

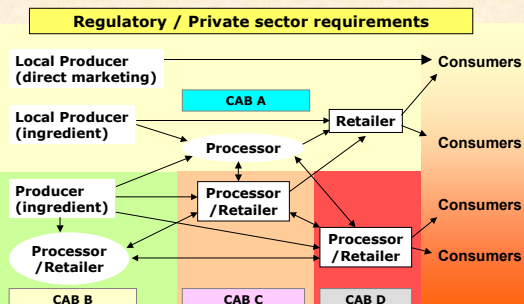
Cooperation and Development options for Conformity Assessment Bodies (CABs) in Organic Certification

Ong Kung Wai

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The Operating Scenario



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Challenges for organic certification

- Domestic-International product chain**
 - different conditions for production & processing in different countries
 - operation stages performed in several different countries
 - initial certification by different CABs
- Regulatory & Market requirements**
 - uneven level of development
 - different regulatory requirements including unregulated markets
 - different private sector requirements
- Certification requirement**
 - certification of each stage has to cover the preceding stage
 - final certification is responsible for all prior certification

Operators need a single integrated certification process whose result(s) is accepted everywhere by regulatory authorities & private sector.

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One Stop shop certification

CABs pursuing a One-Stop shop strategy require:

- Registration, Approval and Accreditation for acceptance of certification [access] into all relevant markets
- Party to multilateral or bilateral agreements so that end products can have access to private label(s) that buyers may require.
- Ability to offer inspection if not certification services to national regulations & private standards as required.
- Provide related additional certifications like Eurep GAP, HACCP, Fair Trade, etc.

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Types of CBs

- CABs operating private label schemes**
 - Certification & private label scheme management
 - Inspection/Certification to regulations
 - Inspection for other private labels
- Service provider CABs**
 - Certification to regulations
 - Inspection for private labels
- Government bodies**
 - Inspection & Certification to regulations

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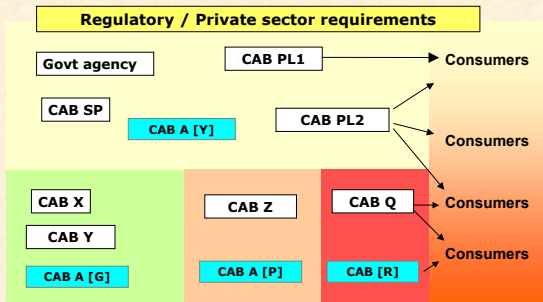
Service extension / Collaboration options

- Outsourcing** [*job-by-job / on-going; exclusive / non-exclusive*]
 - Inspection / Sales representation contracts
- Branch offices** [*subsidiary / partner organisation*]
 - process applications; inspections & others, e.g. fee collection
- Recognition of prior certification** [*regulatory / voluntary*]
 - acceptance of products / operators
- Partnership**
 - Group [*common mark*]
 - Alliances [*separate marks*]
- Open Multilateral recognition agreement**
 - national [*Italian common standards*]
 - international [*ACBS MLA*]

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Global Company strategy

IMO Group (April 2004)

- **Accredited or in process of seeking accreditation:**
IMO- Switzerland; Germany; Bolivia; Brazil; India
- **Inspection offices:**
Bosnia; Chile; China; Croatia; Dominican Republic; South Africa; Spain; Turkey; Tanzania; Uganda; Vietnam
- **Representatives**
Ecuador; Ghana; Iran; Jordan; Mexico; Paraguay; Peru; Poland; Rumania; Russia; Sri-Lanka; Ukraine; Venezuela

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Alliance strategy

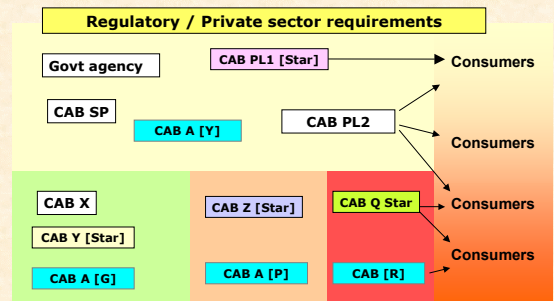
Quavera.org Alliance: Co-operation of CABs specialized in different systems - standardized inspection, certification procedures & common fee structure.

- **Salzburger Landwirtschaftliche Kontrolle / SLK (Austria)**
- EU Reg: Organic Agriculture; Labeling of beef & beef products
- Austrian Codex for Food Chapter A 8; Meat Classification
- Private labels: ERNTE (organic); Agrarmarkt Austria Marketing
- EUREPGAP
Inspection for: Naturland; ARGE [GMO-free]
- **Gesellschaft für Ressourcenschutz / GfRS (Germany)**
- EU Reg: Organic Agriculture; Labeling of beef & beef products
- Quebec requirements
- Private labels: Qualität und Sicherheit's GmbH [QS-Charta]
Inspection for Bio Suisse; Delinat; ECOVIN; Bioland; Demeter; GAA; Biopark; Naturland; Soil Association
- **Canadian Organic Certification Co-operative Ltd / COCC**
- NOP

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Multilateral recognition agreement

MLA based on IFOAM Accreditation

The ACBs MLA works at two levels.

- **Functional equivalence:**
- functional equivalence at level of IFOAM Criteria
- standards equivalence at level of IFOAM Basic Standards.
- **Acceptance of certification:**
- supports bilateral agreements between signatories

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Common private standards

CABs can cooperate and compete at the same time

- **Common private standards**
- five Italy CABs: Bioagricoop, CCPB, ICEA, IMC and BIOS
- based on EU regulation and IFOAM Basic Standard (IBS)
- **Separate identities**
- maintain use of different certification marks.

Benefits

- Flow of products from one certification to another is smooth.
- Common acceptance procedures for exports
- Easier accreditation [IFOAM approved standard]
- CABs maintain IFOAM Accreditation without additional review.

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CBs, Accreditation & Approval systems (2005)

Number of certification bodies and approvals per region

Region	Total	IFOAM	Japan	ISO 65	EU	USA
Africa	7			3		
Asia	117	4	69	5	1	2
Europe	157	14	16	69	129	34
Latin America & Carribean	43	4	1	13	5	10
North America	84	5	8	20	0	65
Oceania	11	4	6	3	8	4
Total 2005	419	31	100	113	143	115
Total 2004	383	30	95	96	132	112
Total 2003	364	26	81	74	112	106

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Distribution & Other Approvals

- 70 countries have a home-based CB
- Asia and Africa still lacks local service providers.
 - 117 CABs listed for Asia (104 in China, India, & Japan)
 - 7 in Africa (S. Africa, Kenya, Uganda, Tanzania, Egypt)
- Many are offices of international CBs
- Few work in all continents where organic production takes place, e.g. IMO, Ecocert, BCS, ICEA, QAI, OCIA, SKAL International.
- 5 reportedly have all five approvals, i.e. CCPB, Bioagricert, IMC, ICEA, and NASAA.
- Other key market approvals & accreditation
 - CAQ for Quebec
 - BioSuisse for Switzerland;
 - prominent supplier countries [India, China & Argentina]

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Constraints to collaboration

- Lack of recognition agreement between governments**
 - no international Evaluation and Resolution system for differences [compliant - equivalent basis]
- Limited delegation of authority [regulation]**
 - CABs not allowed to recognise products certified by another CAB under another regulatory system.
- Limited delegation of authority [norms]**
 - restriction against delegation of certification authority even within the framework of a recognition agreement based on an identical accreditation.

'Exclusive' framework conditions amount to demanding CABs in to do everything, i.e. acquire every authorisation required and make every certification decision, by themselves.

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Impact

- Multiple inspections, certification & accreditation
 - burdensome cost of certification [higher final product cost]
- Exclusive requirements hampers development of international 'one stop shop' certification service networks based on CAB to CAB collaboration.
- Extremely difficult for local certification initiatives in developing markets to service export certification / establish themselves.
- Situation will worsen as more countries set similar 'exclusive' regulations. As bureaucracy increases, so will frustrations and tensions within the sector.
- Do consumers feel 'protected' or alienated by this development?
- Will this drive or hinder mainstreaming of the organic sector?

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Collaboration in other certification systems

Mutual recognition

- IQNet: extensive network for ISO 9000 and ISO 14000 type certification
- CENELEC: voluntary standards for electrical and electronic goods and services. Use of different national conformity marks without retesting of product
- ASHA-CASLPA recognition agreement in professional certification in audiology. Transferable recognition based on equivalence - individuals certified by ASHA or CASLPA obtain certification by the other based on equivalence without further tests.

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Withdraw regulatory control?

Certification of quality systems do not need regulatory control to work, e.g. certification to ISO 9000 or ISO 14000. Certification of organic management is a quality system certification.

Majority of countries have no organic regulations. Given the difficulties created by regulations policymakers should consider withdrawing regulatory control and let organic certification be self regulated by industry.

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'Inclusive' regulatory environment

Exclusive rules are an overkill

- organic products are safe products

Inclusive rules - acceptance as a rule not exception to the rule:

- Reference private sector consensus standards developed within the country where available.
- Recognition of other foreign regulations or private standards set in a participatory and consensus based process.
- Acceptance of all products produced to applicable local/national/private standards.

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Mitigating measures

- Establishment of an international equivalency determination process for regulations based on international norms to facilitate government to government recognition.
- Authorise CABs to determine acceptance of products certified by another CAB approved or accredited under another regulatory or private system.
- Adopt a common sector specific international criteria for organic certification. [*guidance for recognition of functional competence*]
- Allow CABs to confer certification based on an equivalent prior certification within a mutual recognition agreement.
- Allow CABs to delegate certification authority in the context of a recognition agreement based on a similar accreditation.

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Limits to collaboration

Collaboration in a competitive environment amount to developing strategic relationships to enhance competitive advantage against each other or groups.

Notwithstanding better conditions for collaboration, reasons not to establish collaboration include:

- no cost savings / cost of establishing & maintaining relationship
- no enhancement of competitive advantage or market expansion
- market positioning / competition [national / international]
- differences: standards; policy; work culture

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Service scenario

Organic sector certification serviced by

- Global companies [*financial auditing service sector*]
- International service networks [*alliances in air travel sector*]

Over 400 organisations claim to do organic certification worldwide - resource pool for sector development.

Lucrative export certification receives greater attention than certification for local developing markets.

Local CABs based in developing markets cannot realistically grow into global companies, but can offer local advantage as members of an international alliance

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Co-existence of private and regulatory systems

- Governmental systems
 - authority
 - policy support
 - legal framework against false claims
 - slow bilateral & slower multilateral negotiations
 - late respond to dynamic nature of sector development.
- Private sector systems
 - historical origins
 - innovative and timely
 - popular grassroots/consumer support
 - established international accreditation
 - domestic rivalry; organic vs organic
 - no regulatory authority

Public-Private partnerships at National level
Multilateral recognition system at international level

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