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Swiss Confederation

Federal Department of Economic Affairs FDEA  
State Secretariat for Economic Affairs **SECO**

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# SECO's support to the organic and fairtrade sector

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Approaches

Programmes

Tools





## Market demand for sustainable products

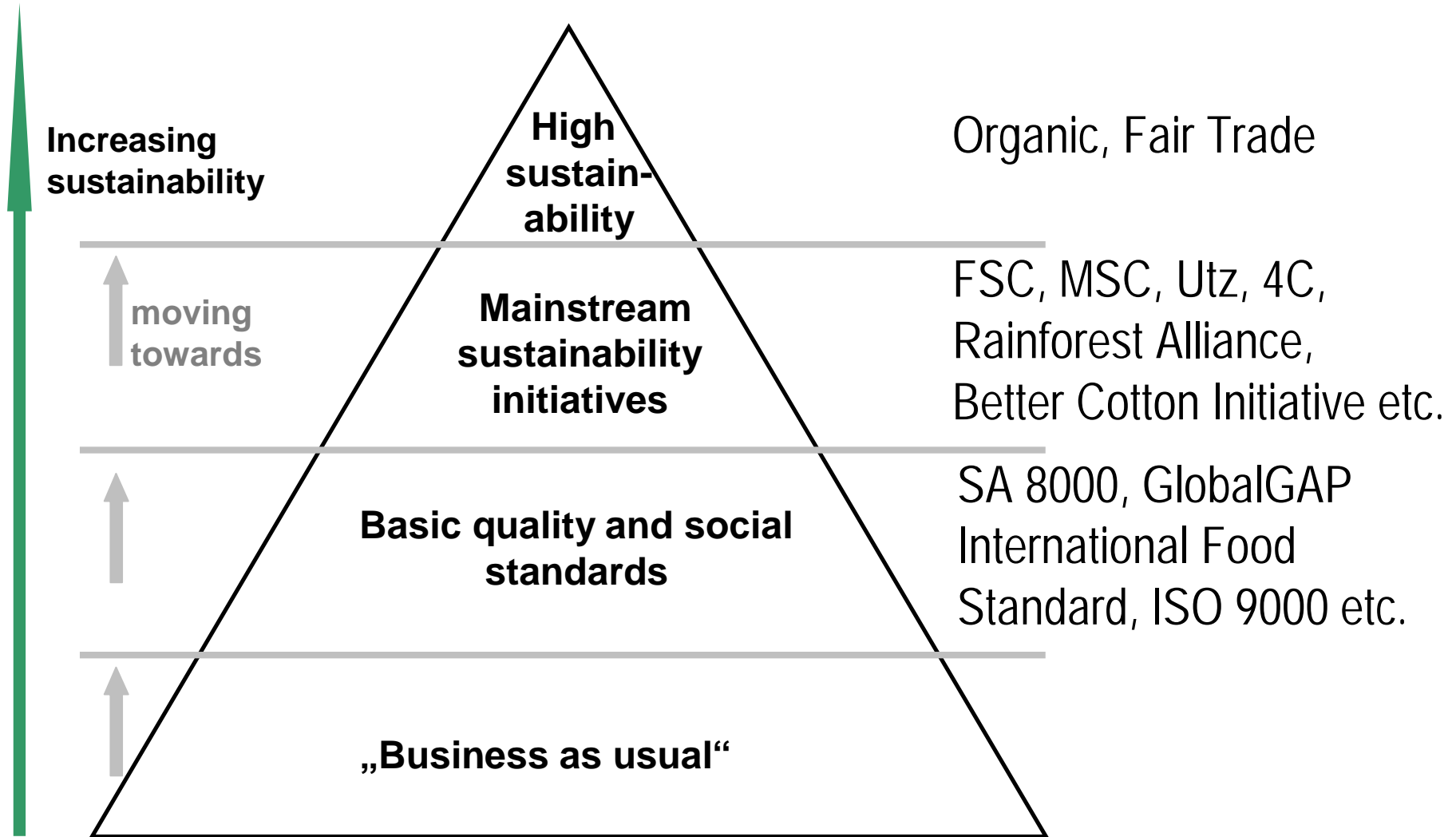
- Consumers increasingly expect that products meet sustainability criteria (social, environmental)
- Brands and retailers increasingly want to source sustainable and traceable raw materials
- Various certifications and labels exist to distinguish products that meet sustainability standards
  - Organic production (EU, NOP, JAS etc.)
  - Fair Trade (FLO, FairWild etc.)
  - FSC, MSC
  - Rainforest Alliance, Utz, 4C, Better Cotton Initiative etc.

**è Opportunities for producers in low- and middle income countries**



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# Sustainability standards and labels





## Common objectives of sustainability standards

- § Value addition; increased income for producers, improved food security
  - § Increase sustainability of production (environmental and social impact)
  - § Create transparent value chains and thus some kind of traceability
  - § Potential for product differentiation  
à increased competitiveness
- è Large overlap between different sustainability standards



## ...and thus similar implementation in the field

- § Capacity building of farmer organizations
  - § Installation of audit schemes and corresponding internal control systems
  - § Facilitate access to finance and farm inputs
  - § Facilitate access to markets
  - § Allow informed choices of farmers groups
- è Possibility to use synergies and to comply with several standards at a time

# SECO's Value Chain Approach in Trade Promotion

## SEQUENTIAL APPROACH : GLOBAL SUPPLY CHAIN SUPPORT



I EXPORT PROMOTION	II TRADE POLICY	III IMPORT PROMOTION
<ul style="list-style-type: none"> <li>• COMMODITIES: MULTISTAKEHOLDER ROUNDTABLES FOR SUSTAINABLE COMMODITIES</li> <li>• INNOVATIVE EXPORT PRODUCTS AND SERVICES (Nichemarketproducts FAIRTRADE, BIODIVERSITY, ORGANIC etc.)</li> <li>• SUPPORT of ESAs</li> <li>• CONFORMITY ASSESSMENTS</li> <li>• CLEANER PRODUCTION and CORE LABOUR STANDARDS</li> </ul>	<ul style="list-style-type: none"> <li>• SECTORAL POLICIES (SERVICES, COMPETITION, TRIPS, GOVERNMENT PROCUREMENT etc.)</li> <li>• IMPLEMENTATION, SUPPORT for MEA (KYOTO, BIODIVERSITY)</li> <li>• STANDARDISATION BODIES, LABORATORIES</li> <li>• WTO ACCESSION SUPPORT and IMPLEMENTATION</li> </ul>	<ul style="list-style-type: none"> <li>• GSP</li> <li>• SIPPO</li> <li>• LABELS</li> </ul>



## SECO's Value Chain Approach in Trade Promotion

SECO's approach - strengthening of services and links along the international value chain:

- § Sustainable commodity sourcing
- § Transformation of products
- § Enabling trade environment / trade policy
- § Market access to international markets
- § Strengthening main stream as well as niche markets, such as the organic market
- § Strengthening institutional and regulatory framework
- § Strengthening selected value chains



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## Organic and fairtrade: Objectives of SECO

- Support partners in overcoming non-tariff trade barriers and in using opportunities of trade
- Improved integration of smallholders in national and international markets
- Value addition in production and processing
- Strengthening of civil society organisations (NGOs, farmer organisations)
- Using synergies among different label initiatives
- Policy dialogue



SECO's strategy to support the strengthening of the organic market follows four main pillars:

- 1) the support of the establishment of independent local organic certifying bodies,
- 2) development of national market initiatives,
- 3) development of international market initiatives and value chains and
- 4) the promotion of organic imports to Europe



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## SECO tools to promote organics and fair trade

- Support to develop local capacities for certification
- Support marketing services and organic marketing initiatives
- Support local governments in developing suitable policies
- Support to the development of organic and fairtrade commodity value chains
- Support to the Organic & Fairtrade Competence Centre

# SECO Leverage Fund: „Organic & Fairtrade for Development“

- Objective: Support organic and fairtrade commodity initiatives in least developed countries with Swiss involvement
- Conditions:
  - development orientation
  - convincing business case
  - private sector involvement
- Contribution: max. 50% of budget, max. 500'000 CHF in 3 years
- OFTCC supports preparation of proposals; submission to SECO

For details: see Leverage Fund Guidelines, [www.organicandfair.org](http://www.organicandfair.org)



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