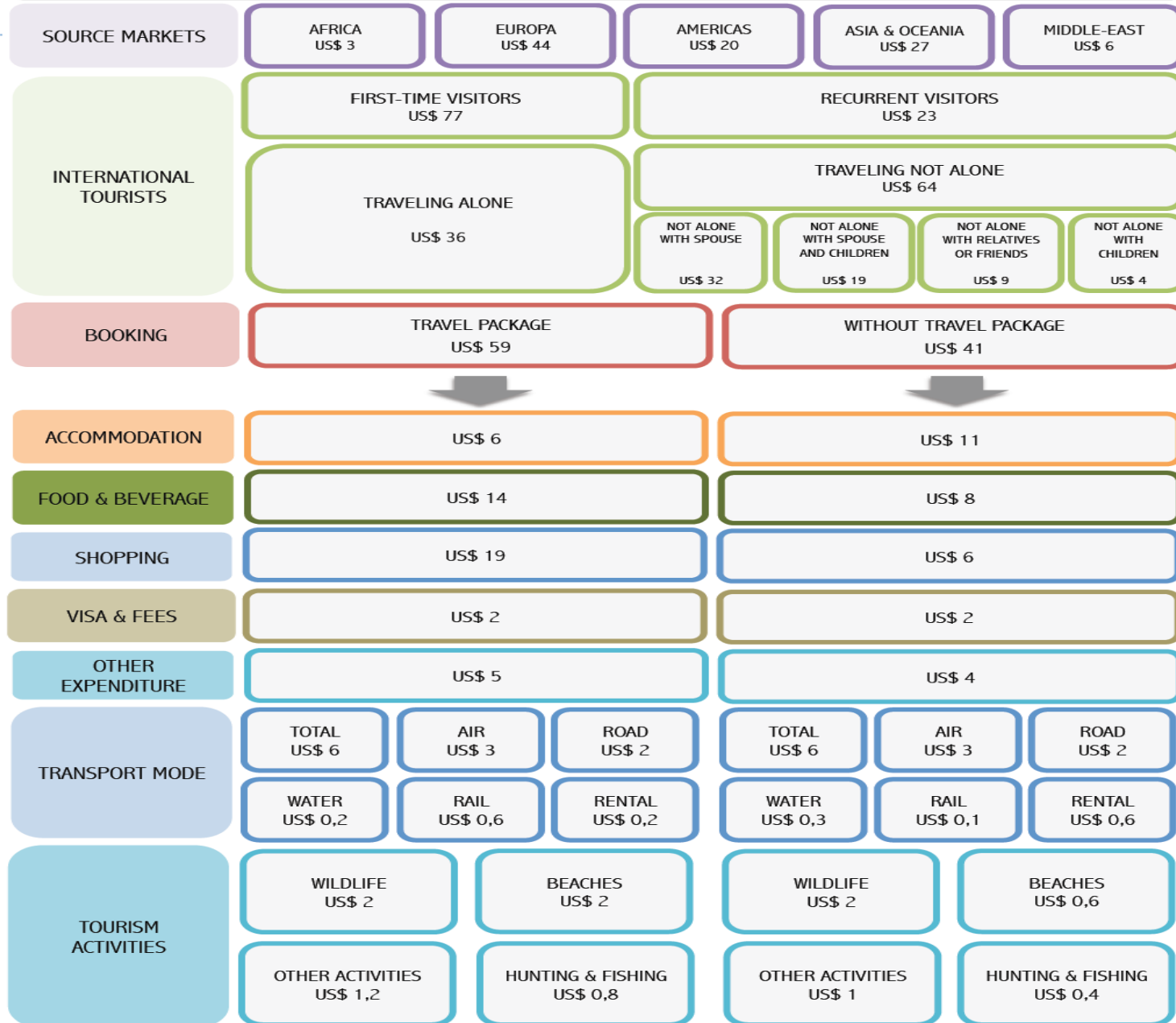


- Stregnten linkages between agriculture and handicraft (Sauipe - Brazil)
- Improvement of standards in the accomodation sector (Seville, Spain)
- Creation of cultural tourism programmes which collect fees for local nature conservation and social development
 - ex: Tanzania cultural tour fee system, Ghana Kasapa centre and Zanzibar's spice tours)
- Usage of food as a tourist merchandise
 - e.x: Mapple syrup in Canada

Tanzania

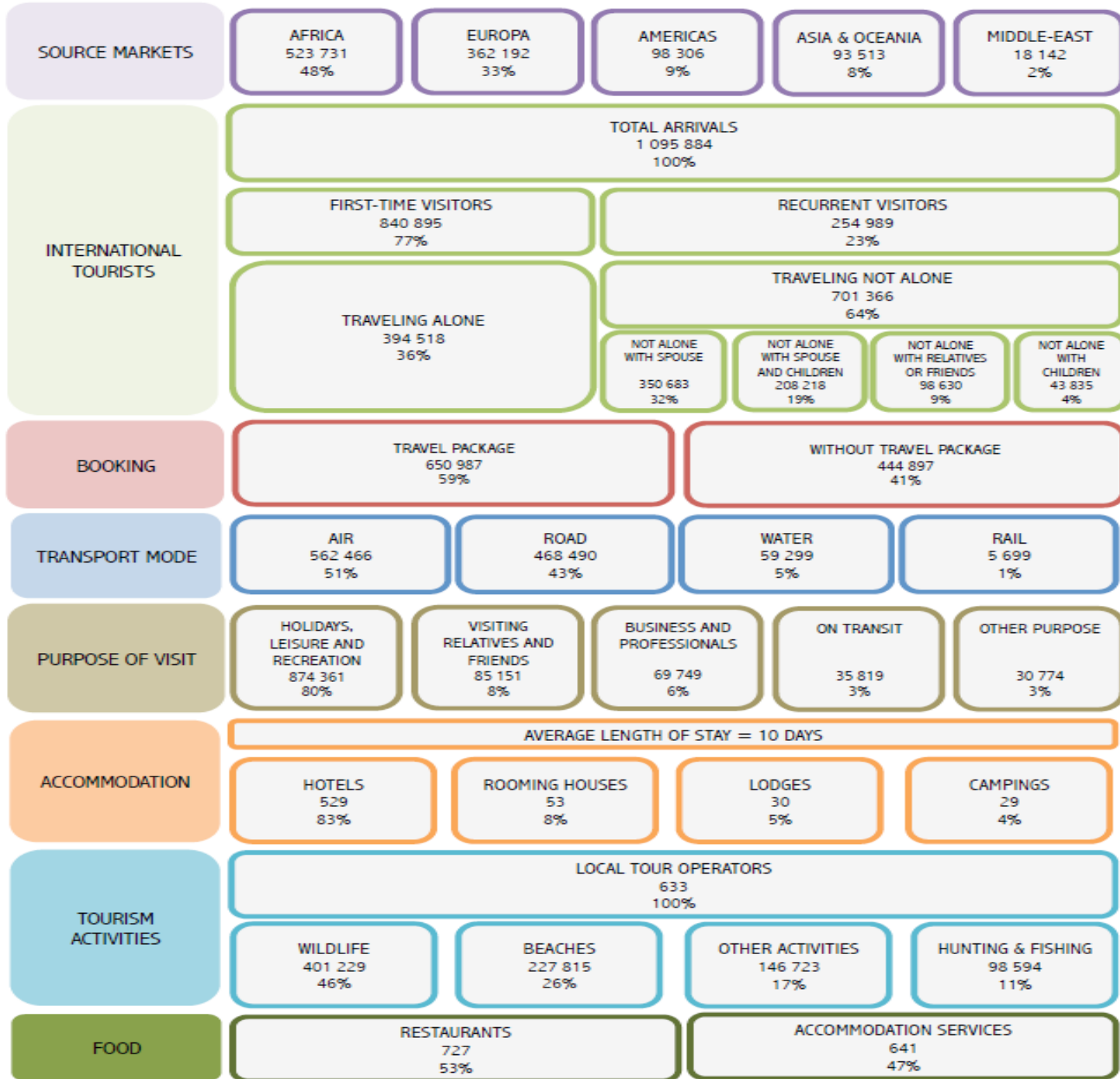


For every US\$ 100 spent by international tourists in Tanzania



Tourism System in Tanzania (relative expenditures)

Tourism System in Tanzania (breakouts)





Tanzania

- Broader scope (GAP and organics)
- Similar logic of organics/GAP and tourism linkages
- Inclusion of other components such as biogas development (UNIDO)
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- Ongoing. Initial UNCTAD report due in end March 2015.

Thank you
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