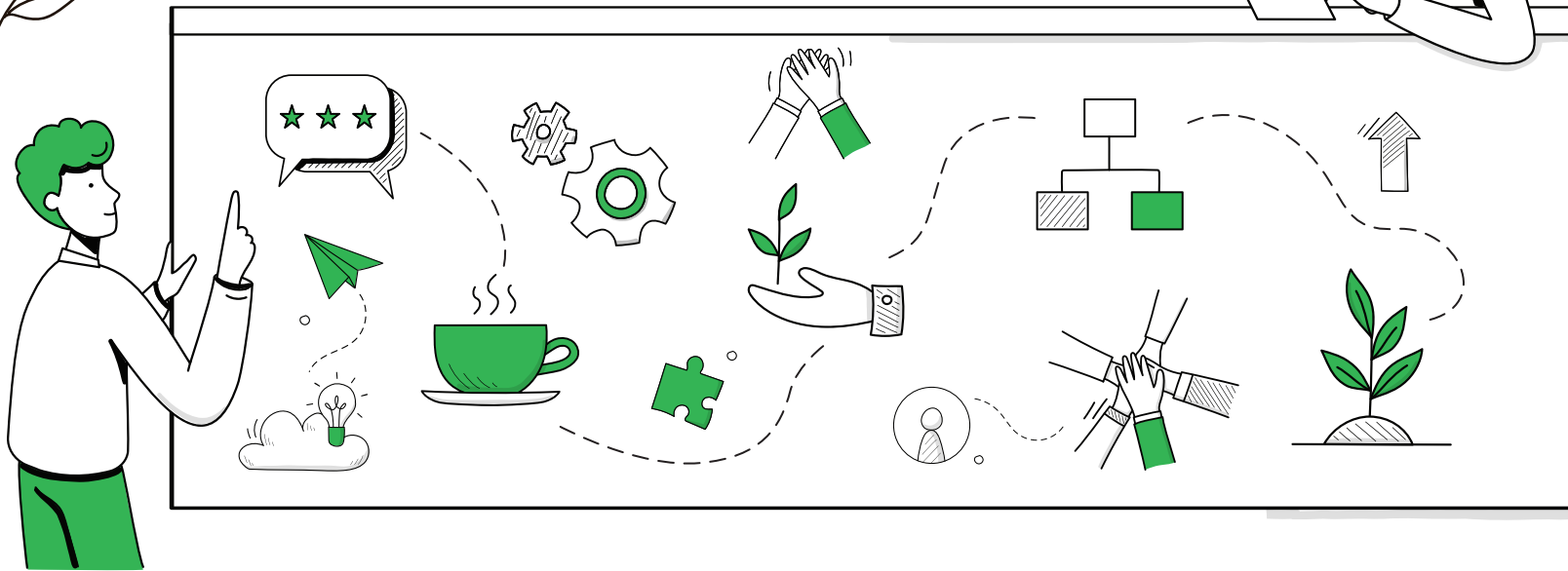




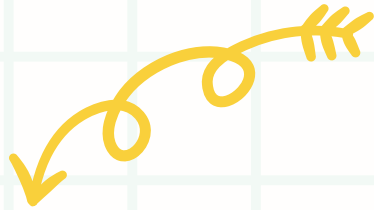
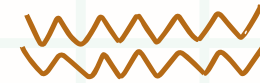
# Participatory Guarantee Systems (PGS) document

## Summary





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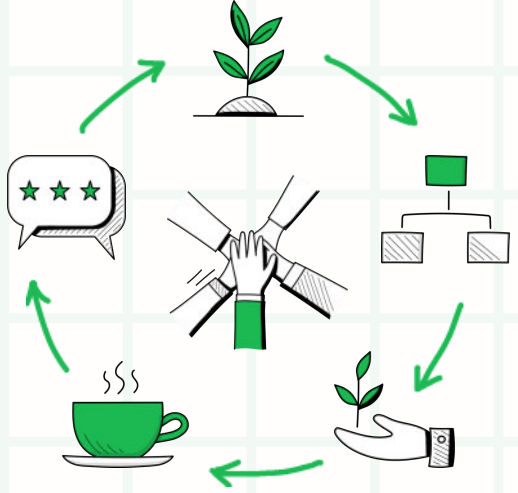
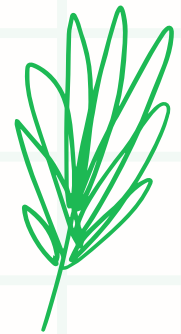


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# PGS

## Definition

## Features



PGS is not a standard for quality, but a quality control system with the direct participation of stakeholders, especially producers and consumers.



PGS is NOT a third party certification but can be an alternative to it.



PGS is suitable for the domestic market, where all stakeholders can participate in controlling the quality process.



PGS certified for the group of farmers, not for the individual producer.



PGS can be applied at a cost suitable for small-scale farmers.



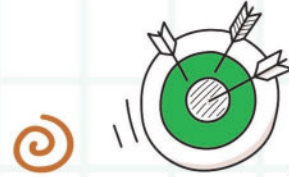
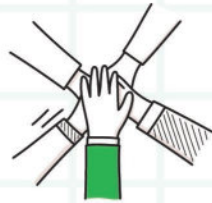
PGS is trusted with consumers as they are directly involved in and own the quality assurance control process.

PGS is a quality certification system with the participation of organizations and individuals directly involved in the process of production, distribution, consumption and products used in monitoring, evaluation and assurance of product quality when supplied to the market (IFOAM, 2008). Producers are verified for compliance based on the active participation of actors and stakeholders involved in the value chain.



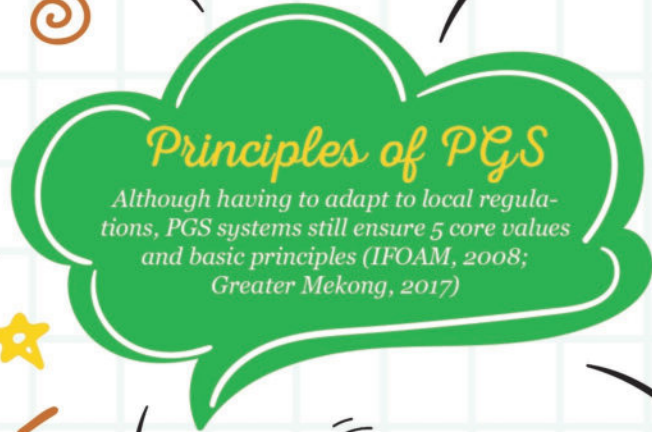
### Principle 1 - Participation

**Participation** is a prerequisite for building a PGS. The strength of the PGS system depends on the participation of stakeholders, the more people involved, the greater the influence. Specifically, the direct participation of key stakeholders including: producers, consumers, traders, retailers, local regulatory agencies, NGOs, in all stages during system operation.



### Principle 2 - A shared vision

Each stakeholder involved in the PGS has different purposes. Therefore, they need to cooperate in building **a general development direction** for the whole system through which each stakeholder can achieve their goals. This orientation includes all the contents of production norms and operation methods of the PGS system. Orientation needs to meet specific requirements for production purposes and comply with legal regulations, respecting local autonomy, culture and ecology.



### Principle 3 - Transparency

**Transparency** of the system depends on all stakeholders through understanding exactly how the PGS system works, including the application of standards in agricultural production, quality assurance criteria products, as well as processes and principles when making decisive policies. System transparency can be determined by:

- Clearly record, store and interpret system information.
- Enhance system transparency through information sharing, participation in internal audits, and participation in decision making and enhancing equality in the PGS system.



### Principle 4 - Trust

**Trust** is formed when stakeholders jointly participate in development orientations and set operating regulations for the PGS system. Other stakeholders have a role to play in assuring and spreading that trust to consumers. Any process that is put in place needs to be approved by all stakeholders.

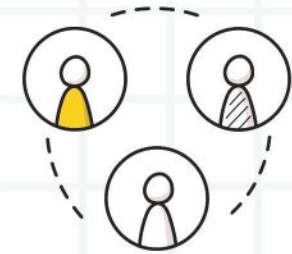


### Principle 5 - Learning

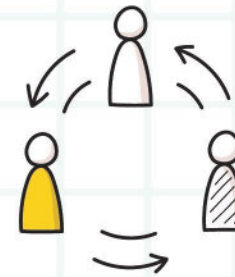
**Learning** is the principle for sustainable development of the PGS system. Right from the beginning of the PGS system, learning has been formed when key stakeholders get to know each other, share goals and experiences to work together to build a shared orientation. The acquired knowledge is the basis for identifying the essential functional units in the system.

## General structure of PGS system

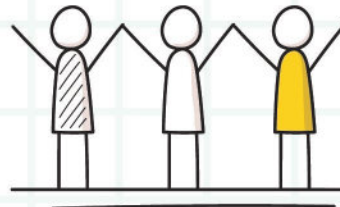
The structure of the PGS system consists of four parts, each from different participants:



**PGS Coordinating Committee**



**Intergroup production**



**Production group**



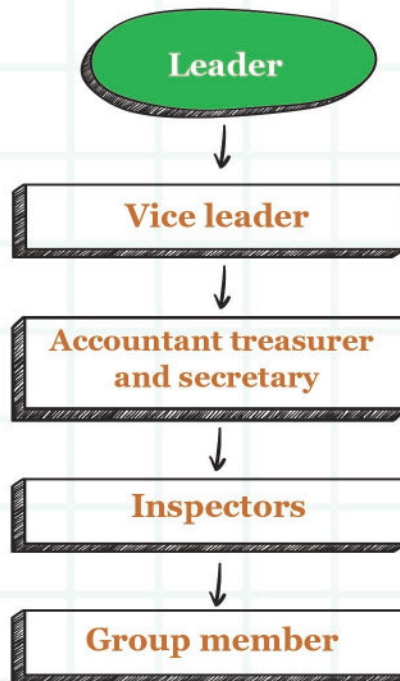
**Farmers**



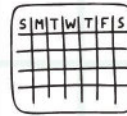
# Production group's structure

The production group consists of at least 5 individual farmer households with arable land close to each other and often residing in the same area. The production team will discuss and agree on the detail structure of the group.

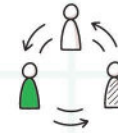
## Organizational Structure



## Roles and responsibilities



Design production plans for the group



Conduct periodic cross-checks for all group members



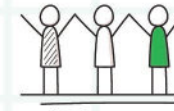
Provide technical support and motivate group members to achieve group goals and objectives



Ensure that all members understand clearly the quality standards and regulations of PGS



Ensure fairness and avoid conflicts of interest among members

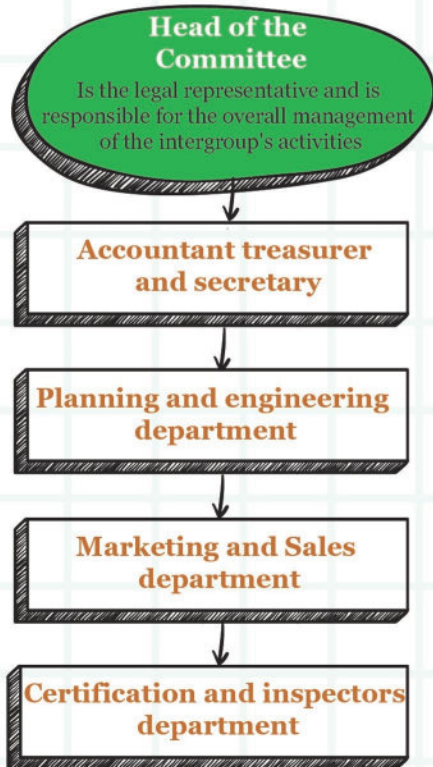


Act as a bridge between farmer households and intergroups as well as with the coordination committees

# Intergroup production structure

An intergroup production is a collection of several production groups in a certain area. Intergroup can be in the form of a local organization or cooperative group. The Inter-Group will establish a Quality Assurance Committee (another name is optional).

## Organizational Structure



## Roles and responsibilities



Supplying services of materials, inputs, and consuming products



Coordinating the process of completing the management plan and farmer's commitment, ensuring that the members have a clear understanding of PGS regulations and technical standards



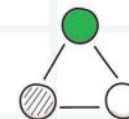
Maintain the data system and update annually the production status as well as the production activities of the members



Process coordination, monitoring and inspection, certification proposal



Handling when there is fraud or error



Coordinate production plans for all teams and promote products



Report to the PGS Coordinating Committee on an annual basis

# PGS Coordinating Committee structure

The PGS Coordinating Committee is responsible for the major issues prevalent in the intergroups related to the PGS system. The members of the Coordination Committee are volunteers with technical and managerial capabilities and are selected from PGS's annual meetings or congresses depending on the regulations of each system.



## Organizational Structure

Head of Coordinating Committee



Accountant and secretary



Professional and Specialist team

## Roles and responsibilities



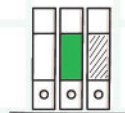
Receive applications from new production groups and assign them to the appropriate intergroup



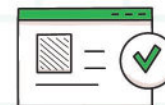
Maintain and update applicable standards through guidance on input materials in production to apply in inspection and handling of violations



Support production group and Intergroup to improve procedures and systems



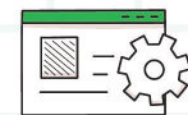
Receive and process information in reports from intergroups



Approving the certification decision from the intergroup



Promote PGS's trademark



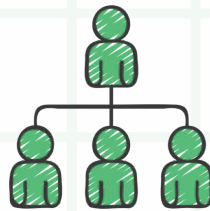
Protecting the interests of intergroups, production groups and farmer households and the PGS system



# Functions of the PGS system

## 1 Management and coordination of PGS (Management and coordination)

- System Introduction
- Organizational structure and missions functions
- Requirements, rights and obligations of members
- System coordination



## 2 Product quality regulation Determination of product quality

- Production standards and input requirements for production
- Regulations on preliminary processing, packaging and traceability



## 3 Verify manufacturer compliance Verification of compliance

- Inspection, examination, and supervision
- Certification and handling of violations
- Complaints and complaints handling
- Regulations on keeping record



## 4 Sustainable development of PGS Sustainability

- Training program
- Brand identity development and fundraising



## ***Step 1: Assess the possibility of establishing PGS***

The purpose of this step is to select suitable and potential production sites and objects for the establishment of PGS. To achieve this goal, the following activities should be implemented:

- Site survey and assessment:
- Market potential assessment:
- Survey to select farmer households/groups of households with production conditions suitable to the core values of the product
- Survey of potential local stakeholders



# *Steps to establish PGS*

## ***Step 2: Agree on the orientation and general purpose of PGS***

The purpose of this step is to raise awareness and understanding of the PGS system, thereby reaching a consensus on understanding, direction and general goals for farmers and stakeholders involved in the establishment of PGS through activities:

- Organize meetings with farmers and local stakeholders to introduce PGS;
- Discuss the needs and requirements of current and potential consumers, opportunities and challenges for farmer organization's products and products that will be PGS certified when accessing existing and potential markets power;
- Discuss the current status and potential of production, product quality and current prices, awareness of the benefits of PGS certification;
- Discuss to have a general understanding of the PGS system and identify directions and goals;
- It is expected that PGS participants will be suitable for the local situation.



### Step 3: Define the PGS organizational structure

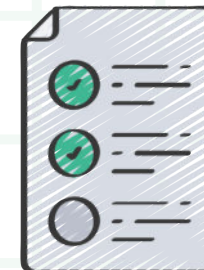
The purpose of this step is to come up with the organizational structure of the PGS system with the assignment of specific tasks based on the functions identified by the stakeholders, through:

- Identify and obtain informed consent of all stakeholders;
- Identify farmers who want to join and establish production groups;
- Establish intergroup and Quality Assurance Committee;
- Establish a coordination group

### Step 4: Document the PGS operation method

The purpose of this step is to jointly develop relevant regulations to help the parties involved in the operation of the PGS properly understand and correctly practice the set forth requirements, avoid confusion and mistakes through:

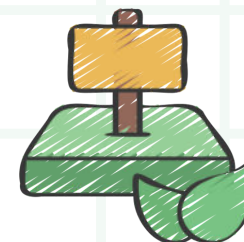
- Building a document system including a clear and specific list of items and indexes;
- Develop methods of data storage (media documents, digitized documents);
- Develop data access methods for each data type;
- Store, record and regularly update documents on policies, regulations as well as on-going activities of the system.



## Step 5: Training for the PGS System

There are two main target groups in the training program for the PGS system: (1) farmers and production groups, (2) intergroups and the Coordination Committee. The purpose of this step is to help:

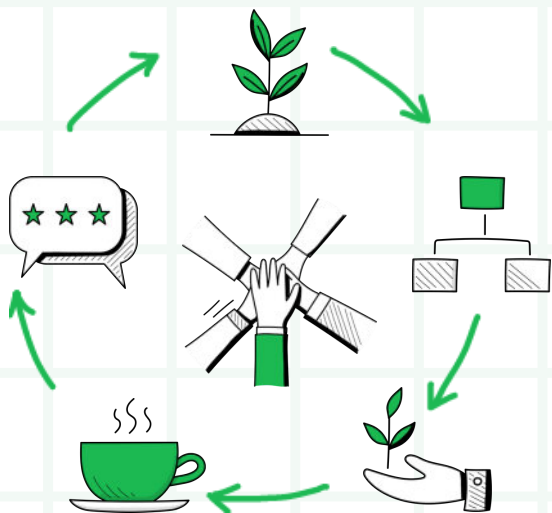
- Help Farmers and Production groups clearly understand the quality standards applied to PGS products;
- The intergroup and the coordination committee clearly understand and effectively apply the process of establishing and operating PGS, equip enough skills to handle issues during the operation, and coordinate PGS activities to bring the system to a sustainable development. ;
- The PGS system has a learning environment, exchanging and updating knowledge continuously, the basis for building solid trust and sustainable development.



## Step 6: Inspection, supervision and certification of products


The purpose of inspection and supervision is to support stakeholders in the PGS system and grasp the situation of the group of farmers and producers in a timely manner, and detect the wrong process for timely support.

- Develop a process to receive information for farmer household groups, intergroups, coordination groups;
- Develop a set of standards for certified products, and form of certification for the production group;
- To stipulate the time of inspection and inspection methods, assessment methods, and determination of quality standards.
- Specifying violations and making plans to handle violations;
- Conduct periodic inspection and supervision.








## **Step 7: Product traceability**



The purpose of this step is to develop the brand awareness through logos and labels in the most efficient way to introduce products to customers through:

- Determine the content and images that need to be shown on the logo and identification label;
  - List of products to be developed (logo, packaging, stickers...);
  - Develop a set of guidelines for product labeling for manufacturers;
  - Building specific communication channels and methods of communication (TV, social networks, Facebook; website ..)
  - Create a program to promote the brand through mass media.
- 
- 
- 

# Management and operation of PGS system

## System regulations

These regulations introduce the name, general characteristics, and general information about the PGS system for farmers and production groups wishing to participate in the future, for current and potential partners, and for mass media including:

Name of PGS system

Vision

Mission

Context introduction

Field of work

Powers and responsibilities of PGS

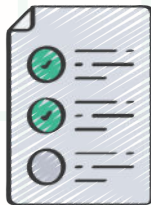
Contact address

# Management and operation of PGS system

## Regulations on structure, functions and tasks

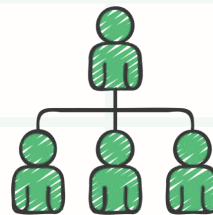
These regulations are given for reference in the process of setting up and operating the system. Systematizing these regulations helps the PGS system to operate and implement professionally and effectively.

1



The basic principles need to be defined to help the PGS establish system mechanism and operating methods (refer to the 5 basic principles of PGS).

2



Organizational structure is the specific operating model of the PGS to achieve the set vision, mission and principles. Define, establish and agree on the organizational structure of the main departments in PGS (refer to "Structure of the PGS system").

3



The function of the PGS system is the list of tasks that the PGS system needs to do (refer to "The function of the PGS system").

# Management and operation of PGS system

## Regulations on requirements, rights and obligations of members

This regulation has been developed to provide specific instructions for members who are and will be participating in the PGS system and the management and operation departments in the process of review to admit new members or expel old members. When developing these regulations, the following questions should be answered:



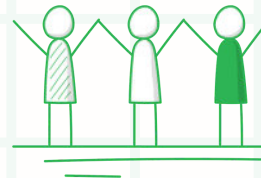
What are the specific requirements for members who are farmers when participating in the Production Group; Do they have specific rights and obligations from this participation?



What are the specific requirements for members who are businesses/traders when participating in the Groups Network or the Coordinator group; Do they have specific rights and obligations from this participation?



What are the specific requirements for members who are supporting organizations when participating in the Groups Network or the Coordinator group; Do they have specific rights and obligations from this participation?



What are the common requirements for all members when participating in the PGS system; What are their general rights and obligations from this participation?



# Management and operation of PGS system

## Regulations on system coordination

### Term and activities of PGS

The term of PGS needs to be specified in order to prepare for the change in personnel and the long-term development of the system.

### Regulations on operation

include General Meeting, Annual Meeting, Regularly meeting, unannounced meeting, Reporting System.

### Methods of formulating and adjust PGS regulation

### Method and scope of application

- The regulations of PGS must be applied consistently throughout the system, ensuring objectivity and impartiality.
- Group or individual of the PGS system is responsible for compliance with regulations. If they make a mistake in this Regulation, depending on the seriousness of the mistake, they will be disciplined according to the regulations of PGS.
- The Coordination Board has the right to handle the mistake and suspend the Group's activities if there are serious mistakes of transparency, affecting the reputation of the entire system.

# PGS training

The training process plays an important role in the PGS system because

The training program contributes to the form of PGS's working methods

Improve system operation capacity for stakeholders

Improve production and processing capacity

Improve organizational management skills, business capacity

Learning is one of the basic principles of the PGS system. Therefore, the training program of the PGS system is a tool for the learning process to take place in the system. Participating in the PGS is a continuous learning process through participating in PGS activities

## Objects and content of training



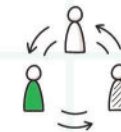
### (1) Product maker

As a farmer/producer must be trained to master production techniques, understand the regulations, standards to which they must comply, and the levels of discipline when there is a mistake.



### (2) PGS system operator

Is a local PGS organization, including individuals of local government organizations and representatives of stakeholders who operate the PGS at the local.



### (3) Distribution system

As distributors/retailers who bring products to market need to understand how PGS is implemented and what to do to ensure product integrity.

# Inspection, Monitoring and Check PGS

## 1 Inspection



Inspection is the activity of observing and evaluating the fields of farmers regularly to remind them of the correct practices in terms of production standards and input requirements, thereby ensuring mistakes in the production process are corrected in time.

Inspections are usually conducted by team members to monitor each other, by production team leaders, the Quality Control InterGroup, the intergroup inspectors, or by persons assigned such as field inspectors, pests control.

## 2 Monitoring



Monitoring (or internal monitoring) is an activity of monitoring and checking using insiders to determine whether members are doing the right things or not during the implementation process to remind, and proactively prevent mistakes.

Monitoring is usually carried out by the production team leader, the Quality Intergroup Board, the intergroup inspector, or by assigned persons such as field inspection, pest control.

## 3 Check



Check (also known as cross-check/internal check) is the review, evaluation and handling of the implementation of regulations, regulations and commitments of PGS system members by the inspection team leader and Inspectors and related parties follow the prescribed order of the system to serve PGS's management activities, protect the interests of members, and the legitimate rights and interests of customers.



### Oxfam

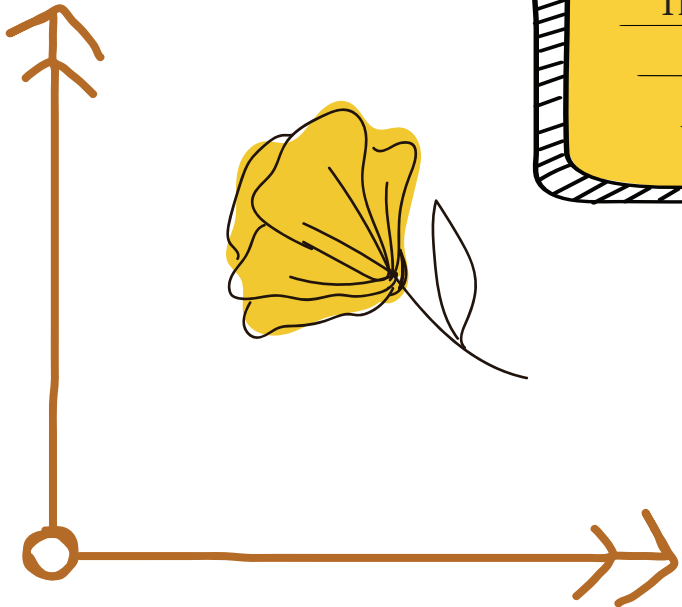
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- [www.vietnam.oxfam.org](http://www.vietnam.oxfam.org)
- [oxfam.vietnam@oxfam.org](mailto:oxfam.vietnam@oxfam.org)

### GreenHub

- +84 24 6292 6764
- [greenhub.org.vn](http://greenhub.org.vn)
- [info@greenhub.org.vn](mailto:info@greenhub.org.vn)



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