STUDIES

# BUILDING TRUST IN ORGANIC




IFOAM
INTERNATIONAL FEDERATION OF ORGANIC AGRICULTURE MOVEMENTS

# *Building Trust in Organic*

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# BUILDING TRUST IN ORGANIC

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# *INTRODUCTION*

The purpose of this publication is to provide guidance on how to set up an effective organic certification programme that takes into account local conditions and conforms to IFOAM criteria and international norms. The purpose is also to ensure that certification bodies act as service providers to the public and support the development of organic agriculture. The focus of the guide is to assist newly established certification bodies. It may also be of value for already established certification bodies.

The background is the growing domestic and international trade in products from organic agriculture. This trade is largely based on certification. Still, more than 100 countries lack local service providers. IFOAM has accepted the challenge, first by developing the IFOAM Basic Standards, later by establishing the IFOAM Accreditation Programme, and increasingly by providing practical assistance, for instance publishing this handbook. Its first edition was published 1998 and was very much in demand. After eight years, it is time for a new edition. The new edition is more comprehensive and expands in particular on the business aspects of organic certification. It also contains the main parts of another IFOAM publication, the *Guide to Compiling Documents for Organic Certification bodies,* as well as earlier unpublished documents from Grolink AB.

Most of the well-known certifiers in the industrialized world began operation more than 20 years ago. At that time the requirements were not very high. A new certification body could easily get "recognition" by publishing standards, registering a trademark, becoming a member of IFOAM, and making itself known. It would learn and improve over the years. Today, the situation is much more complex. The requirements are increasing due to internal development within the movement (as reflected in the IFOAM accreditation criteria), state and international regulations, and increased knowledge in the marketplace. This means that it is much more difficult to start up today. New certifiers should call upon experience from others and take international norms into consideration.

There is some resistance to certification from various groups. In the beginning of this guide, some of the arguments against certification are discussed. The intention of this guide, however, is not to resolve this conflict but to assist in the establishment of reputable certification bodies. Further, it can be argued that it would be more appropriate if organic producers sold their products as "normal", and producers who use agrochemicals were required to declare that on their products and pay the costs for such a system. That discussion is also outside the scope of this guide.

In the guide we have put together information with the focus of setting up of certification bodies in developing countries. The guide does not describe the highest possible level of performance

but rather a level that is considered to be achievable. It should be satisfactory for getting the recognition that is very much needed for a new organization.

*Gunnar Rundgren,* January 2007

# THE GUIDE

## Contents

This second edition has been produced by Gunnar Rundgren with Ong Kung Wai compiling case studies and commenting on the whole work. Further comments and suggestions have been received from Diane Bowen and Eva Mattsson.

The previous edition was edited and written to a large extent by Gunnar Rundgren with contributions from Bo van Elzakker, Jim Riddle, Ong Kung Wai, and Roberto Ugas.

It also contains material (in the section in documentation and in part 6) from the *Guide to Compiling Documentation for Organic certification bodies,* published by IFOAM 2002 and compiled by Ken Commins with input from Krista Kennedy, Vitoon Panyakuul, Jorge Casale, Jochen Neuendorrf, Rochelle Bosche, Robert Simmons, and Virginia Zenteno.

Case studies have been written by Piyaphan Phinthuphan, Diana Callear , Laura Montenegro, Beate Huber, Marlene Heeb, Gergana Nentcheva, Yousef Ali Hamdi, Gunnar Rundgren, Xiao Xingji, Leonard Mtama and Miles McEvoy

In addition, it contains sample documents developed by Grolink AB.

## How to Read the Guide

The first part offers theoretical background on certification, regulations, norms, and accreditation. It also tries to place the function of certification in its proper context. Part 2 offers hands-on instructions and practical examples for the organization and technical work of a certification body. Part 3 contains business aspects. Case studies of certification bodies are described in part 4. Part 5 contains resources that can be useful. Part 6 contains instructions for the development of the quality system documentation. Part 7 presents a number of sample documents.

There are large boxes in the document with examples or additional discussion. There are also smaller boxes with questions. These can be typical things to discuss in a study group.

## Terms Used

A list of acronyms and definitions appears at the beginning of the guide. Most of the terms are defined or explained when first introduced. It should be noted that the term *certification*

*body* refers to the organization performing certification. This body may sometimes be referred to as the *certification organization, the certification agency, or the certifier. Certification programme* is used for the service package of the certification body (in this case, the service of certification of organic production). One certification body may execute several certification programmes.

**An important note:**
There are often several ways to do one thing, and it is not always easy to say what is right and wrong or what is best, especially in an international context. The practical part of this guide tries to balance the need for clear instructions with the necessity to be open-minded about how things can be done.

# 1 Terminology

## *1.1 Acronyms and Abbreviations*

| | |
|---|---|
| BRC | British Retail Consortium |
| GAP | Good Agricultural Practice |
| HACCP | Hazard Analysis Critical Control Points |
| IAF | International Accreditation Forum |
| IFOAM | International Federation of Organic Agriculture Movements[1] |
| IOAS | International Organic Accreditation Services, Inc. |
| ISO | The International Organization of Standardization |
| ISO 65 | ISO/IEC Guide 65: 1996(E); General requirement for bodies operating product-certification systems. In the European standardization context it is called "EN 45011". |
| JAS | Japanese agricultural standard |
| MLA | multilateral agreement (between countries, or certification or accreditation bodies) |
| NOP | National Organic Program (of the United States) |
| PGS | participatory guarantee systems |
| USDA | United States Department of Agriculture |

## *1.2 Glossary*

The following terms are used in this guide (and in the organic sector):

**accreditation:** the procedure by which an authoritative body formally recognizes that a body or person is competent to carry out certain tasks

**approval:** procedure by which a body (other than an accreditation body) gives formal recognition that a body or person is competent to carry out certain tasks, or that a product fulfils certain requirements

**certification:** a system by which the conformity of products, services, etc. to applicable standards is determined and confirmed

**certification body:** organization offering certification services. A certification body can be a limited company, a producers' association or co-operative, or a government agency

**conformity assessment:** a general term for the demonstration that specified requirements relating to a product, process, system, person, or body are fulfilled. A conformity assessment includes certification, accreditation, testing, and other methods

1 A sector association with 750 member organizations in 108 countries.

**EU regulation:** Council Regulation (EEC) No. 2092/91, with amendments and additional regulations

**IFOAM norms:** The IFOAM Basic Standards for production and the Accreditation Criteria for certification, which form the basis for IFOAM accreditation

**IFOAM accreditation:** Accreditation to the IFOAM norms of a certification body, the status of which is often referred to as "IFOAM-accredited"

**inspection:** a visit to a site to verify that the performance of an operation is in accordance with a particular set of production or processing standards. In other sectors of conformity assessment, this is often referred to as "auditing" (e.g., "environmental auditing") or "assessment"

**inspection body:** normally, a body performing inspection services. In the context of this paper, inspection body is used synonymously with *certification* body because of the way the term is used in the EU regulation on organic farming

**ISO 65 accreditation:** accreditation (by an accreditation body) of a certification body for compliance with the ISO 65. The status is often referred to as "ISO 65 accredited"

**JAS certification:** certification of producers to the JAS standards

**JAS registration:** the formal approval of certification bodies by MAFF

**non-conformity:** any situation or action that leads to the operator's or production's not fulfilling in some way the standards or the requirements set by CB. Non-conformities can be classified and described by many terms, among them *non-compliances, deficiencies, violations, transgressions, infringements, irregularities, fraud and deviation*

**NOP certification:** certification of producers according to NOP production standards

**NOP accreditation:** accreditation of a certification body to the NOP requirements for certification bodies by the USDA

**operator** is used in this guide for anyone who has some activities subject to certification, be it a farmer, a handler, or a processor. These are sometimes referred to as "licensees" (and in ISO language as the "supplier")

**quality system:** documented procedures which are established, implemented, and periodically audited to ensure that production, handling, management, certification, accreditation, and other systems meet specified requirements and outcomes by following standardized protocols

**recognition:** used mostly in its common sense, if not linked to a specific expression such as *mutual recognition*

**third-country list:** the list of the non-EU of countries that have been recognized as having an equivalent organic regulation as the EU, according to Article 11.6 of the EU regulation

Note: The terms *IFOAM-accredited, NOP accredited* and *ISO 65 accredited* are used throughout this report as abbreviated forms of the more complete phrasing, such as "Accredited by the USDA to the NOP". This kind of use is widespread not only in the organic sector but also in other sectors. E.g., "ISO 9001 certified"

# *PART 1: ORGANIC CERTIFICATION CONCEPTS*

**This section gives an overview about inspection, certification, standards, and accreditation, both in general and in the organic sector. It is recommended that this section be read thoroughly and used as a reference when reading the later sections.**

## 2 What Is Certification?

### *2.1 Introduction and Definition*

Certification is a system by which the conformity of products, services, etc. to applicable standards is determined and confirmed. This confirmation can be done any of the following:

| | |
|---|---|
| the first party | the supplier (producer) |
| the second party | the customer (buyer) |
| a third party | an independent body |

*Certification* in organic agriculture generally refers to third-party certification. The independent body in this case is expected to be neutral or have a balance of interests (as opposed to a body controlled by one of any interested parties). In this guide, the term certification is used only for third-party certification.

Certification is not unique to organic agriculture. Many things are certified: products, quality systems, services, people, and production methods, to mention the more important categories. What is common to all is that they are based on a norm or standard (such as ISO 1992) against which the certified products or service are assessed (evaluated, tested, audited).

Certification of organic agriculture includes the certification of products and the certification of quality systems. It is primarily certification of a production system or a production method, including the products thereof. The term *organic,* as in *organic agriculture* or *organic products,* refers to certain farming and processing methods or products from such systems. The organic quality cannot be verified through product testing. In some cases, product testing can be used to detect non-conformity. Certification of organic agriculture uses concepts developed both in product certification and quality systems certification in addition to concepts developed from the field to meet the unique needs of the organic industry.

## 2.2 The Certification Mark

Certification is often associated in the marketplace and among the public by a mark or symbol.[2] It is an effective way of informing the consumer that the production and/or the products are certified. Normally it is the ability to use the mark that the operator is seeking. Not all prominent organic marks, however, are certification marks. Technically speaking, marks are only certification marks when they represent the certification decision. For example, the Soil Association mark represents products certified by the Soil Association according to the Soil Association's standards. Some prominent organic marks are not certification marks (e.g., the German "Bio"). It is the German government's national mark to identify organic products. Operators have to be certified to the EU regulation to be able to use the Bio mark. The certification can be by any of the numerous recognized certification bodies in the EU.

It is the producer who labels the product with the mark, and it is the producer who is continuously responsible for how the mark is used. "The mark is not a form of conformance guarantee by the certification body, but rather by the product supplier" (ISO 1992). The ability of the certification body to monitor the proper use of the mark is limited. Non-conformities are normally discovered after the damage has been done: i.e., after the products have been sold.

## 2.3 Certification and Regulation

Regulations are normally mandatory, whilst certification, unless required by regulation, is normally voluntary. Most regulations are controlled or inspected by governmental authorities with the purpose of disclosing violations and taking legal action against offenders. The activities of a certification programme are directed to ensure that certain requirements are met. Certification is basically a positive statement about operators, complying to set standards. State control aims at identifying those who don't follow the rules.

Governments are increasingly referring to certification for the regulation of various activities. Examples include machinery, household goods, and shipping classifications. Governments have been requiring certification by independent certification bodies to verify compliance with national or international standards. Some certification institutions are also government bodies.

## 2.4 Basic Principles for a Certification System

There are fundamental principles on which a certification body should be based. They are further developed in standards for certification bodies such as the ISO Guide 65 and the IFOAM accreditation criteria. These norms mainly address principles that affect the reliability and credibility of a certification body and not principles that relate to efficiency, client service, and general business operations.

2 In this guide, certification mark is used to describe the logo or symbol that indicates that the product is certified.

### *Competence*

The body shall have adequate resources and sound financial management and shall demonstrate professional competence through the adequate training and experience of its officers and personnel.

### *Independence*

The body shall have structures and procedures to enable it to be free to operate without undue influence from vested interests.

### *Accountability and Responsibility*

The body shall define clear lines of authority and the accountability of staff, officers, and committees.

The certification body shall take full responsibility for all activities operated or subcontracted out within its system.
The body shall exercise control over the use of its licenses, certificates, and certification marks.

### *Objectivity*

Inspection and certification shall be based on an objective assessment of relevant factors, following documented procedures.

### *Commitment to Quality Improvement*

The body shall demonstrate adequate arrangements for continuous quality improvement and have adequate procedures for evaluation of its development and performance. It shall have procedures for dealing with complaints and appeals and the remedial actions taken related to the certification process.

### *Transparency*

Production standards, organizational structures, financial sources, rules and procedures for granting of certification, training arrangements for personnel, procedural records, and similar information shall be published or made available as appropriate. A list of certified producers shall be published.

### *Confidentiality*

The body shall have adequate arrangements to ensure the confidentiality of information regarding operators obtained in the course of its certification activities at all organizational levels, including committees and contracted bodies.

### *Participation*

The body shall demonstrate adequate procedures for receiving input from affected parties.

### *Non-discrimination*

The policies and procedures under which the certification body operates and their administration shall be non-discriminatory.

### *Cooperative and Respectful*

The certification of organic agriculture is based on voluntary application by operators. The voluntary nature of a certification programme results in a good relationship between the certification body and the operators, which generates confidence on both sides. The attitudes of the people working for the certification body play a major role towards how acceptable the certification body will be for operators.

### *Value of the Certification*

Being certified should result in considerable advantages for the certified operator.

The certification body should increase the value of its certification by providing impartial information and promotional activities to buyers and consumers.

To encourage the involvement of all qualified operators, costs for certification should be affordable (i.e., they should be considerably lower than the benefits to be expected from being certified).

### *Cost-efficient*

Methods and procedures should be developed to ensure efficient service at the lowest possible cost.

## *2.5 Conflicts in the Principles*

There are occasional conflicts between principles. One example is between participation of interested parties and independence; the greater representation and involvement of interested parties, the more conflicts of interest problems could arise. Another pair of potentially conflicting principles are confidentiality and transparency. It is important for the certification body to be able to understand and deal with such conflicts.

## *2.6 What a Certification Body Should Do, Can Do, and Shouldn't Do*

A certification body should not engage in other activities that can compromise its neutrality or credibility. Here we speak not only of actual practices, but also of perception. The mere notion that an activity performed by the certification body is causing a conflict of interest can be damaging to the body. This relates not only to the certification organization itself, but also to subcontracted bodies or individuals such as inspectors and members of the board and committees. The certification body should not engage in any of the same kind of production or consulting producers that it certifies. It should be noted that there are differing views, also among accreditation bodies, on exactly where the line shall be drawn regarding the activities that can be combined with certification.

### *Information, Promotion, and Marketing*

A certification body should

- Inform the public about the nature of its organization and its governance and the meaning of its certification activities

- Publish a list of certified operators
- Publish statistics of the operations, production, and products it certifies

A certification body may

- Promote the certified production in a generic way
- Present the certified production in a non-discriminatory way (all products are equally presented)
- Facilitate contacts between suppliers and customers in a non-discriminatory way (e.g., publishing lists of certified production)

A certifier shall not

- Market certified products
- Give recommendations for pricing or other business-related activities
- Facilitate business contacts between individual operators within its systems
- Solicit applications based on the needs of individual buyers

### *Advice and Consultancy*

A certification body shall

- Give the operators good guidance in the meaning of the standards and the requirements for certification

A certification body may

- Provide the operators with guidance on how to clear obstacles for certification, as long as it is not a special service that is charged for or available to some operators but not others.[3]
- Organize training courses or other general support activities offered to all operators

A certification body shall not

- Offer consultancy service to prospective or certified operators

### *Policy Making*

There are no international norms regulating the extent to which certification bodies may engage in policy making. The reason for this is probably that it is not very common. However, it is not uncommon in the organic sector for certification bodies to be engaged in advocacy and lobbying for organic agriculture. Whilst it is hard to challenge this, such activity may harm the certification body's credibility in the longer term by giving it an image of being more of an interest group than a service provider.

3 This is a disputed issue. In theory, certification bodies shall not explain how the operator shall implement the system or fulfil a certain standard. Most practitioners, however, would agree that this is often done, and sometimes even actively promoted, e.g., by giving guidance on how to set up an internal control system.

### *Research and Education*

Certifiers may engage in research and educational activities. These may involve demonstration projects, field days, conferences, publications, and networking activities, as long as these activities are conducted on an impartial basis and never for the direct benefit of an individual certified operator.

## 3 International Norms for Certification

## *3.1 ISO*

### *What is ISO?*

ISO is derived from Isos, which means "equal" in Greek. ISO is the International Organization of Standardization, based in Geneva. It is constituted by one member from each country ("the body most representative of standardization in its country"). More than 70 per cent of the ISO member bodies are governmental institutions or organizations incorporated by public law. Its sole role is to set standards. It sets international product standards for specific sectors, and also standards for quality management systems and conformity assessment systems. Industry normally has great influence in the standardization organizations. In several countries, there is no ISO member. ISO itself is a non-governmental organization and is not part of international institutions like the United Nations and the World Trade Organization, but is often referred to by them.

**ISO Certified, ISO Accredited?**

ISO does not certify or accredit anything. Due to the use of expressions such as "ISO 9001 certified", many people believe that ISO certifies. But ISO has no certification body and ISO does not approve or accredit certification bodies. ISO's role is only to make standards, including standards for certification and accreditation. The expression "ISO 9001 certified" actually means "certified to the ISO 9001 standards".

### *ISO Norms for Certification*

In the ISO it is the Conformity Assessment Committee (CASCO) that is responsible for standardization of conformity assessment. The results of CASCO are published as ISO guides or standards. There are several guides of relevance for certification. Among them are these three:

- ISO/IEC Guide 62: requirements for certification of quality systems
- ISO/IEC Guide 65: 1996(E); General requirement for bodies operating product certification systems
- ISO/IEC Guide 67: 2004; conformity assessment; fundamentals of product certification (gives guidance on product certification systems by identifying their various elements based on current practices. It is intended for use by product certification bodies and other interested parties wishing to understand, develop, establish, or compare third-party product-certification systems)

As mentioned earlier, certification of organic agriculture is not just product certification. Nor is it simply quality-systems certification. It is primarily certification of production methods, and there is no ISO Guide for such certification systems.

### *ISO Guide 65*

The most relevant ISO document for a certification body for organic agriculture is ISO Guide 65: general requirements for bodies operating a product-certification system. It should be noted that this guide is not developed with organic certification in mind.[4] The requirements for documentation, quality management, and internal review are often seen as overwhelming for small certification bodies. Nonetheless, it provides valuable guidance for any certification body. It is also referenced in EU and Japanese regulations for organic agriculture, thereby making compliance compulsory for certification bodies wanting recognition or access to those markets.[5] The EN 45011 is identical to the ISO 65. The International Accreditation Forum has developed further guidance to the ISO 65 (IAF 1999).

### *ISO 9000 and ISO 14000*

The ISO 9000 standards are for quality management systems and the ISO 14000 series of standards are for environmental management, eco-labelling schemes, etc. None of these standards sets any performance level but focuses on setting principles for management and standardization. They have no direct involvement in the certification of organic agriculture. However, a company certified according to ISO 9001: 2000 will have fewer problems fulfilling the requirements for organic certification. It can also be used by certification organizations, as it provides generic guidance for quality management and it is more up to date than the ISO 65.

## *3.2 IFOAM Accreditation Criteria*

The IFOAM accreditation criteria for bodies certifying organic agriculture and processing (referred to in this document as the "IFOAM accreditation criteria") are based on the ISO Guide 65 but further elaborated to be fully applicable to the organic sector. Most of the criteria will, directly or indirectly, be addressed in this guide.

**The Relationship between IFOAM Accreditation Criteria and the ISO Guide 65**

The IFOAM criteria can be seen as a sector-specific application of the ISO Guide 65, where some standards are left out where considered not applicable and additional standards are introduced to address areas of special concern in organic certification. The IFOAM accreditation criteria are much more extensive regarding inspection and the practical execution of an organic certification programme. The ISO Guide has a "systems" approach, assuming that a good system will guarantee the integrity of the certification process.

4 There has been no input from any of the 400 organic certification programmes into this guide.

5 The original EU regulation on organic had no reference to this norm; it was introduced 1997.

# 4 Accreditation

Through accreditation, three tiers of conformity assurance are established:

1. The operator (producer) ensures that the product is produced according to the standards.
2. The certification ensures that the operator is acting in conformity with the standards and rules of the certification programme.
3. The accreditation recognizes the competency of the certification body.

The line between "accreditation" and "certification" is sometimes not clear. Accreditation is used within certain professions to express a certain level of standing and performance. Similarly, the terms *accreditation* and *approval* are sometimes used to describe the same process. In some cases the accreditation process is referred to as "registration". Accreditation is usually performed by national accreditation bodies or by special bodies for different sectors. The International Organic Accreditation Service (IOAS) operates the IFOAM Accreditation Programme for certifiers of organic agriculture; the International Accreditation Services (IAS) accredits certifiers of sustainable forestry and marine fisheries; and the International Seed Testing Association (ISTA) accredits seed testing laboratories. These three are examples of international accreditation bodies.

Accreditation is useful when many certification bodies are working in the same sector. Accreditation can ensure that they all adhere to a defined minimum competence. Sometimes accreditation is a mandatory requirement for certification bodies wanting to operate certain schemes. Other times accreditation is mainly sought for marketing reasons, i.e., accreditation by a certain accreditation body may increase the appeal of the certification service. Going through an accreditation process is often a useful learning process for a certification body, as an outside organization that reviews the organization will find weaknesses or inconsistencies of which the organization may not have been aware.

## *4.1 Who Can Accredit?*

There is no (international) regulation on who may accredit. ISO standard 17011 defines requirements for accreditation bodies, but there is no formal approval procedure for accreditation bodies. The International Accreditation Forum, where many of the national accreditation bodies are represented, has a multilateral agreement, based on peer review; membership in it has defined which accreditation bodies are recognized in certain sectors and regions.

It is basically the market that decides which kind of accreditation it accepts as long as it is not defined in regulations. The European Union works with a system of national accreditation bodies having monopoly on accreditation in their respective countries. In many countries, such as the United States, there are several accreditation bodies. In many developing countries, there are no accreditation bodies at all; accreditation is often offered also in those countries by national accreditation bodies from developed countries, or by international accreditation bodies.

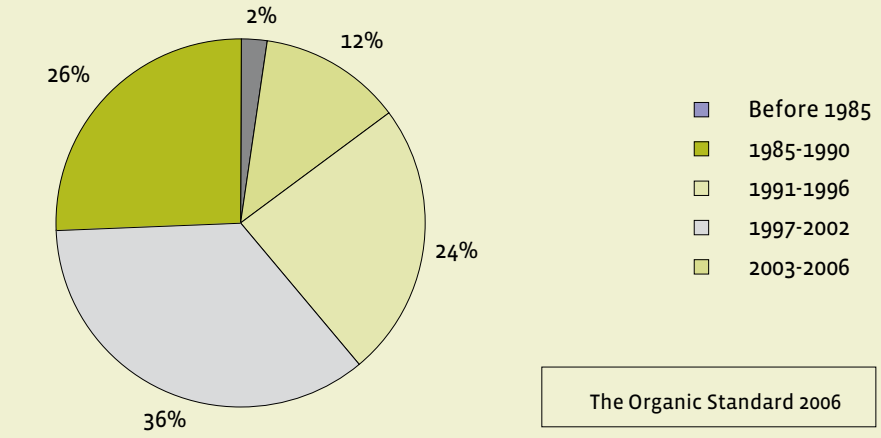
### *4.2 Peer Review*

An alternative way to establish credibility among certification bodies is by having them monitor each other by peer review. Mutual recognition agreements between certification bodies are normally based on peer-review mechanisms, but can also be based on accreditation or both.

## 5 Development of Organic Certification

The certification of organic products has a 30-year history and has been practised in most OECD countries for more than 20 years. Initially, organic products were sold without any formal third-party certification. Certification of organic products was initiated as a means for organic producers to

- Increase the image and identity of organic products in the marketplace
- Increase consumer confidence in labelling claims
- Protect legitimate producers from misleading or fraudulent claims made by competitors




In a few countries and in some U.S. states, governments became involved quite early in establishing a regulatory framework for the organic market in order to protect consumers from misleading claims and producers from unfair competition. The table below shows key events in the development of organic standards and certification.

| | |
|---|---|
| **1924** | Demeter biodynamic label founded, based on the teachings of Rudolf Steiner |
| **1935** | Mokichi Okada establishes nature farming field experiments in Japan |
| **1940** | Sir Albert Howard publishes *An Agricultural Testament* |
| **1942** | J.I. Rodale publishes the first issue of *Organic Farming and Gardening* |
| **1943** | Lady Eve Balfour publishes *The Living Soil* |
| **1967** | Soil Association publishes first organic standards |
| **1972** | Founding of IFOAM |
| **1974** | The U.S. state of Oregon adopts organic legislation |
| **1979** | First California Organic Foods Act adopted |
| **1980** | First IFOAM Basic Standards published |
| **1985** | France adopts organic legislation |
| **1990** | Organic Foods Production Act passed in the United States |
| **1991** | EU regulation 2092/91 adopted |
| **1992** | Establishment of the IFOAM Accreditation Programme |
| **1999** | Codex *Alimentarius* guidelines adopted |
| **1999** | EU organic livestock regulation published |
| **2000** | Japanese organic regulation published |
| **2000** | U.S. national organic standards published |
| **2002** | U.S. National Organic Program goes into effect |

*Rundgren, 2002, modified*

**Table 1:** From Ideology to Legislation

Certification is a market instrument. It enables producers to access a market niche, often with a premium price. In many cases, the only way to create or maintain a separate organic market is through establishing an organic mark and a certification scheme. All major organic markets have developed through the establishment of private organic standards and labelling schemes. Whilst most of them developed without formal certification in their early stages, certification has since become a key element to build recognition and credibility for organic products.

In general, one could say that the need for certification develops under conditions where there is "distance" in the supply chain between producers and consumers. The closer they are to each other, the less the need for certification. This "distance" need not necessarily be geographic. It can be a result of the distribution method, market structures, or even cultural conditions. In situations with big distances, certification upholds confidence in the organic product supply chain, from the farm or factory to the shop. There might be little or no need to have third-party certification for systems like community-supported agriculture schemes (CSAs) or TEIKEI, where consumers have direct contact with the producer and the production.[6]

Putting it in a positive way, one could say that "certification creates or enhances trust between parties." Putting it negatively, one could say that "certification is needed because of gaps in trust relations and understanding between parties."

6 CSA and Teikei are systems where producers and consumers work closely together, often cooperating in production planning, distribution, marketing and pricing in consensus.

## 5.1 Additional Benefits of Certification

As stated, the main objective of certification is to facilitate access to a market for certified products. However, there are other positive by-products of certification:

1. Facilitation of production planning. Certification requires the producers to have documentation and production planning. This can make the production more efficient and profitable.
2. Facilitation of marketing and extension. The data collected in the process of certification can be very useful for market planning as well as for extension and research.[7]
3. Transparency. There is a basic principle of transparency that requires certification programmes to make public who is certified and what products are certified. This transparency facilitates direct contacts between producer and consumers/buyers, and unnecessary middlemen lose the power they have from exclusive access to information.
4. Improvement of the image of organic agriculture in society and an increase in the credibility and visibility of the organic movement.
5. Facilitation of the introduction of special support schemes for organic agriculture. Certification defines a group of producers to support. Without certification, it is difficult to implement special support for organic farms.

## 5.2 Other Models for Building Trust

There are alternative models for quality assurance and conformity assessment. The core issue is, "How do we organize a system that builds trust?" Different systems have different emphases. A creative interaction between certification and other social control mechanisms might be a safer and more reliable system than the prevailing system, which is completely based on the distance between the certification body and the certified "object". One such example is participatory guarantee systems (PGS). This is mentioned here as a future path of development. The guide is based on the more traditional certification approach.

7 Unfortunately this is often underutilized, partly because of tight confidentiality regulations.

**Key Features of a PGS**

1. Norms are conceived by the stakeholders through a democratic and participatory process, but always in accordance with the commonly understood sense of what constitutes organic production and an organic product. The norms should stimulate creativity, a characteristic of organic farmers, instead of inhibiting it.
2. The participatory certification should be perceived as a result of a social dynamic, based on the active participation of all stakeholders.
3. The participatory certification is appropriate to smallholder agriculture, because the participatory nature and horizontal structure of the programmes allows for more appropriate and less cash-based mechanisms of certification. The participatory nature of the system encourages consumers to seek out smallholders.
4. Principles and values enhance the livelihoods and well-being of farming families and promote organic agriculture.
5. There may be minimal paperwork required of farmers but there will be ways in which they are expected to demonstrate their organic commitment and integrity.
6. There are mechanisms to verify farmer's compliance with the established norms, which stimulate participation and organization, and allow a learning process for all the stakeholders.
7. There are mechanisms (field advisers, newsletters, farm visits, websites, etc.) for encouraging farmers to produce organic products and be certified as organic farmers.
8. There is a bottom-line document, for example a farmer's pledge stating his or her agreement with the established norms.
9. There are seals or labels providing evidence of organic status.
10. There are clear and previously defined consequences for farmers not complying with standards, actions recorded in a database or made public in some way. (IFOAM 2005b)

## *Options for Quality Assurance and Market Identification for Organic Products*

The two main functions of organic certification are quality assurance and market identification. Market identification is mainly through the use of a certification mark or an organic mark on the product. Quality assurance is through a process of documentation by the operator, inspection, and certification. There are other less stringent, more accessible, easier to establish and cheaper to operate ways to ensure that products are organic. Actors in an emerging organic sector should assess the feasibility of other solutions before embarking on certification. The table below gives some ideas for other models.

| SYSTEM | QUALITY ASSURANCE | LABELLING, MARKET COMMUNICATION |
|---|---|---|
| Self-claim | • Operator's own statement | • Just name of operator |
| Labelling scheme by national movement, trader, farmer group | • Private group/association standards<br>• Registration and signed commitment by operator<br>• Training for operators<br>• Regular visits by entrusted person or based on risk assessment or peer-review visits between operators<br>• Publication of operator and production lists<br>• Hotline for public complaints<br>• Trademark protection of mark | • Use of organic mark<br>• Identity of operator<br>• Retailing code of conduct |
| PGS system | • Multi-stakeholders' participation, including local authorities and buyers<br>• Parts or all of the above | • Use of organic mark<br>• Identity of operator |
| National government organic mark and support scheme | • National consensus standards<br>• National registration of participating groups<br>• Peer review between participating groups<br>• National committee (private-public partnership) for registration sanctions and deregistration<br>• Legal sanction for unauthorized use of national mark | • National organic mark<br>• Government authority |

## 6 Organic Standards

Historically, organic certification bodies developed their own standards, something that can also be seen in the field of eco-labelling, fair trade, and social certification. In other sectors, certification bodies rarely develop their own standards, but certify to other standards in the public domain, e.g., ISO 9000 or 14000 guide series. With the introduction of organic regulations, this has also become common in the organic sector, i.e., certification bodies which do not set standards and certify only regulations. Many certification bodies today offer a range of certifications to various government regulations and private-sector standards. In countries where there are no local organic certification bodies, there are usually also no government regulations. Therefore, emerging certification bodies often have to get involved in the development of organic standards.

## 6.1 IFOAM Basic Standards for Organic Agriculture and Processing

IFOAM, the International Federation of Organic Agriculture Movements, published its first standards in the early 1980s. These standards were initially used by farmers but later developed into a "standard for standards", meaning their role is to set the standards for production standards and not directly for producers. The IFOAM Basic Standards are regularly revised and further developed by a standards committee in consultation with and adopted by the IFOAM membership (IFOAM 2005a).

## 6.2 Codex Alimentarius

The Codex Alimentarius Commission is an inter-governmental body in charge of the operation of the FAO/WHO Food Standards Programme. The purpose of this programme is to facilitate international trade in food products through the establishment of international standards. The Committee on Food Labelling is responsible for the organic guidelines (CAC/GL32). The Codex guidelines have two functions: They provide guidance to countries developing an organic regulation and can be referred to in international trade disputes. Although the topics contained in them are similar to organic certification standards, they are not used directly for certification.

## 6.3 Formulation of Standards

There is an ISO Guide (7: guidelines for drafting standards suitable for use for conformity assessment) in which some basic concepts for standardization are elaborated. It is important to keep in mind that standards are developed over time and need regular revisions to keep in step with technical and sector development. When standards are changed, it is important to make clear rules for implementation of the changes. Besides stakeholder participation in the drafting, review, and adoption process, ownership and control of the standards are also critical issues. There is also the ISO/IEC Directives, part 2: rules for the structure and drafting of international standards (Geneva 2004: ISO 2005b) that gives valuable guidance on how to structure and write a standard.

## 6.4 Procedures to Set Standards

Standard setting should follow documented and transparent procedures with active stakeholder participation, aiming at consensus. The IFOAM procedure for standard setting (IFOAM 2005a), the ISO/IEC directive part 1 (ISO 2004a) and ISEAL code of good practice for setting social and environmental standards (ISEAL 2006) are useful references on how to develop standard-setting policies and procedures.

### *Who Can Set Organic Standards?*

Any organization can develop standards. Some of the most powerful standards in the world are set by the industry itself, some even by individual companies, e.g., Microsoft Windows. In the organic sector, four categories of standard-setters can be identified on the national/regional level:

| | |
|---|---|
| organic certification bodies<br>organic movement and sector organizations | governments<br>National Standards Bodies (ISO members) |

Government can make adherence to its standards compulsory, while the other actors depend on market acceptance and recognition for the uptake of their standards .[8] In the early stages of sector development, organic standards are usually developed by certification bodies or national organic sector organizations. National standards bodies are active in organic standard setting in Canada, New Zealand, and some Latin American and African countries.

The benefit of having standards developed by organizations other than certification bodies is mainly that they can then be used by anybody, regardless of who certifies, and a common organic mark can be introduced that represents adherence to the standards rather than the certification body.

### *National and Regional Standards*

Organic agriculture is based on local resources and conditions. Consequently, there is a need for standards to be adaptable to local conditions. In crop production or animal husbandry, there may be a need for standards addressing special problems in the region. An input seen as "natural" to use for organic agriculture in one place, as there is abundance of that resource in that place, may not be allowed at all or is restricted in another area, e.g., the use of guano or peat .[9] Requirements for inputs like organic seeds need to consider the availability of varieties adapted to the local conditions. Erosion control and water management are other examples where different regulations are necessary in different areas. The need for local adaptation is greater in livestock production, where conditions (and traditions) differ more than in crop production. However, instead of numerous local or national standards, a regional standard can be a good option. The EU regulation is one such example; the East African organic standard is another. The benefits of a regional standard compared to a national one are mainly that they facilitate regional trade and give more negotiating power in international standard-setting forums such as IFOAM and *Codex Alimentarius*.

8 In that case, the standards are called "technical regulations".

9 Use of guano in Peru is a use of local natural resources (it may need restriction due to its high nitrogen content). Shipping the same material to Europe, however, makes little sense.

# 7 Overview of an Organic Certification System

This section provides a summary of the various elements of a certification body and how they fit together. Part 2 goes into more detail for most of the elements.

## *7.1 What Is Certified*

In the early days of organic certification, farmers were certified, and land and the production from these certified farms was understood as being certified. Later on, certification evolved so that it is administered at all levels of the supply chain, from production through processing to retail sales, i.e., the chain of custody. Sometimes different certification bodies certify different stages. Apart from certification of food and fibre production, some certification bodies also certify shops, restaurants, and input manufacturers. Normally an organic certification body starts with the certification of the primary production and gradually expands its service offer upwards and downwards in the supply chain.

### *Operator's Obligations*

The operator, or the "producer" or "licensee" as he or she is often called, has to fulfil certain requirements to be accepted. He or she must

- Be a legitimate operation
- Know the production standards
- Be contractually bound to follow the standards
- Accept inspection and certification procedures
- Have a system of record keeping acceptable for the certification programme
- Be committed to and capable of implementing a certifiable system

### *Production Sites*

To be eligible for certification, all production sites (fields, stables, storage areas, or processing units) must be identified and fulfil certain requirements, including the ability to be inspected. This relates to conversion requirements, contamination risk, separation from non-organic activities, etc.

### *Production and Processing Methods and System*

Organic agriculture is a production system. This makes the production method the central object for certification. For farming systems, typical features include crop rotations, erosion control, and non-use of agrochemicals. Appropriate processing methods, ingredients and inputs must also be used in processing.

### *Chain of Custody*

In order to certify the final product, the whole chain of custody (all steps in the handling of a product up to the point of final packaging) has to be certified, as the organic integrity can easily be compromised by switching, mixing, or contamination at any stage.

### *Products*

In the end, the consumer buys "certified products". These products are identified by a certification mark or a common organic mark. In most cases, the certification is limited to the scope of products covered in the application and inspection. For example, a company producing certified organic apple juice will probably have to apply to the certification body again to get organic orange juice certified. All organic products are identified in the certificate issued by the certification body.

## *7.2 Legal Entity and Organizational Form*

The certification programme must be operated by a legal entity. A certification body, however, can take different organizational forms. Organic certification bodies today can be found in the different organizational forms as follows (in brackets are one or two examples):

- Integrated in normal state control: Denmark, Finland[10]
- Special state agency: CAAE, Spain; Washington State Department of Agriculture, United States
- Linked to one interested party (mostly farmer associations): Naturland, Germany; OCIA, United States
- Hosted by a non-profit association: Soil Association, United Kingdom
- Multi-party organization, federation: KRAV, Sweden; TanCert, Tanzania
- Trust: SKAL, the Netherlands
- Private company: Argencert, Argentina; Quality Assurance International, United States

There are also hybrids. E.g., SKAL is a private foundation, but it is appointed in the Dutch regulations as being the only certification body for organic agriculture, giving it a semi-governmental status.

Whatever form is chosen, the participation and influence of all interested parties in the development and governance of the certification programme and body should be ensured. If not directly represented in the organization, they can be represented in an advisory board, a certification committee, or something similar.

## *7.3 Rules and Procedures*

To ensure objectivity, reliability, and transparency, written policies and procedures are fundamental in a certification system. Policies and procedures need to consider and incorporate the basic principles mentioned earlier. All producers within a certification system should be bound by written agreement with clear conditions, and consequences in case of non-conformity. These rules and requirements should be clearly documented.

10 The Danish state system is a "control" system rather than a "certification" system, since the control is integrated in the normal public control structures and not in a distinct certification programme.

## 7.4 Inspection

As mentioned, certification covers the full chain of custody. The inspection system of a certification programme covers, as applicable, the following:

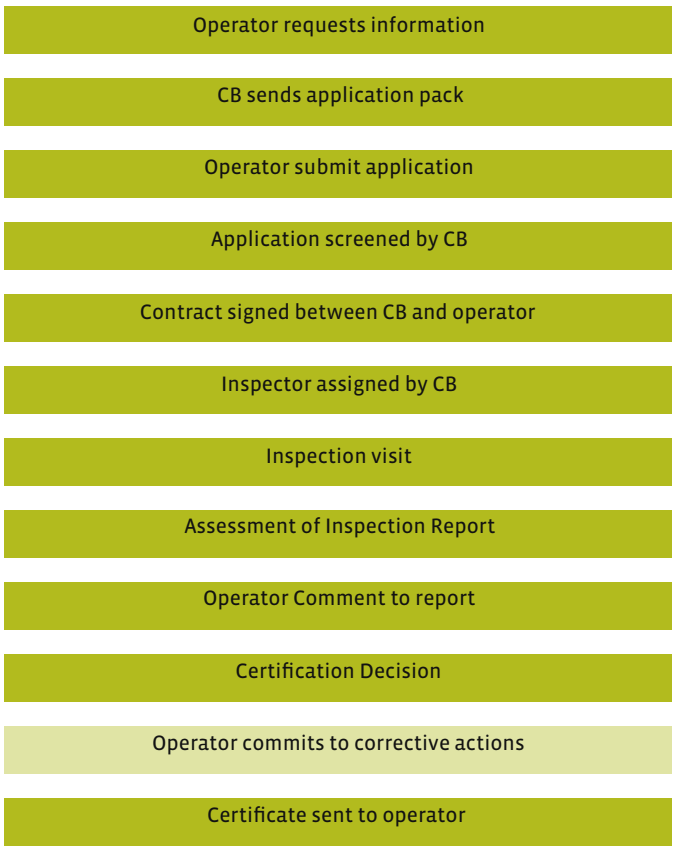
agricultural production
storage, processing
transactions between parties
labelling and certificates

The findings are presented in a report and brought forward to the certification body for a certification decision. The person inspecting an operation should not be the same as the one making the decision.

## 7.5 Certification, Approval, and Handling of Non-conformity

Organic agriculture is a production system. It is more than just the non-use of prohibited inputs. Assessing whether farmers have a sustainable production system, if they have taken appropriate measures to avoid erosion, etc., is not a simple process; it cannot be reduced to simple checklist procedures. How to deal with non-conformity to standards is often more than a yes/no situation. This makes the element of decision making critical.

***The Main Steps in the Certification Process***



## 7.6 Management

The certification body must work efficiently and be on time. Besides administering inspection and certification, the certification body must also be able to handle complaints and inquiries from outside parties as well as provide supporting services, e.g., regulatory information to its licensed operators. Proper financial management and sound general business management are essential.

## 7.7 Labelling and Market Surveillance

Rules regarding labelling, the use of certificates, and the certification mark must be clear. The certification body should also monitor the market for any non-authorized use of its certification mark by non-registered operators or the erroneous use by certified operators.

## 7.8 Information

Since certification of organic agriculture is complex and certification marks are generally not self-explanatory, the certification body needs to inform the public and interested parties of the standards, inspection and certification procedures. Information also needs to be directed to operators (producers) within the certification system to ensure their proper understanding of standards, procedures, etc.

## 7.9 Costs

There are many examples where certification costs consume the total premium obtained in the market or even more. While such a certification may still be "good" and "creditable", it is useless as a service. It is obvious that if the cost of certification is as high as the market premium, the motivation for operators to ask for certification will be very weak. It is important to note that with increasing production, organic premium prices are likely to shrink. As organic goes further mainstream, it will challenge organic certification bodies to maintain good and reliable service at lower costs.

Organic certification is also a business operation. With an estimated global turnover of organic products of USD 30 billion (2006) per year and cost of certification at 1 per cent, the value of the organic certification market equals USD 300 million. The business interests of certification bodies do not always coincide with the interests of the operators.

# 8 Accreditation of Organic Certification Bodies

## *8.1 IFOAM Accreditation*

Following a decision by the IFOAM General Assembly 1986, The IFOAM Accreditation Programme was established by IFOAM in 1992 as a further step in IFOAM's efforts to create harmonization in the organic trade. Since 1997, the execution of the IFOAM Accreditation Programme has been licensed to International Organic Accreditation Services Inc., a non-profit limited-liability company with IFOAM as sole member. IFOAM accreditation requires certification bodies to fulfil the IFOAM accreditation criteria for bodies certifying organic production and processing. IFOAM accreditation also requires that their certification standard meet the IFOAM Basic Standards for organic production and processing.[11]

By providing an international accreditation based on international norms, IFOAM accreditation provides a mechanism for mutual recognition between certification bodies, hence international harmonization, not only of standards but also of inspection and certification. This builds trust in the organic products in both national and international markets.

**IOAS Accreditation Process**

The accreditation process for IFOAM Accreditation can be summarized as follows:

1. The applicant certification body requests an information pack indicating what scope of certification is requested (IFOAM or ISO 65 or both).
2. IOAS sends an application pack including the IFOAM and/or ISO65 accreditation operating manual(s).
3. The certification body completes the application form, collates the necessary documentation, completes the document checklist and submits the application with the application fee.
4. The application submission is checked by the IOAS to see if it is sufficiently comprehensive. The certification body is informed of any necessary additional information or translations required.
5. IOAS conducts a detail review of the documentation and prepares a screening report.
6. IOAS informs the applicant of non-compliances found in the document review. These are noted as accordingly as non-conformities, deficiencies or observations. A copy of the screening report is forwarded to the certification body. The certification body is invited to submit evidence of corrective actions to remedy all non-conformities within 3 months. Deficiencies may be rectified later. The certification body will also be provided with a time plan for the rest of the evaluation process.
7. IOAS reviews the corrective actions taken by the certification body. If the non-conformities are satisfactorily addresses the evaluation visit is organized. If they are not satisfactorily addressed, the IOAS may allow an additional period for compliance or may decide that a visit will serve little purpose and consider the application to have failed.

11 These two documents are published in the document called the IFOAM Norms.

8. IOAS sends the evaluation visit plan. The plan includes name(s) of evaluator(s), a proposed visit schedule and cost. An estimate of the evaluation costs is made and an invoice for 70 per cent of these is sent to the certification body. This must be paid prior to the visit.
9. The evaluator will arrange the visit with the certification body. The visit is made and a report compiled.
10. IOAS reviews the report and inform the certification body of any additional non-conformities or deficiencies. A copy of the visit report is forwarded to the certification body. The certification body is required to correct all non-conformities within three months for accreditation to take place.
11. The remaining 30 per cent of the visit fee is paid.
12. The IOAS Accreditation Committee reviews the corrective actions and if these are satisfactory a contract will be offered. If unsatisfactory an additional period for corrective actions may be allowed or the certification body will be informed of the IOAS's unwillingness to accredit and the reasons therefore
13. The accreditation contract includes all conditions of accreditation (corrective actions following accreditation) with an agreed timeline depending on the nature of the non-conformity. The contract is signed and returned to the IOAS along with a separate agreement on arbitration
14. During the process, the certification body may appeal overall decisions and may also challenge the justification for individual non-conformities.
15. The appropriate portion of the Annual Fee is paid on signing the accreditation contract.
16. A Certificate of Accreditation is issued to the accredited certification body after full payment is made. A copy of the signed contract is returned to the certification body.

The IOAS offer both IFOAM accreditation and ISO/IEC Guide 65 accreditation. The costs vary. For a smaller organization, the initial costs for a combined IFOAM and ISO 65 accreditation will amount to just above USD 10,000. Yearly fees will be in the range of USD 3,000 to USD 6,000.

## *8.2 Accreditation by National Accreditation Bodies*

Accreditation is usually performed by governmental or private bodies acting as national accreditation bodies. There is usually one national accreditation body per country. For obvious reasons, national accreditation bodies maintain a general reservation towards the development of international accreditation bodies. Nevertheless, there is emerging competition in the field of accreditation where several "national" accreditation bodies are accrediting certification bodies in other countries. E.g., the German DAP accredits many organic certification bodies outside Germany.

Accreditation by national accreditation bodies is normally of certification bodies operating according to an ISO standard or a national standard. The most prominent is the ISO Guide 65 (ISO/IEC Guide 65: 1996; general requirements for bodies operating products-certification systems, ISO).

The cost for national accreditation varies greatly, from €5,000 to €25,000 for the initial accreditation. Annual fees are charged.

Accreditation is typically done by national accreditation bodies (e.g., in China and in many EU states, some countries have established special accreditation procedures for organic certification bodies, even though national accreditation bodies are available). One such example is the accreditation by the U.S. Department of Agriculture, or USDA. A certification body outside the United States can seek direct accreditation by the USDA in order to get market access for their certified operators in the United States.

It is often assumed that EU regulation 2092/91 requires EU accreditation of certification bodies, but that is not correct. The EU regulation simply requires national authorities to approve the certification bodies.[12] Furthermore, there is no EU accreditation, only national accreditation. Nevertheless there is a clear advantage to have ISO 65 accreditation for access to the EU market.

## 9 Regulations

Governments increasingly regulate organic markets. This section has two components. One is about national regulations in the country of operation of the certification body. The other is about regulations in main importing markets. The development of national regulations is often heavily influenced by organic certification bodies.

### *9.1 Regulations in the Major Organic Markets*

Note: Regulations are subject to changes. E.g., at the time of this writing, the EU regulation is undergoing a radical revision and the Japanese regulation has just been revised. Below, a few key market access options are briefly discussed, with examples from the time of publication (October 2006). More information about organic regulations can be found in Bowen (2004) and Commins (2004).

#### *Equivalence agreements*

The EU regulation mandates the European Commission to evaluate and approve a third country's organic standards and its organic inspection system as being equivalent to EU requirements. Approved countries appear on a list known as "the third-country list." This was projected to be the main method of access into the EU market, but few countries have successfully negotiated equivalency agreements with the EU. It should be noted that the scope for equivalence agreements can be limited, e.g., only to crop production or only to products originating in full from the country of export (i.e., re-exportation, or certification in neighbouring countries, is not possible).
Equivalence agreements are apparently hard to reach. The three major markets have not reached full equivalence agreements among themselves. Japan has granted limited equivalence to the EU and the United States but not vice versa. Meanwhile equivalence negotiations between the

12 This has perhaps changed in the current revision of the EU regulation. The proposal, however, doesn't extend this requirement to foreign certification bodies.

EU and the United States have broken down. The EU has recognized only seven other countries (Argentina, Australia, Israel, New Zealand, Switzerland, Costa Rica, and India) whilst the United States has recognized none. Some countries have been granted equivalence by the EU based on export regulations, i.e., the use of the claim "organic" is only regulated for exports and not for the domestic market. Australia and Argentina are two such countries.

### *Direct Approval of Foreign Certification Bodies*

Through this option, a certification body outside the importing country can seek direct approval or accreditation by the competent authorities in the importing country. Such a system is in place in the United States and Japan and is also proposed for the EU. With such direct accreditation, there are normally no limitations on the scope, i.e., it is the certification body itself that is approved, regardless of where it is working.

### *Approval and Supervision by a Foreign Government*

In lieu of direct accreditation by the U.S. Department of Agriculture (USDA), the USDA may accept the accreditation or approval of a certification body by a foreign government. The USDA has to determine that the standards under which the foreign government authority accredits the foreign certification body meet the requirements of the U.S. National Organic Program (NOP). New Zealand, the United Kingdom, and India are examples.

### *Approval through Importers*

The EU regulation enables government authorities in the individual EU member states to authorize an importer to import products from a country not included in the third-country list. This provision is commonly referred to as the "importer derogation". For imports to be approved, the importer must furnish sufficient evidence to show that

- the imported product was produced according to organic production rules equivalent to EU standards
- the imported product was subject to inspection measures equivalent to EU inspection requirements
- the certification body operates in compliance with ISO/IEC Guide 65 (not necessarily accredited)

The majority of products entering the EU are imported by this method and not from countries on the third-country list.[13]

13 This procedure is projected to expire in the future, but its expiration has been postponed many times.

## 9.2 *Regulation of the Home Market*

There are organic regulations developing in many countries. In many cases, the development has been triggered by the desire to become recognized by the European Union for imports. Regulations can be formulated and implemented in many ways, e.g., the Australian standards are only mandatory for exports. In Canada, a regulation in preparation is likely to refer to a production standard instead of incorporating it into the regulation. This arrangement enables continuing private-sector influence on the standards. Regulations are meaningless in some countries where the implementation capacity is weak. There is no empirical evidence that the introduction of organic market regulations has boosted growth in the organic market, and also no evidence of the opposite.[14] The report "Best Practices for Organic Policy: What Developing Country Governments Can Do to Promote the Organic Sector" (Rundgren 2006), the author elaborates on this topic. The challenge is to find a good balance between governmental regulation and private-sector self-regulation. Organic movements and certification bodies are advised to study long and hard the implications of having a regulation before rushing off to advocate for one. If there is going to be a regulation, there are many options about how it will be constructed.

**The Need for National Regulations**

Over the last 20 years, regulatory authorities have developed an interest in regulating the organic sector, including standards for production and criteria for certification. It was given a big boost when the European Union passed regulation 2092/91, affecting producers in many countries.

Whether the interest of regulatory authorities is beneficial or not is a complex question and cannot be answered in this guide. The arguments are summarized below.

Arguments in favour of regulations:

- Governments must protect consumers from fraud.
- The organic movement gets public recognition through regulation.
- Government standards and control will clear the trade from obstacles created by separate private certification bodies insisting that their respective private standards and procedures be followed.
- Since governments (in some countries) are subsidising organic agriculture, it is reasonable that they should control it.

14 With the possible exception of Japan, where the organic market shrank substantially after the introduction of organic regulations. However, the market data are weak and unreliable.

Arguments against regulations:

- Regulations take away the responsibility for credibility from the sector.
- The organic movement should have the right to define itself.
- The competence on organic agriculture is within the organic movement and not among the politicians and civil servants that are setting the rules of the game by legislation.
- Organic market regulations impose a heavy burden of bureaucracy on a small and dynamic sector, jeopardizing its development.
- Regulations are not likely to get rid of the fraud in the marketplace.
- Most organic regulations make the marketing of non-certified products illegal, and they limit sector development as well as new innovative quality-assurance systems (e.g., PGS systems).

### *9.3 World Trade Organization*

The World Trade Organization (WTO) does not regulate organic agriculture. The WTO can, however, be engaged in case of a trade dispute between member countries. Should a dispute case be taken up, the dispute panel may refer to the Codex Alimentarius guidelines for organic agriculture (CAC/GL 34) or any other international standard, such as the IFOAM Basic Standards[15].

## 10 Organic Market Recognition

"For product manufacturers, complying with regulations is one thing, but complying with market requirements is at least as important in order to be successful in the European market."[16]

Besides regulations, there are also private standards and certification marks. There is strong market preference for certain private certification marks, as they represent trust and credibility to consumers and the organic market long before government regulations. Many are also pioneer founding organizations of the organic movement, e.g., BioSuisse (Switzerland). Many continue to be advocates for the organic sector today. Depending on the location, different private certification marks are preferred. Retailers and processors generally prefer the dominant private certification mark of their respective markets.

There is a widespread misunderstanding that buyers must accept the operator's certification simply because it is legally accepted in his or her country or in the buyer's country. The buyer, the buyer's certification body and also the final consumer must be convinced about the reliability of the certification.[17] Some consumers prefer a bio-dynamic Demeter-certified product over other "organic" products. Other preferences apply in other markets. In markets where private certification marks are very strong, the acceptance of the private certification body will be critical, as

15 Organic trade issues are most likely to fall under the TBT agreement.

16 Eco Trade Manual, CBI, DIPO, NORAD, Sida 1996.

17 This holds true as long as the certification programme operates its own standards, etc. If it is one of the EU's "inspection bodies" operating only according to EU regulation, they would have to accept the products.

imported products will need "re-certification" (acceptance by the certification body that certifies the importer) to be sold. Private standards are generally more demanding than regulatory requirements; although the product is legally organic, it may be deemed not to have conformed fully to the private standards for use of the private mark.

# *PART 2: SETTING UP A CERTIFICATION BODY FOR ORGANIC AGRICULTURE*

**In this part, the steps to establish a certification body are described, especially the technical aspects of certification. The subsequent part contains the general aspects of management and how to run the certification body as a business. The guide tries to avoid introducing too many fixed ideas on how a certain thing should be done. Instead, it tries to focus on what results are needed and give examples on how to reach them.**

## 11 Why Develop Local Certification Bodies?

What is wrong with a few international certifiers doing all the certification in the world?

There is no simple answer to that question.

It can, of course, be suggested that if there is a highly efficient certification body in one country, it is logical that it should export its service to another country where conditions for establishment may be difficult and experience in this kind of work is lacking. Considerable investments have to be made to create a local body before it can get international recognition, and these resources could perhaps be better invested in other ways to develop organic agriculture.

There are, however, advantages of having local bodies. The most important are these:

- Local bodies' stronger motivation to develop local markets
- Better knowledge of conditions, languages, etc.
- Lower service costs for producers[19]
- Keeping money within the country, thus supporting general development
- Higher level of understanding between the producers and the certifiers, reducing the risk of fraud
- More opportunities to make unannounced inspections
- Better position to monitor development of special risks such as an outbreak of a pest or changed market conditions
- Better information flow to and from the certification body

The negative side:

- Lack of competence in the start-up phase
- Lack of information in the start-up phase

19 Because of high overhead, (e.g., for accreditation) and low volume of business it is not at all certain that a local service provider is cheaper than a foreign provider, especially if the foreign provider uses local staff.

- High investments to create new bodies
- Difficulties to obtain international recognition, especially because of high overhead costs

Looking at the whole picture, local bodies do have long-term advantages. However, in the short term, the problems involved with developing a new body will dominate. This guide has been designed to help new bodies overcome some of these short-term problems. When embarking on the establishment of a local certification body, it is important that the key stakeholders clarify the main objectives to be fulfilled. Clarification will help focus the organization and reduce the chance for future disappointment. It should be realized that the process to establish a local certification body will stretch over many years.

## 12 The First Steps

Note: in part 3, the business considerations for the establishment of organic certification bodies are elaborated further.

### *12.1 When Is the Time Ripe?*

Organic agriculture does not start with certification. Many areas must be developed before it is viable to establish a certification body. Consider the following aspects before starting:

- Is there really any production to certify? Setting up a body before there is enough production to certify makes little sense.
- Market for the products: are there established or emerging local markets for organic products?
- Market for the certification service: will the producers apply to a new local certification body, or will they use available international certification bodies?
- Are there competent persons and resources available?
- Are there regulations? If there is a regulation in effect that calls for mandatory certification for sales on the local market, alternatives are limited: either you set up a certification body or refrain from using any of the terms regulated by law.

#### *Is Local Certification a Priority?*

Taking all the above aspects into account, Should the resources available for development of organic agriculture be channelled to the establishment of a local body now, or can it wait a few years? One creative interim solution is to organize the local operators and negotiate a reduction in prices and training of local people with international certification bodies.[20] You might consider starting out as an "inspection agency" instead of a certification agency. The inspection agency

20 This has been practised by OPPAZ in Zambia for many years with good results.

can work for one or several foreign certification bodies and inspect according to their standards. You will then be able to develop your inspection skills and be paid (see more about this in part 3).

## 12.2 The Organic Movement and the Certification Body

It is important to have a common understanding of the roles organizations can play in developing organic agriculture. Many NGOs try to do everything (extension, marketing, promotion, policy making) and fail to do anything properly. A clear division of the tasks between organizations will make the work easier (some people may be involved in several of the organizations). A sector association or producers' association is an important partner for any certification body, even if the certification body is supposed to be independent of operators. Such an association will carry out many supportive functions that will help farmers comply with the standards (e.g., with marketing, advice, information exchange, etc.). If there is no such association, there will be enormous pressure on the certification body to develop these activities, which are potentially in conflict of interest to certification.

### *Work with Other Interested Parties*

It is a good idea to develop the programme in close dialogue with interested and concerned parties – not only the various categories of operators (farmers, handlers, processors), but also consumers, NGOs and governmental institutions. You will need the support of these groups, whatever you plan to do. Call a national conference to deal with the subject, and ensure that people from various groups are invited to speak. If you develop this as a closed project, you will not get the support you need, there will be other people setting up "their" body, and the local movement will be fragmented.

**Who are the interested parties in your country? How can you bring them together?**

## 12.3 Local, National, or Regional Structure?

The same arguments used against international certification can be used on a smaller scale. Why have a national body, when you can have local bodies? People often perceive themselves as much dominated by their national capital as by foreign countries. Different languages or large countries with very different social, cultural, and agricultural conditions may be grounds for establishing local or regional programmes. There are of course possibilities to try to combine local and national. One such example is to have a national structure that is in charge of standards, quality management, inspector training and some other important function and have local certification offices dealing with inspection and certification decisions. The establishment of a certification body requires resources and competence. It is a major investment, and in most cases local programmes cannot be justified.[21] That may even be a reason to establish a regional organization

21 This discussion is obviously quite different depending on the size of the country and the size of the organic sector. A single district in one of the big countries may be considerably bigger than some countries.

or a regional platform for cooperation. Bio Latina (part 4) is an example of a highly integrated regional operation. For small countries (e.g., many of the island states), it may make much sense to create one regionally operating body instead of many small national ones.

## *12.4 One or More Certification Bodies?*

Often, when a certification body is established in a country, it is soon followed by competitors. Whilst competition can be good, it is hard to see the benefits of it in the start-up phase of the organic movement. Among the disadvantages are the splitting of limited resources and competence, confusion among producers and consumers, and fewer attractive alternatives to international certification. The best way to avoid this is to involve all interested parties in a common effort and not run a one-man show.

## *12.5 Making an Action Plan*

Make a simple plan for your work, with clear targets. Don't try to achieve everything at once. Don't forget the national consensus-building process. Key milestones include the following:

certification of producers for local markets
establishment of business cooperation with foreign certification bodies
getting the necessary recognition
breaking even financially

Below are outlines of two plausible development scenarios. One represents incremental development targeting the local organic sector. The other depicts a rapid formation of a qualified certification body, with export-market orientation, ready to work in just a few years.

| **Sector Development and Local Market Focus** | **Commercial Company, Business Orientation** |
|---|---|
| Year 1 | Year 1 |
| Gathering the interested parties | International certification partnership and certification market opportunity |
| Consensus building | Market survey of current and potential operators |
| | Consolidating partnership agreement and investors |
| | Registration of company |
| **Sector Development and Local Market Focus** | **Commercial Company, Business Orientation** |
| Year 2 | Year 2 |
| Registration of organization | Recruitment of full-time staff |
| Establishment of certification organization based on voluntary work | Intensive training with certification partner organization including inspection internship |

| | |
|---|---|
| Basic training of inspectors and certification staff | Participation in international trade fairs, etc. |
| Making basic inspection forms and procedures | Marketing and soliciting applications for certification by certification partner organization |
| Establishment of national standards | Inspector qualification for CEO and staff |
| | Development of documentation and quality system based on experience with partner certification body and external consultants |
| | |
| Year 3 | Year 3 |
| Employing a manager | Application for accreditation [ISO 65, NOP or IFOAM] depending on target market and growth projection of number of operators. |
| Designing a nice mark and trademark registration | Seeking inspection work from other international certification bodies working in the country [if any] |
| Development of inspection and certification documentation | Break-even in inspection service |
| Inspection and certification according to national standards for the local market | Consultation with local movement regarding development of national/private standards and local certification |
| Partnerships with internationally recognized certifiers, establishment of inspection service | First accreditation accomplished. Consideration for second process depending on growth projections and opportunity |
| | |
| Year 4 | Year 4 |
| Development of quality system | Acceptance in major import market |
| Advanced training of certification personnel | Building capacity |
| Application for IFOAM and/or ISO 65 accreditation | On-going inspection work for international certification bodies |
| **Sector Development and Local Market Focus** | **Commercial Company, Business Orientation** |
| | Launch of local certification for local markets in consultation with local movement |
| | |
| Year 5 | |
| Revision of standards | |
| Advanced training of inspectors | |

| | |
|---|---|
| IFOAM and ISO 65 accreditation | |
| National accreditation or recognition (if applicable) | |
| | |
| Year 6 | |
| Acceptance for imports into main market | |

See more about the business orientation in part 3.

## 13 Structure

### *13.1 Is There a Proper Structure?*

Any structure will have beneficial as well as negative sides with respect to the basic principles listed in part 1 of this guide.

A commercial company will often be more "efficient" than an NGO-based organization, but on the other hand an NGO-based organization will have people willing to work for less pay or volunteer, so the cost for certification may be lower.

A governmental structure has more resources and powers to deal with people not following the standards. At the same time, people are more willing to cheat a governmental structure than most other structures in many countries.

Both commercial companies and governmental agencies can be seen as more independent from the inspected producers than an association of farmers. On the other hand, the chances for corruption might be higher with this distance between the operator and certification body. The fact that a certain "social" control is needed in many situations, even with independent certification, speaks in favour of programmes' being closely linked to the operators.

A farmers' association or an NGO wanting to support farmers will obviously be sensitive to what farmers express in terms of standards and certification procedures. On the other hand, an organization controlled by farmers is likely to have very few resources. Farmers generally view certification as profiteering on their labour and will do everything to keep costs down. Associations of farmers will also face problems to regulate conflicts of interest and therefore may face high hurdles for certification and recognition.

A multi-stakeholders' association that balances the interests of many interested parties will gain high credibility and support from different segments of the organic sector. It may also end up being dysfunctional if the different parties cannot agree.

Consequently, a careful assessment based on the situation of the country is needed before making the final decision on which structure to develop. In general, it is recommended to build a struc-

ture where participation and representation of all parties are as inclusive as possible. The broader the basis of the certification programme, the stronger it will be, and the more operators it will get.

**How would you assess the feasibility of the different structural options in your country?**

**Can an Organization of Farmers Be a Certification Body?**

A certification body should be independent of the certified operators. There will always be disputes regarding what is true independence and whether independence is at all achievable or desirable. Still, it is obvious that a group of growers having a similar business and "certifying" each other is not a third-party certification. This was, nevertheless, the way many certification programmes in Europe and the United States started. Today, most certification activities carried out by associations of farmers have been transferred to independent bodies.

It is possible to create an independent certification programme within (or closely linked to) an association of farmers. This can be achieved in various ways. One common solution is to delegate the task of certification to a separate independent committee where representatives of other interests are included as well as farmers. Consumers, environmentalists, other NGOs, food processors, and traders should be represented in this committee, normally called the certification committee. It is important to keep in mind that any individual having a conflict of interest in a particular situation (for instance, when making certification decisions regarding his or her own production, but also regarding a direct competitor) must be excluded not only from the decision making but also from the discussions (since discussions influence the decision). The other way is to establish an organization separate from but related to the farmer's association. The two organizations would have different charters but could be linked through their governance structures, and at an operational level they could share operational resources such as office and equipment. E.g., Australian Certified Organic (ACO) is Australia's largest certification body for organic and biodynamic produce and has over 1,500 operators within its certification system. ACO is a fully owned subsidiary of Biological Farmers of Australia.

If an association of farmers hosts a certification programme, it is important to make a clear distinction between membership and certification. Certification should preferably be open to non-members as well (people shouldn't be forced to pay or support other activities just to become certified).

## *13.2 Registration of Organization*

Registration as a legal entity makes the certification body legally accountable to operators (also to society as a whole) and the operators legally accountable to the certification body. The kind of registration will differ according to the situation. Whether the certification body should register as a non-profit organization or a limited company (or some other type of legal status) depends on the goals of the founders and the legal framework.

### *13.3 Registration of Certification Mark*

Sooner than you can imagine, somebody will try to use your mark without being certified. Registering the mark is an important step to protect the integrity of your programme. Certification marks are normally registered as "trademarks" or as "collective marks". However, you should think carefully about what kind of mark you and your clients need. See more in the chapter about certification marks.

### *13.4 Leading Individuals*

Normally, some strong individuals will lead the development of the certification body. The movement should be grateful that these individuals exist. But it is very important to avoid situations where these individuals legally control crucial functions of the organization (e.g., the certification mark). Avoid registering an organization or a mark that in some way is linked to named persons. That can create a dangerous future dependence.

## 14 Organizational Development

### *14.1 Strategic Plan*

Apart from its system for certification, the certification body also needs to look into its organizational development. One way of doing that is to develop a strategic plan for the organization. Entrepreneurs and business managers are often preoccupied with immediate issues that they lose sight of their long-term objectives. The strategic plan aims to sharpen the focus of the organization and get all stakeholders aligned around common objectives. A sound plan should

- Serve as a framework for decisions or for securing support or approval
- Provide a basis for more detailed planning
- Explain the business to others in order to inform, motivate, and involve them
- Assist benchmarking and performance monitoring
- Stimulate change and become a building block for future plans

A strategic plan should not be confused with a business plan. The former is likely to be a very short document, whereas a business plan is usually much more substantial and detailed. A strategic plan provides the foundation and framework for a business plan (see part 3).

**Strategic Planning**
A strategic plan is one of many useful management tools. A strategic plan goes beyond normal budgetary horizons and requires a certain attitude. A strategic plan should

- Relate to the medium term (i.e., three to five years)
- Be undertaken by owners and directors, preferably in a concentrated effort in a retreat
- Focus on matters of strategic importance and be separated from day-to-day work
- Be realistic, detached, and critical
- Be reviewed periodically
- Be written down

It is desirable to clearly identify the current status, objectives and strategies of the existing business. An analysis of existing or perceived strengths, weaknesses, opportunities, and threats (SWOT) is part of the process to develop a strategic plan. A situational analysis describing the environment for the organization and for the business sector (in this case organic production), competition, image, etc. is also a useful basis. This then leads to strategic development covering (1) vision, (2) mission, (3) values, (4) objectives, (5) strategies, and (6) targets

A strategic plan is often a short document of around five pages. Based on the strategic plan, further detailed action plans or programmes can be formulated. External facilitators are often used for the process of developing the strategic plan.

Hint: Internet searching on keywords such as “SWOT,” “situational analysis,” and “strategic planning” can yield free and detailed information about and examples of these planning approaches and tools.

## *14.2 Board and Manager*

It is essential for the organization to have a dedicated and qualified board, preferably people with a good commercial and political network and solid experience in management. The board should receive orientation on organic agriculture and certification issues in order to understand the working environment of the organization. One of the main tasks of the board is to appoint a competent manager for the organization and to monitor the performance of the manager. The dynamic between the board and the manager is an influential factor on the performance of the organization as a whole. With a strong manager, there is a need for a strong board to balance the manager, so that he or she doesn’t run away with the organization. With a weak manager, a strong board is also needed. A good chairperson is essential.

# 15 Standards

It has become increasingly common that certification bodies do not set or develop any standards. Instead, they certify according to standards developed by others (e.g., a governmental regulation in their home country or of the importing market). However, in most developing countries, there is no domestic organic standard, and foreign standards are often not applicable to the local situation. In such countries, organic standards often have to be developed by local certification bodies.

Developing standards is more than writing a document according to which you will certify. If so, it would be easier to simply adopt someone else's standards. The development process itself is very valuable for creating a common understanding for related issues, creating identity, and gathering information on production and solutions for special problems.

## *15.1 General Advice*

Don't spend years developing the "perfect" standards. Make a first set, try them out, revise them, and try them again. Be pragmatic instead of being idealistic or a perfectionist. Remember that it is not the volume of standards that reflects quality in your work. The best standards are short and clear.

Standards should not be a handbook on how to practise good organic agriculture. They should define the acceptable practices and results and not the best possible practices and results. In the publication, it may be appropriate to include aims for organic agriculture and recommendations on how to fulfil the standards, but make sure that this is written in such a way that it is not confused with the real standards. Use simple language and style. Organic standards are something normal people should understand and follow.

Much has been covered in the field of standards development, so don't hesitate to have other organizations' standards (and of course the IFOAM Basic Standards) or regulations at hand when developing your own.

## *15.2 Formulation and Communication of Standards*

There is a delicate balance between being performance-oriented and prescriptive when writing standards. Prescriptive standards are easy to operate and easy to communicate, but they may inhibit future development as they can only prescribe existing production methods. Further, they are often biased to one or the other kind of production. Performance-oriented standards will leave matters open for interpretation and negotiations and require a higher level of integrity and competency of operators, inspectors, and the certification body. In some cases, a performance-oriented standard is difficult to communicate to consumers and the marketplace. The ISO Guide 7 says, "Standards should always be written in such a way that they facilitate and do not retard the development of technology. Usually this is accomplished by specifying performance rather

than product design requirements" (5.1). Currently, organic standards or organic regulations are not drafted with this ISO guide in mind. Most organic standards have positive lists of inputs you may use, and they often prescribe how to carry out various production activities (crop rotations, etc.) instead of describing what should be achieved.[22]

Some certification programmes operate standards that outline several categories for inputs and production practices such as the following:

| | |
|---|---|
| recommended<br>allowed | restricted<br>prohibited |

This concept is less "square" than a "yes or no" standard. It will, however, be harder to implement. Clarifications need to be formulated (e.g., How is a practice "restricted"?). It is best to state the restrictions in the standards. In the ISO Directives part 2 (2004), there are useful instructions for how to use *shall*, *should*, *may*, and other words to express conformity to standards.

Standards should be clearly formulated and communicated to all participants in the certification system. They must also be available to interested parties. Standards should be translated into languages that operators understand. In areas with a high level of illiteracy, it will be useful or necessary to popularize standards with posters, cartoons, etc. Village and farmer meetings are also good opportunities to discuss the standards with the producers.

## *15.3 Relationship between National Standards, International Standards, and the Standards in the Main Market*

It useless to produce according to certain standards if the standards do not meet the requirements of the buyers. So the question for a national standard is whether it should be written for the local market and local conditions or for the export markets. When producers are exporting, the standards to which they are certified should either comply with (be identical to) the standards of the country where they are marketing or they should be equivalent (leading to the same result, but not necessarily being identical). Standards in export markets can often be too demanding, and if the standards of many export markets are combined, the result may be standards that are impossible to follow. Getting recognition for a national standard to be equivalent is a more appealing proposition, but it is a cumbersome process with no guaranteed outcome (see earlier, under regulations). Therefore, it can be favourable to develop the standards with a focus on the local market and use foreign standards directly for exports, at least in the short and medium term. There is no obstacle for a certification body in one country to certify to other standards (e.g., a certification body in Peru can certify to its own standards, to a Peruvian national standard, to the U.S. NOP, and to the Japanese organic rules).

22 It is not for this guide to judge whether this is one of many areas where the organic movement has good reasons for choosing a different path or whether there is something to learn from the ISO.

IFOAM Basic Standards provide an international basis for all standards for organic agriculture. If you want to be part of the global organic movement and the global organic trade, your standards should comply with the IFOAM Basic Standards. If your standards deviate from IFOAM Basic Standards, your arguments for this should be clearly stated. Similarly, the *Codex Alimentarius* provides guidelines.

## 16 Staff, Personnel, and Committees

There needs to be a minimum of two people involved in the operation of a certification body, as there should be separation between the functions of inspection and certification (i.e., the same person should not do both). In addition, you need an organ to handle appeals. Below are some examples of typical jobs within a certification body and organizational charts. However, the most important thing is to analyse the processes involved in certification and recruit people to perform the functions needed rather than to build fancy organizational structures or assign titles to positions. And there is no prescribed organizational chart for a certification organization.

### *16.1 Recruitment*

At the start of a body, all "positions" will probably be filled by people from a very small circle, especially since there will be much voluntary work. Establish a proper recruitment procedure, based on written criteria, that addresses people inside and outside the inner circle as well. Remember that there are many functions in a certification programme, and that not everybody needs to be an expert on organic agriculture. It is recommended also that you take gender into account, along with other considerations (e.g., ethnicity and, in countries with many languages, language). Most critical is the recruitment of a good manager. There is a risk that the technical aspects of certification will play such a big role that general management abilities are overlooked. It has to be kept in mind that a certification body is a commercial service operation and that the management skill of a service provider is essential for success. A certification body is more likely to fail through inadequate management, than for any other reason.

### *16.2 Manager or Director*

One person is the managing director, general manager, executive director, or whatever the lead position is called. In a small organization, he or she will normally also double as the certification officer and manager. The job of the manager is to lead the organization. His or her duties will include the following:

- Being the person responsible for the implementation of the board's decisions
- Representing the organization to outside parties as mandated by the board
- Developing and implementing a suitable administrative system
- Being responsible for finances, budgeting, etc.
- Ensuring compliance with legal requirements of the organization

- Developing and recommending long-term strategies for the organization in cooperation with (and for approval by) the board
- Communicating the mission and objectives of the organization to the public
- Establishing the organization's offices and staffing, according to the organizational plan approved by the board
- Running an effective personnel development programme; recruiting and dismissing staff
- Preparing the meetings of the board

### *16.3 Certification Manager*

Most programmes will have a certification manager. In smaller organizations, this may be one of the senior inspectors, the secretary of the certification committee, or the director. This position is a central function. Duties include the following:

- Management of all certification activities
- Development of the quality system[23]
- Appointment of inspectors
- Organization of inspections
- Instruction of inspectors
- Screening and approving inspection reports
- Compiling information for decision-making (in some organizations, a certification manager will also have the authority to make certain decisions according to procedures developed by the certification committee)
- Communicating decisions and following up on them

### *16.4 Administrative Staff*

The administration of a certification body is very much just that: administration. Obviously the people engaged should know the subject they are working with (organic agriculture) but they also have to be able to administer the programme. Important tasks include the following:

- Registration
- Processing and filing of certification records (applications, inspection reports, decision records, etc.)
- Bookkeeping
- Invoicing
- Processing inspection reports (i.e., ensuring that inspectors send in reports, checking that they are complete, etc.)
- Publishing standards and other information

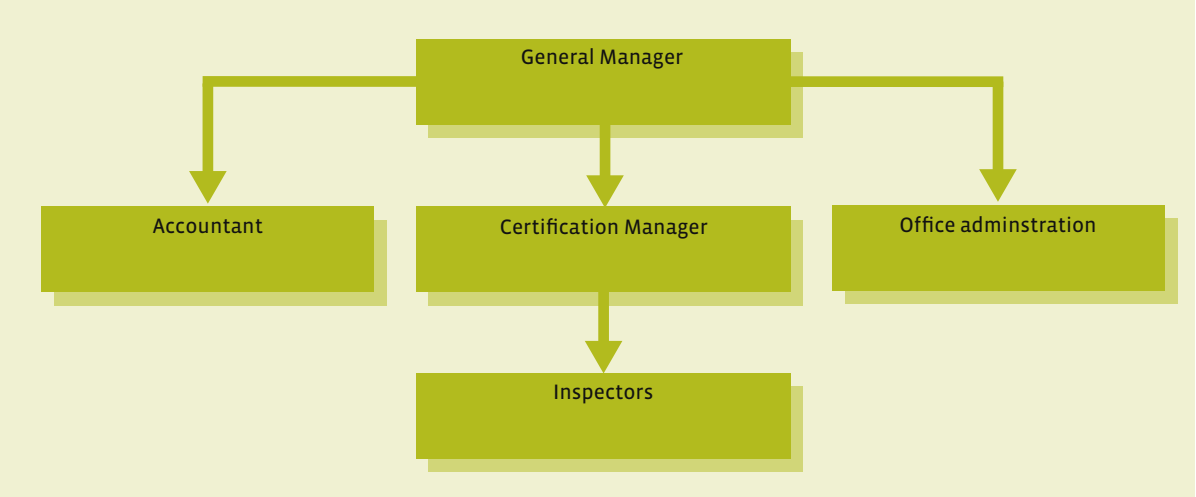
23 Bigger organizations often have a dedicated quality manager, but that is hardly necessary in a small organization.

- Communicating with operators, committees, and consumers
- Developing and maintaining IT systems

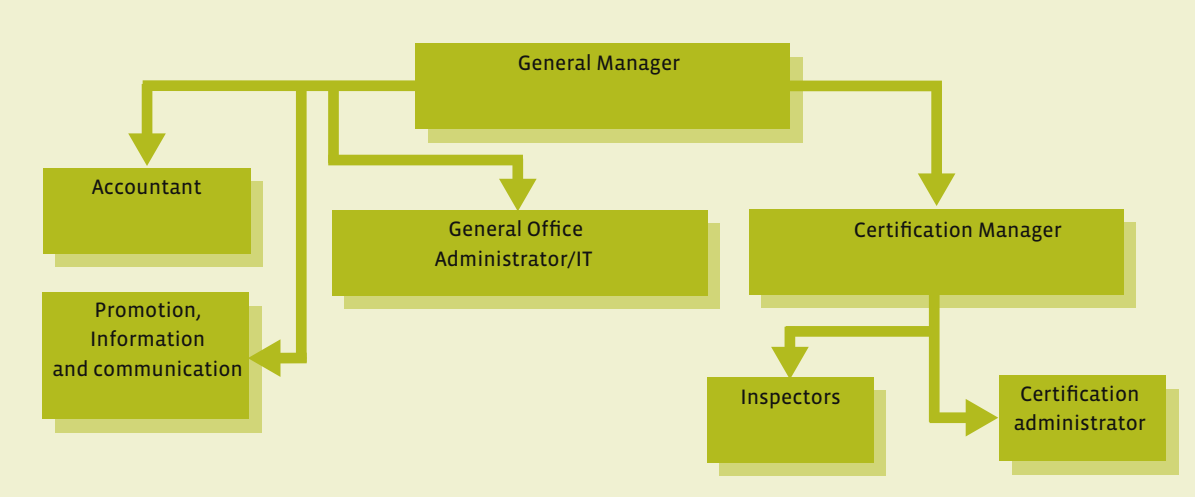
## Development of staff in a certification body

### Initial organisation


### that develops.....




### and develops



Some of the tasks, such as bookkeeping can be outsourced. In a smaller organization, it is likely that the same staff person will deal with all administrative issues. After a while, the administration of the certification process might be assigned to designated staff.

## *16.5 Inspectors*

Inspectors should have professional, academic, or practical experience, preferably in both organic and conventional production. Obviously the inspectors need knowledge about the production they will inspect. However, production may be quite varied, and if having to choose between a large number of "expert inspectors" that perform a low number of inspections each or a smaller number of more "generalist" inspectors that perform many inspections each, the latter is usually the better choice.

Inspection is fieldwork that requires a person in good physical condition, with good communication skills, integrity, investigative skills, imagination, and a friendly relationship with operators. The ability to write good reports is an essential qualification, which may often be the weak side of otherwise excellent field workers.

Many organizations start with freelance inspectors, as they do not have the client base to employ full-time inspectors. While there are good reasons for this, there are also many problems, e.g., freelance inspectors may not be available when needed, and the quality of their work may not develop well, as they don't work so often. It is strongly recommended to work with a small team of qualified people and arrange double work for them as inspectors and certification work provided that they are not involved in making certification decisions for operations that they have inspected. In the initial stage, even the director and other staff may double as inspectors. As they are responsible for the development of the system, design of inspection reports, etc., it is very valuable that they also master the work of inspection.

### *Who Can Be an Inspector?*

Apart from being qualified as per above, there are other issues to consider when appointing inspectors.

- Are they committed enough?
- What kind of salary will they require?
- Do they have their own means of transport and communication (telephone, fax, car, etc.)?

Even if it is recommended, in most cases it will not be possible to employ inspectors full time from the start. If you do work with freelance inspectors, consider also the following:

- Will the inspectors have time to do the inspections? Some persons might just want to be "approved inspectors" but are not really interested in doing the job.
- Will they be interested in this work for a long time? If you employ persons who are overqualified, you may lose them very quickly or have to raise their salaries rapidly.

- What else are they doing for a living? Conflict of interest has to be carefully assessed (see more under that section).
- What are the social-security provisions for freelance inspectors? Who is responsible if there is an accident?

Make an assessment of different kinds of backgrounds for an inspector.
What kind of background emerges as the best one?

### *Code of Conduct*

Inspectors work on their own. They are not only the eyes and ears of the certification body but also in many cases the only face (of the certification body) the operator will see. It is important that the inspectors behave in a responsible and respectable way. The certification body has the final responsibility for the performance of the inspectors and will also be held accountable for any misconduct by them. It is a common practice to formulate a code of conduct for the inspectors. It can be an integral part of the contract or be referenced in the contract.

**Sample Code of Conduct for Inspectors**

The inspector shall

- Ensure that the work is carried out in a timely and efficient manner, and that inspection reports are submitted without delay
- Notify the certification body and refuse any assignment for an inspection of a party where any conflict of interest exists (kinship, economic relation, strong objections to the inspected party's political or religious views, etc.)
- Keep all findings of the inspections confidential. This must also be respected after termination of the work service in the future
- Behave in a respectful manner towards the inspected party
- Not accept any gifts or other favours from the inspected party
- Follow the general and specific instructions by the certification body
- Attend training programmes arranged by the certification body
- Notify the certification body and get approval for inspection work carried out on behalf of any other organization

## *16.6 Conflict of Interest*

Since a new certification body is likely to be established by people from the organic sector, there will be certain conflicts of interest among the people involved. This is normal. The important thing is to regulate them carefully. Regulations on conflict of interest are as important for members of a governing board and certification committee as for staff.

There are many kinds of conflicts of interest. Relationships between people in different cultural and social settings are very different. Kinship is a very strong relation in many cultures, while in others only the closest family really counts. Most obvious of all are direct business interests,

where a person with a financial interest in a certain production should be excluded from all dealings with the inspection and certification of that production. There might also be "negative" conflicts of interest, where there is competition between various producers or groups or biases on other grounds (e.g., political, religious or ethnic).

There are also institutional conflicts of interest. A certification body depends on income from certification fees and is therefore subject to pressure to certify clients. This is generally accepted, but is mitigated in various ways (e.g., by not linking fees to a positive certification decision, or by limiting the fees paid by large clients).

**Institutional Conflicts of Interest**

- Direct conflicts. When a major source of income is from clients (for accreditation, certification, or logo use), then there may be a temptation to lower requirements or operating quality in order to attract or keep clients. For example, it is widely accepted (though rarely discussed) within the ISO certification world that competition between certification bodies for ISO 9000 clients led to a lower interpretation of the standard because the process needed to be quick, cheap, and "reliable" (i.e., result in a certificate) to get and keep the maximum number of clients.
- Indirect conflicts. When an institution generates much of its income from services other than certification, there may be reluctance to risk reducing or losing the other income streams in response to an unfavourable accreditation or certification decision, or there may be a hope that other services are more likely to be required if a successful certification decision is reached.
- Where accreditation or certification is undertaken by an agency which is part of a government, conflict of interest becomes even more complex as accreditation or certification may be critical to the success of a national industry sector and therefore of national importance.
- Where a significant proportion of income is from only one or two sources, whether they are certification clients, accreditation clients, logo users, or external funders, then it becomes much more difficult to be impartial in dealing with those sources, because the loss of one such source has a disproportionate impact on income as a whole.

*(ISEAL 2005)*

### *Declaration of Interest*

All persons involved in the certification process, including committee members, should file an annual statement of interests, where they indicate work with and relations they have to parties that may in some way be related to the inspection and certification activities. It is also a good practice for certification committee members to be asked at every meeting to declare whether they have any conflict of interest, positive or negative, relating to the files being reviewed. See part 7 for an example of a conflict of interest policy and declaration.

## *16.7 Performance Reviews and Feedback*

As in any other organization, the review of the performance of individual staff members is a useful tool for quality improvement. A review also helps leaders determine appropriate career paths and training needs. Staff reviews are normally conducted by the manager, and the manager's review is made by the board.

As important as a formal performance review is the constant feedback on the work. In particular for inspectors who work alone in the field it is important to get regular feedback on their work.

## *16.8 Confidentiality and Transparency*

When assessing whether information should be public it should be kept in mind that the reason for confidentiality is to protect the interests of the certified producers and not to protect the certification body from public scrutiny. The reason for making information public is to make the process transparent and credible. Secrecy does not create a credible image. An open information exchange will in most cases also result in valuable information coming to the certification body. It is generally recommended to make as much information public as possible.

It is not possible to say where the exact line between confidential and public should be. It will depend on traditions, the business conditions, and the opinions of the people involved. In the earlier stage of development of organic production it is normally seen as positive by the producers that inspectors pass some information on production practices from one producer to another, while at a later stage with rising competition between producers this might be seen as a serious breach of confidentiality. From this perspective it is important that the operators are well-informed about what is confidential. Some certification bodies even publish their inspection reports, or at least summaries of them.

What should always be confidential?

- Detailed data on individual producers that might be commercially sensitive
- Minutes from certification committee meetings, as long as they contain sensitive information
- Information on the sales of products of operators, or their purchase of inputs
- Recipes for processed products

What should always be public?

- The standards
- A list of producers and an indication of their products or categories of production (like "crop production")
- A description of the certification system
- Fees

Here are some other areas where it has to be decided whether the information is confidential:

- Inspection reports
- Non-conformities leading to sanctions
- Exemptions from standards for individual producers
- Complaints and the resolution of complaints
- Certification decisions, including conditions, etc.

In a conflict between the operator and the certification body, it can happen that the operator will publicly challenge the certification body. In those cases, it is important for the certification body to be able to give its side of the story. However, if all details of the certification process are confidential, it will not be possible. Therefore it is recommended that non-conformities and certification decisions not be confidential. Information not classified as confidential doesn't have to be actively published. There can be benefits to classifying some records "restricted" or similarly (i.e., they are not completely confidential and could be released under certain conditions).

### *Confidentiality within the Organization*

Managing confidentiality is not only about what will not be handed out from the organization. It is also about regulating who within the organization has access to which information and how information is handed out.

In some circumstances, whilst the information might not be confidential, individuals (inspectors, committee members, etc.) should still treat the information as confidential. One example is when the certification body has decided that information regarding violations can be made public. The information is still highly sensitive and should not be communicated orally by individuals, only through standardized written information by the certification body itself. The same goes for information about which producer is certified for what production. If that kind of information is communicated orally by individuals, the communication might not be complete and thus not neutral (favouring the mentioned producers and discriminating against others). Such information should always be formally communicated by the office of the certification body, in a standardized way.

Within the organization, not all information needs to be accessible to everybody (e.g., there is no reason for an inspector to have access to files of operators whom that inspector did not inspect or for staff involved in accounting or promotion to have access to certification data). To restrict access to information on a "need to know" basis is a good precautionary measure to safeguard confidentiality.[24]

24 The Nordic Havamal (a poem more than a thousand years old) says: "Let one know thy secret, but never a second; if three, a thousand shall know."

### *Confidentiality Agreements*

All persons involved in the certification process should sign a confidentiality agreement. This can be incorporated in other contracts, like employment contracts.

## *16.9 Contractual Arrangements with Staff*

Apart from the normal content in employment contracts, people working for the certification body should be contractually bound to at least the following:

- They should follow the instructions of the certification body.
- They should respect confidentiality agreements.
- They should declare any interests in the certified production.

Such contractual arrangements are required regardless of whether the person is employed, a volunteer, or contracted only for certain jobs.

## *16.10 Committees*

Depending on management and governance traditions, the organization may want to install one or more committees to deal with various matters such as finance, marketing, certification, appeals, and standards (if the organization is involved in standard setting). A committee should have clear terms of reference and rules of procedures (i.e., its mandate and accountability need to determined, and there should be clear rules for the composition, how meetings are conducted, minutes kept, etc.). While committees may be valuable for dealing with many issues, they are also resource-demanding (time and costs), sometimes creating fractions and power centres that may cripple a small organization. There is a clear danger that lines of accountability can get blurred within the organization if the rules are not clearly defined.

Committees can be made up of members of the board only, by external resource persons, or both. Staff normally organizes meetings and take minutes from committee meetings. The manager of the organization is often an ex officio member; again however, traditions differ widely throughout the world. Members of various committees also need to meet certain qualifications. A certification committee needs to both include people from various segments of the sectors and people with sufficient expertise. The ability to apply common sense is also a valuable skill to have in a certification committee.

## *16.11 Training*

There is a need for training, obviously for new personnel, but also for old staff. The certification body should develop a training programme for its staff. Training is also recommended for committees and the board of directors. An outline of typical training activities follows.

### *Training of New Inspectors*

For new inspectors, typical items to include in the training are the following:

- Overview of the organic scene (movements, actors, etc.)
- Overview of the certification process
- The standards and regulations, including approved inputs (materials)
- The role of the inspector and the inspections
- Ethics, personal conduct, relations to the operators, the psychology of inspection (how to pose questions and get information, typical reactions from operators)
- Confidentiality and conflicts of interest
- Inspection checklists and forms
- Risk assessment
- Inspection methods: What are the inspectors supposed to do during the visits? How do they verify information?
- Audit requirements and methodology
- Inspection assignments
- Inspection reports
- Invoicing for inspection work and other financial issues

If inspector candidates have limited knowledge about organic agriculture, it is necessary to start with basic training in what organic agriculture is, and the underlying ideas.

Some practical training must be included, and the results of this should be gone through carefully. A formal test at the end of the training will give guidance both to the inspectors and to the organizers of the training. A sample inspection training programme is outlined in the resource section, part 5.

A good way to train new inspectors is to have them work with a more experienced inspector for a time. It can start with the new inspector just observing and progress to a situation where the new inspector independently writes a report parallel to the report of the experienced inspector. In addition, they can have an experienced inspector as a mentor. It is very important that inspectors continuously get feedback on their behaviour, the inspection, and reports for continuous quality development.

### *Training of Certification Personnel*

Equally as important as training of inspectors is training of certification personnel. In most cases, they will be responsible for the establishment of the certification system. Typical basic training for certification personnel comprises the following:

- Overview of the organic scene (movements, actors, etc.)
- The role of certification
- Operating procedures
- Confidentiality and conflicts of interest
- Record keeping
- Document management

- Quality system management
- Management of the certification flow (i.e., all the steps in the process)
- International regulations
- Evaluation of inspection reports
- Contracts and other legal issues
- Administration of certificates
- Case studies of actual certification, including handling of violations, etc.

### *Management Training*

The manager may also need to develop his or her skills, depending on his or her background. Business planning, financial planning, staff management, and team building are critical issues for a manager, as is understanding a quality system and the regulations in major importing markets.

### *Annual Workshops*

Annual workshops for the inspectors and key certification personnel are recommended as a method to improve quality, introduce new procedures, and keep staff up to date with recent developments. Typical topics to discuss at workshops are the following:

- Design/update of forms, checklists and report formats
- Interpretation of standards
- Changes in standards and how they can be handled
- New areas of inspection and certification
- Methodology in inspection (a useful exercise is to go through the standards and for each standard ask, "How do we inspect/verify this standard?")
- Discussions on difficult inspection and certification cases; outcomes of appeals and complaints
- Quality management
- Developments in the organic scene
- IFOAM criteria for organic certification
- ISO Guide 65
- Debriefing of inspectors; discussing cases and problems

### *Training of Board and Committees*

The board and committees will need training for their respective tasks. For the board, basic orientation in certification, the market, strategic planning, and general management issues are most important. The certification committee will need training in certification procedures, organic standards and their interpretation, and in particular how to manage sanctions.

### *Training Opportunities*

Inspector training is conducted regionally by some IFOAM members, the Independent Organic Inspectors Association (IOIA), some certification bodies, and consultants specializing in certification development. Internships with another certification body can also be a good training opportunity. If a partnership with another certification body is established, the other body may provide training opportunities. See the IFOAM training platform for lists of organizations.

# 17 The Operators and the Application

Operators are all the producers, processors, handlers, etc. that are involved in the certified production.

It must be recognized that operators are part of the certification system and that their participation and commitment are as essential to the credibility of the certification as the certification body's own activities.

## *17.1 Non-discrimination*

The standards and written procedures of the programme form the basis for who is eligible for certification. A certification programme should not exclude certain categories of operators because of their size, their cultural origins, or their way of marketing. Certain kinds of "discrimination" may be justified if they are clearly defined in the standards (e.g., limited scope to certain geographic areas, or to certain types of production). If the certification programme is a separate entity in another organization (i.e., an association of farmers), it is important that the service of certification be separate and that operators not be forced to pay for other services just to get certification. Non-discrimination, however, does not mean that everybody must be treated in exactly the same way, regardless of the conditions under which they operate. Organic agriculture and processing are practised by an enormous variety of operators, all of whom could be eligible for organic certification. There are small farms with illiterate farmers and no farm records, and there are huge, ISO 9001-certified, multinational food industries producing an organic batch for only one hour a year. Whilst the basic rules for production and processing will be the same, inspection, auditing, and requirements for documentation will obviously be quite different.

## *17.2 Application*

### *Information to Applicants*

Before operators file a formal application, they should have received information including at least the following:

- The standards
- Applicable fees
- A description of the application, inspection, certification, and appeals procedure

### *Information from Applicants*

In their application, operators should give information about their production. Ideally, information required in the application should be sufficient to identify issues that might be an obstacle for certification. It should also provide the inspector with sufficient background information for the inspection visit. Time and resources can be saved if application information required is adequate and the submission is complete.

As mentioned earlier, the basic guarantee for the organic integrity of the production comes from the producer. The certification verifies this guarantee. If the operator is unable to give accurate data of the production and to state what is organic and what is not, the roles are reversed. Now, it is the certification body giving the guarantee on its own. It also makes a big difference to the inspection process if the basis is the operator's own statements about the production that is verified by the inspector, instead of the inspector's documenting the production and qualifying it as organic. In the latter scenario, the inspector becomes more of a data-collector than a critical assessor.

On the other hand, experience shows that in most cases operators may not be able to provide complete information, or they provide the wrong information, because they have not fully understood what kind of information the certification body wants. It may be wise to start with simple application forms instead of becoming frustrated by incomplete applications.

### *Annual Questionnaire/Affidavits*

Producers will normally also be required to fill in an annual questionnaire on which they declare their production details. This questionnaire normally asks for information about things that change (e.g., crops, fertilization, etc.) and an update of basic information. For processors, many certification programmes work with an ongoing certification process in which changes in production have to be notified continually. In many cases, they also have to submit an annual declaration after the production year, in which they declare the amounts sold, etc. This is both part of the monitoring and a method to collect payment, if part of the certification fee is based on turnover.

### *Typical Documentation Requirements for Various Categories of Operators*

The following documents and records are normally required by operators for the different parts of the production. Some of them will be requested as part of the application (they are marked with an asterisk in the list). Others should be made available at the time of inspection:

**Farm with Crop Production**

- Maps for each field (map should be marked with the name/code of the field, surfaces in hectares as well as marked neighbour conventional fields)*
- Field register, including history (three years)*
- Land-use documentation for any new land added (applicable for operators who are already certified or asked for retroactive conversion approval)
- Input purchase records
- Harvest and yield records
- Post-harvest handling and storage records, if applicable
- Labels and labelling (printed packaging, bags, boxes, and stickers)

***Farm Group Certification Systems***

- List of farmers with data as specified by CB*
- Farmers' contracts
- Farmers' registration forms
- Internal control manual*
- List of all buying and storage points*
- List of all field staff involved in the internal control*
- Files showing the training of the staff
- Conflict of interest declarations by staff
- Internal inspection records for all farms
- Records showing the internal approval and handling of non-conformities

***Livestock Production***

- Animal lists, including livestock or poultry descriptions and/or numbers and identification methods*
- Source of poultry and/or livestock, including breeding, birth, hatching, and/or purchase records*
- Feed harvest and storage records
- Feed rations for each type of animal during each stage of growth and development
- Purchase records for feed and feed supplements
- Animal medications, including a list of all products used or that may be used (product names, ingredients, manufacturers, and regulatory status)
- Health-management records, including vaccinations and all other materials, veterinarians' bills, purchase invoices, records of medication used, reason for use, and animal identification
- Pest management, including parasite management, if any
- Product or animal sales records

***Processing and Handling***

- Product identification and composition for all organic products produced (this includes current formulations, recipes, or batch sheets that support the percentage of organic ingredients in product label)*
- Facility map(s) showing the facility perimeter and buildings, all equipment, and areas used for receiving, raw-material storage, processing, packaging, finished-product storage, and shipping*
- Production flow chart(s) (includes equipment used in each step or stage of the process and shows the flow of products through the facility from receiving of raw ingredients to shipping of final product)*
- Records of sources of ingredients and processing aids. Operators must have on file a copy of the organic certificate from the supplier of any organic ingredient or processing aid showing that it is certified to relevant organic standards
- Non-organic agricultural ingredients and processing aids: operator can be requested, at the discretion of CB, to provide documentation affirming that each ingredient (1) is not commercially available as organic, (2) does not contain prohibited inputs and

has not been produced using prohibited methods (genetic engineering), and (3) has not been treated with ionizing radiation
- Pest management: Operators must document what materials, if any, are used, including maintaining product labels in file. If prohibited materials are used inside facility, operator must be prepared to show records of how organic products and materials are protected from contamination during pest-control applications
- Water: indication of source of water used and applicable tests results
- The systems and procedures to prevent commingling and/or contamination of organic ingredients and products throughout all steps of processing (for processing operations that have both organic and conventional processing)*
- Production records for purchase, receiving, storage, production, packaging, handling, transport, and sales
- The system to allow traceability of products (e.g., lot numbers)*
- Labels and labelling (labels on printed packaging, boxes, use of CB mark)
- Contracts for each subcontracted unit (if any)*
- Official permits, when relevant

***Wild Harvested Production***

- A map of the collection area (1:50, 000; 1:100, 000) with marked collection area*
- A list of all registered collectors*
- Declaration for collectors
- Declaration for local representative (if any)
- Questionnaire for landowner*
- Official permits for collection, when relevant
- Contracts for each subcontracted unit (if any)*

***Beekeeping***

- Sketches of the apiary location and buildings used for honey centrifugation, storage rooms including storage facilities, etc.*
- Map of the area. The location of the hives should be indicated on the map and the area of nectar collection, including possible sources of contamination*
- Diary of the hives. All activities concerning the apiaries should be described in the diary, such as inspection, feeding, treatments, etc.
- Declaration of origin of the bee families
- Invoices and delivery receipts, purchase and sales documentation
- Purchase documentation for materials and other expenses concerning apicultural activities

**Documentation of Small Farms and Farms with Illiterate Farmers**
While documentation is a valuable component of certification and to a certain extent indispensable, when running into trouble you should ask yourself: "Why is this needed? What do we want to achieve?" The answers to those questions may offer some ideas for alternative solutions.

Obviously, a programme operating where producers are more or less illiterate cannot have a system forcing individual operators to send in annual declarations, field descriptions, etc. The certification body will have to find ways to deal with illiteracy. Normally it is acceptable during the first visit for the inspector to assist in establishing the basic documentation. Later on, the producer may get assistance from local extension workers or NGOs. In most cases, illiterate producers are best organized in a "small holder group with internal control", described later.

It is required that farmers have the standards and sign contracts. Does that make sense when farmers are illiterate? The farmers could be made aware of the contents of a contract orally; a schoolteacher or an older child can assist. There is also the possibility of having group contracts, which can be explained and discussed by a group of farmers (a village) before signing. The need for farmers to be well-informed about the standards can be accommodated by individual and group information, by making posters, etc. In any case, it is a good practice and a sign of respect to make sure all farmers get a copy of the standards (simplified if necessary) and a copy of the contract they have signed. In any case, the steps taken to inform the farmers should be documented in writing.

Maps of the production areas are an important component of the certification file.
The main reasons to have maps are these:

- To be able to locate the field for physical inspections
- To be able to monitor rotation systems on single fields
- To ensure that land is not taken in and out of the system
- To determine the size of production
- To verify that contamination from the outside does not occur

However, there may be situations where maps are less relevant. There may be such a variety in the production that crop rotation is not a problem, or the risk of contamination from the outside may be almost zero. The size of production may be established by other means (e.g., counting trees). Depending on the situation, simple sketches may be satisfactory. It is often possible to have villagers make good farm sketches through participatory techniques.

## *17.3 Contractual Arrangements with Operators*

Contracts from the basis for the producer's guarantee, and they give the certification body a basis for enforcement of the standards and other obligations. All operators should be contractually obliged to at least

follow the standards
provide the necessary information as requested
accept inspections

Normally a contract will also include aspects regarding payment, the obligation for the certification body to make inspections, permission to publish the name of the producer in a list of approved producers, etc.

**Typical Requirements for Organic Operators as Defined in a Contract**

- To provide documentation for review by the inspector and to participate in the inspection
- To make products available for testing
- To make all relevant facilities accessible to the inspector
- To notify the CB immediately about any application, including drift, of a prohibited substance
- To notify the CB of changes in the certified operation that may affect its compliance with the CB organic standards
- To maintain all records applicable to the certified operation for five years
- To allow authorized representatives (representatives of accrediting agencies and others with legal rights) access to such records for review to determine compliance
- To accept the sanctions as defined in the certification procedures
- To take corrective actions as requested by CB
- To inform all staff or contractors that are involved in the certified production about the standards and these requirements

Sometimes these contracts are framework contracts that apply whether or not the applicant operator is finally certified. In other cases, contracts are only signed after the initial inspection and a positive certification decision. When contracts do not mention what is certified, there has to be another document (usually a certificate) that clearly states what is certified.

Contracts can be annual or be automatically renewed if not terminated. Some programmes do not use contracts for their operators but require the operator to sign an "agreement" or affidavit. In these cases, the certification body has not technically committed to any obligations towards the operator. It is important that the certification body's obligations be clear to both parties. If those are not stated in the contract they should be clearly expressed in some other document that is made available to the operators.

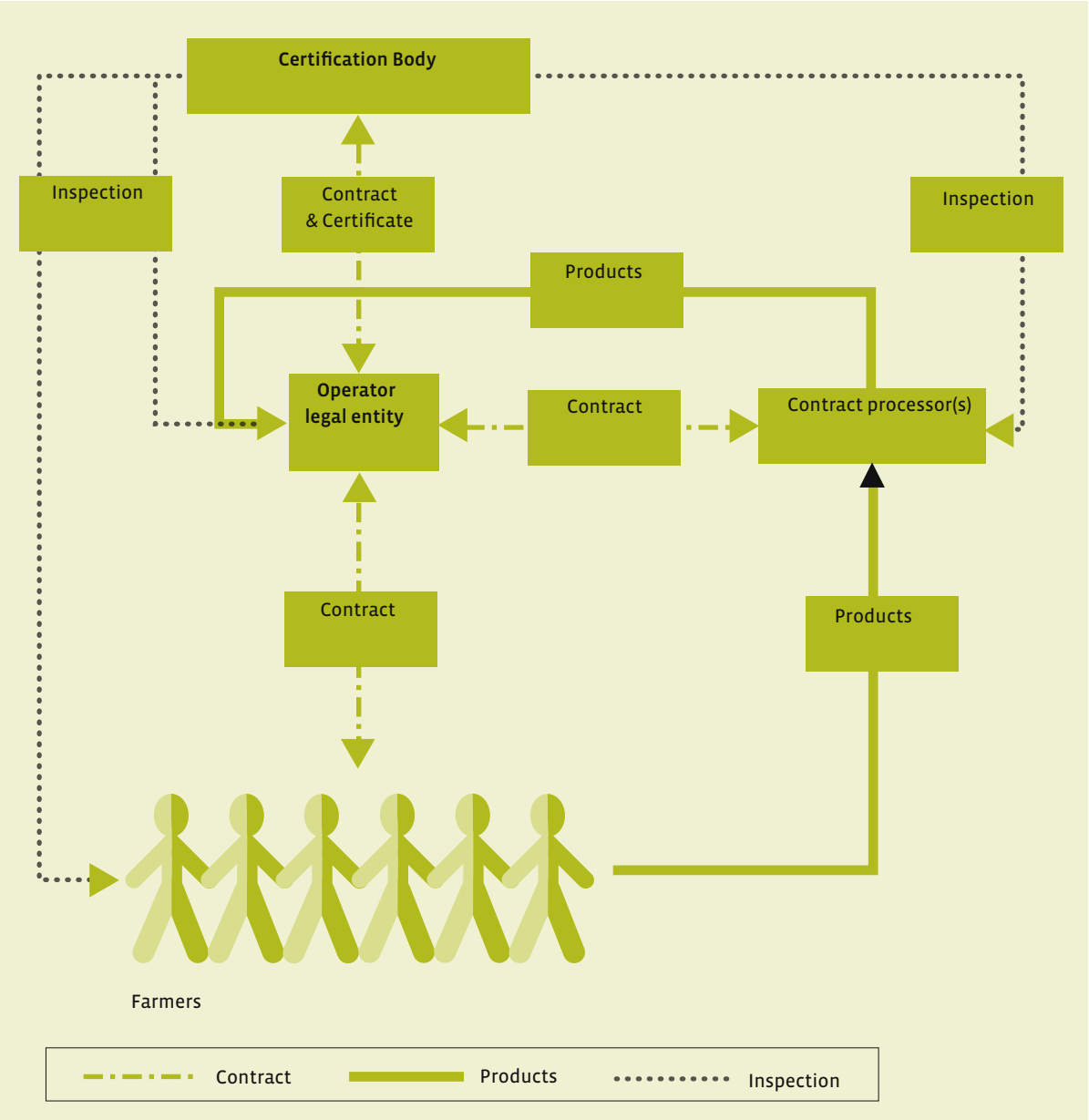
## *17.4 Who Is the Licensee?*

In many cases, certification programmes are designed with the idea that all farmers and companies will be certified licensees, meaning that everybody in the chain is certified on his own and has direct contracts with the certification body.

Normally, the party that pays for the certification costs "owns" the certification. Often, farms or processing units are contracted by the operator or licensees. Although they will be "certified" as part of the certification of the operator, they will not have the right to market their production separately with the certification mark, as the contracted farm or processing units are not licensees themselves. The licensee can be a farmer's co-operative, a processor, or an exporter. It is important that the certification body have clear rules for how to deal with subcontracted producers, especially regarding how to deal with non-compliance by such subcontractors. The subcontractors must also sign agreements to follow the standards, accept inspections, etc. (in many cases, these contracts are between the subcontractors and the certified licensee and not with the certification body). The certification body must also ensure that subcontractors get a copy of the standards and certification rules.

**Subcontracted chain**

**Subcontracting farmers and processors by one operator**

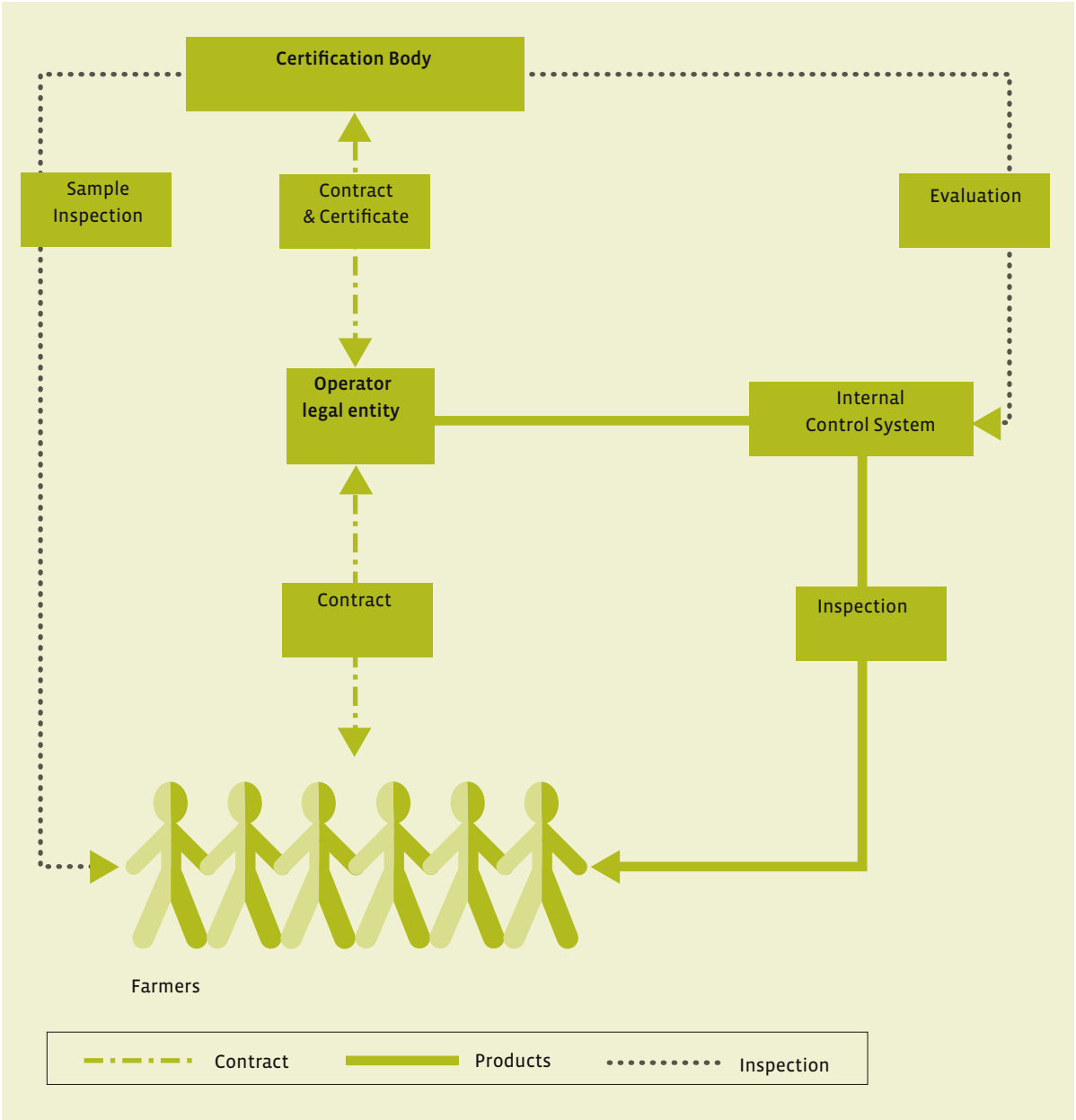


What are the positive and negative aspects of farmers' being certified "through" a company?

## *17.5 Are There Special Solutions for Small Farmers?*

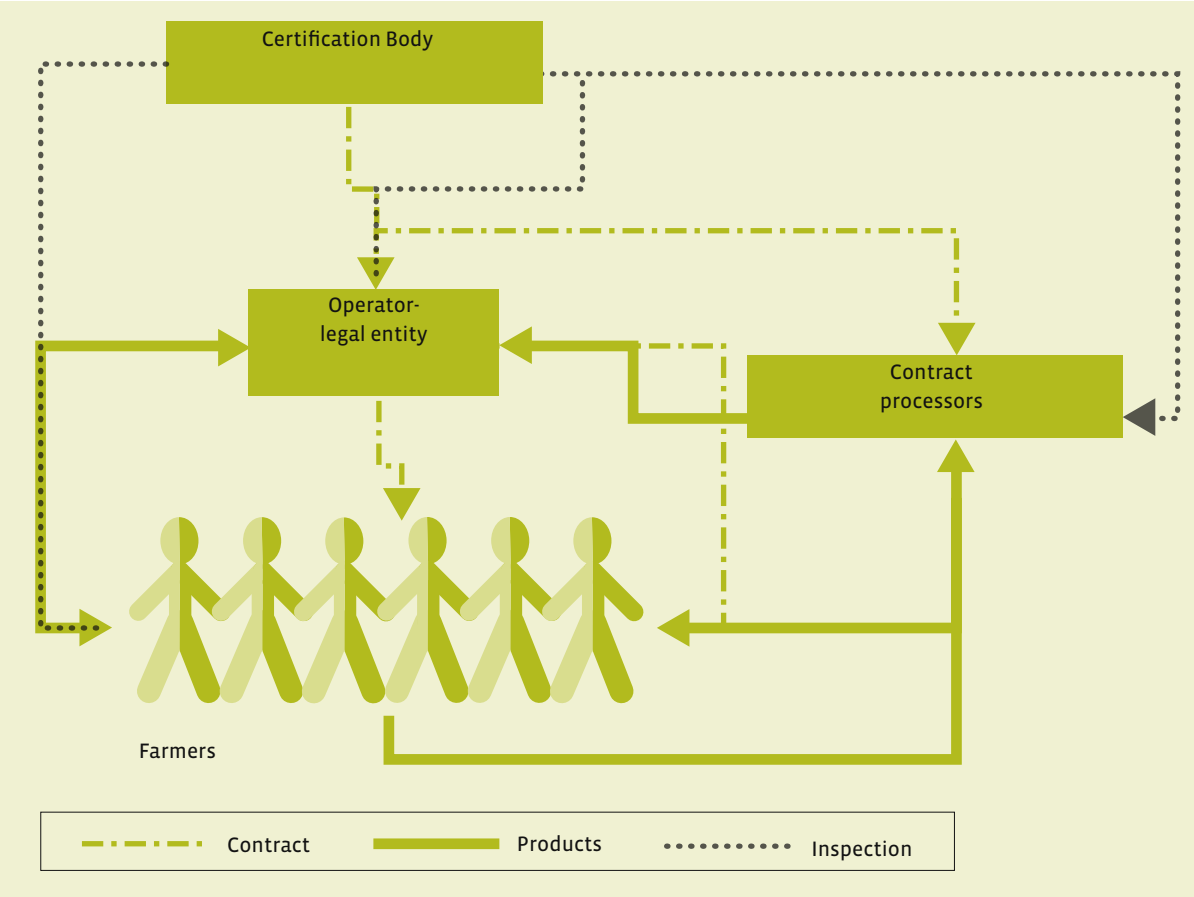
There is nothing strange about making special consideration for small operators in certification. One example is the smallholder certification with an internal control system (ICS) organized for groups of producers. There are various ways to set this up. The IFOAM accreditation criteria are the basis for group certification, including the requirement for the group to establish an internal control system. There are also special manuals developed by IFOAM for operators in setting up ICS systems and for the evaluation of ICS systems by certification bodies:

### Grower group with ICS



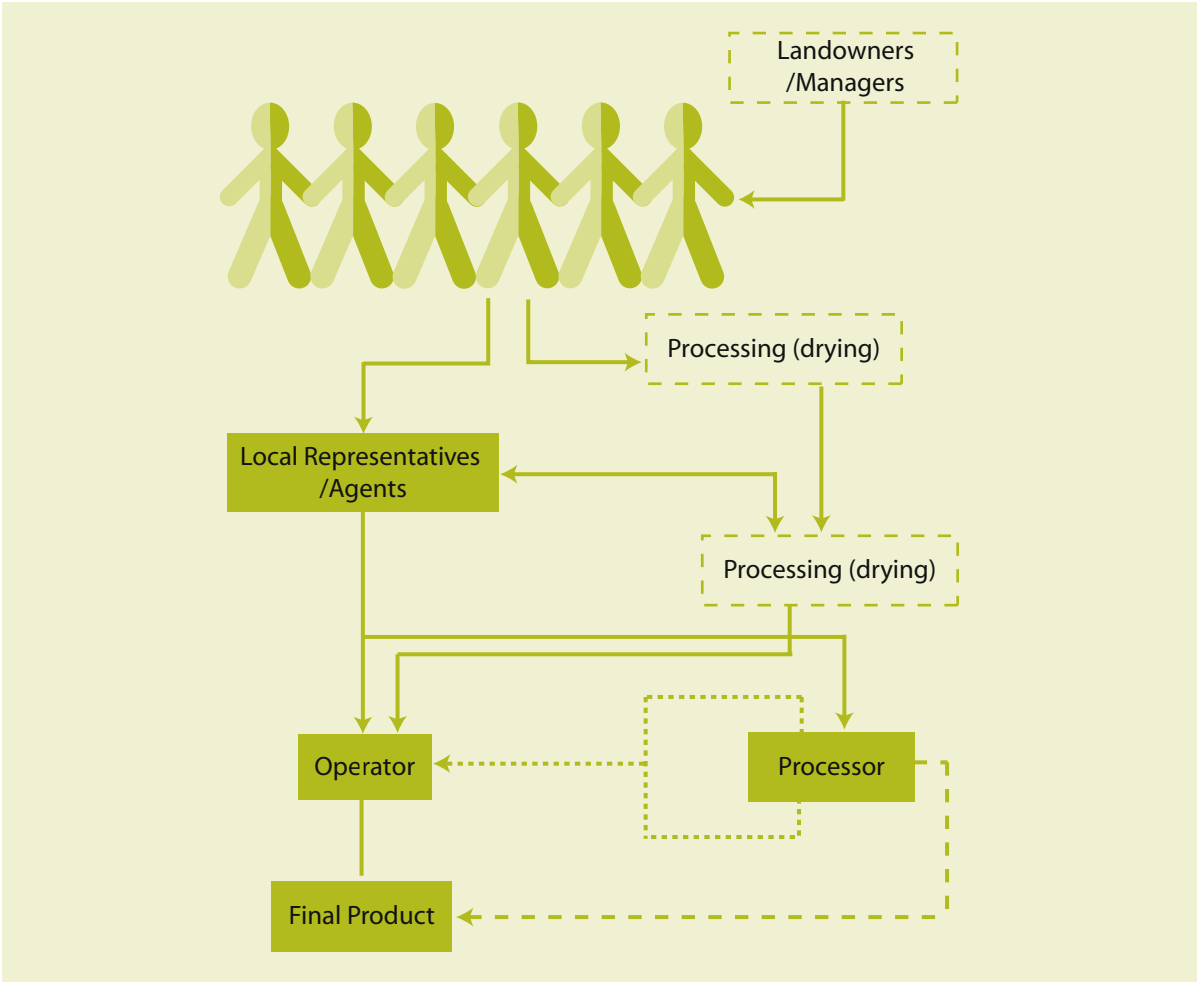
- IFOAM Smallholder Group Certification Training Curriculum on the Evaluation of Internal Control Systems + Guidance Manual
- IFOAM Smallholder Group Certification Training Curriculum for Producer Organizations + Guidance Manual

The key effect of group certification is the reduction of external inspection, and therefore the certification cost. However, it is only where a functioning internal control system is operated by an organized group that external inspections can be reduced. Another prerequisite is that the group have organized common marketing. By combining the internal control with extension activities in the group, a cost-efficient support structure for small farmers can be established. If the group is big (e.g., 1,000 farmers), reduction in external inspection may mean the certification body inspects less than 5 per cent of the farmers, on the condition that all of them are monitored by the internal control system operated by the operator. The task of the certification body in group certification is mainly to evaluate how effective the internal control system is.



## 17.6 Wild Collection and Other Complex Supply Chains

In the case of certified wild collection, there are normally many stakeholders involved in the chain of production. However, the whole operation is usually managed by a single operator. In this case, the location is also subject to certain requirements, but often the landowners are not directly involved in the actual commercial operation. Nevertheless, they need to be registered, and mechanisms to verify land use and history need to be put in place. Certification bodies need to understand the complexity of the various supply chains they work in, define appropriate systems for inspection, and demand that appropriate internal controls be set by the responsible operator.




What do supply chains look like in your country?

## 17.7 Who Needs to Be Certified and Who Needs to Be Inspected

In integrated chains as the examples above it is only the responsible operator who is certified.

But all other parties are subject to inspection. Not all may actually be inspected by the certification body in one visit (in the case of an ICS system, all are monitored by the internal control staff). The basic principle is that anyone who takes ownership of the products should be certified. Transport companies are normally not certified, as the responsibility of the product remains with the supplier or the buyer during transport, depending on their agreement. Shops are also normally not certified. Some certification bodies operate shop-certification programmes. In the initial development, the challenge is rather to get the shops to stock organic products; the idea that shops also should go through certification and pay fees to be able to sell organic products is not likely to support market development. Some certification bodies run shop programmes where the emphasis is on education of staff and proper information to consumers. These programmes can be vary valuable, but might not best be called certification.

### *Input Suppliers*

Input suppliers are a special category. As soon as there is an organic sector there will be companies offering various inputs, such as fertilizers or biological pest control formulations, to organic producers. In most cases they do not provide sufficient product information to producers to allow them to really know whether the products contain any prohibited substances or not. Input manufacturers are normally reluctant to disclose the full list of ingredients or the processing methods. However, as all organic standards have lists of allowed as well as prohibited substances, it is important that the certification body can verify whether inputs available in the market can be used by organic operators. One way to do this is to offer input certification, whereby the certification body allows the certified products to be marketed with a statement such as "allowed to be used in organic farming; certified by X". It should be noted that the establishment and management of an input certification programme is complicated. It is strongly recommended that the basic certification be established before any such programme is established. Often it is more practical to establish a register of approved branded products, based on self-declarations by the input suppliers. Some input manufacturers will be reluctant to be that transparent. The certification body will then have no choice but to stop operators from using those inputs—something that can be difficult to do.

## *17.8 The Relationship to Operators*

The certification has a judgement role with the operators and should administer a strict and consistent certification programme, focused on verification and compliance with standards. This role can easily lead to formal bureaucratic procedures and communications. The certification body however is also a service provider to the organic sector and to the certified operators. As a service provider, it should recognize the need for customer satisfaction. It is truly a challenge to combine these two aspects in one consistent approach. It is advisable to screen your letters and materials once in a while to see whether they sound patronising; letters can be both cordial and formally correct. Try to assess the certification body's service from the perspective of your clients.

**Wish List from Clients on How Certification Bodies Should Behave**

- Be convinced of the quality of your service, but do not feel superior to other certification bodies.
- Do not talk badly about other certification bodies, especially by spreading unsubstantiated rumours.
- Provide a costing structure that is transparent and allows operators to easily calculate the total cost of the service.
- Provide the applicants with the standards and appropriate annexes in a timely manner, and keep them abreast of any revisions.
- Be transparent in the certification process and work in a timely fashion.
- Be responsive to applicant's and licensee's questions.
- Update licensees with information on, for example, regulatory developments.
- Do not to reject or overreact, but investigate the case when third parties question the integrity of a certified operator.
- Do not compromise on quality to undercut the competition.
- Accept competition as a phenomenon that improves your own cost/benefit ratio.
- Be dedicated to continuous quality improvement of your methodology (e.g., inspection forms revised once every five years).
- Have a genuine interest in working with the operator to reduce inspection and certification costs to at least below 3 per cent of product value.
- Assist operators or groups of operators with applications for grants for initial certification.
- Feel responsible not only towards licensees but also for the overall integrity of organic production where you work. For instance, you should follow up fraud allegations, even when they does not relate to your own operators.
- Connect with the local organic movement in all countries in which you work.
- In general, share information during conferences and workshops.
- Be of service to the organic community.

## *17.9 Certification Requirements for Operators*

Most organic standards do not specify all the requirements an operator has to fulfil in order to be certified. In addition to the standards certification bodies also apply additional requirements such as the following:

- Fees to be paid by the operators
- Forms and contracts to be filled out and signed by the operator
- Rules for the use of the certification mark
- Requirements for documentation and other internal control measures
- Interpretations of the standards
- Obligations to take corrective actions
- Rules regarding complaints and appeals

These requirements should be properly documented in a transparent way. Preferably they are collected in one document that is made available to the operator at the time of application. Some certification bodies with private standards include these requirements in the standards document, others as a part of the contract, or as a separate document.[25] If it is a separate document, it is important that it be referenced in the operator contract or agreement. To have them included in the contract makes it difficult to revise them (all contracts would need to be revised as a result of a single change).

It is also important that the inspectors know these rules to ensure that they adhere to the policies of the certification body.

## *17.10 Clarifying the Scope of Certification*

Operators often don't understand how certification bodies work. They submit applications for certification with no clear idea or formulation of the scope of certification. They may be producing raw materials as well as processing them and don't understand that they need to fill out an application for both the processing and primary production. They may be using subcontractors for part of their production but do not mention them. Sometimes they apply for certification of a particular crop on a certain field, whilst intending to move that crop to another field the next year without realizing they need to submit all the land they intend to use for certification so that the crop is continuously certified as it moves from field to field. Sometimes they only apply for a certain cash crop as they believe they only have a market for that crop. But then suddenly there is a demand also for other crops already grown on the farm. Certification bodies need to be helpful. They need to predict what the real scope of the certification will be. Inspectors also need to be clear about the scope of certification so that they can inspect the operation according to the scope of certification.

25 Such a document may be called a programme manual, an operating manual, rules for certification, requirements for certification, etc.

# 18 Inspection

The following section summarizes the inspection process. This guide is not designed to provide comprehensive guidance in the practical techniques of inspection. IFOAM and IOIA have published an *International Organic Inspection Manual* (IFOAM/IOIA 2000).

## *18.1 Assignment of Inspectors*

In all instances, inspections are to be assigned by the certification body. Often, more than one case will be assigned to an inspector at the same time, and the inspector is given the responsibility to arrange the appointments or to conduct unannounced visits accordingly. However, the certification body remains responsible and in charge of the assignment process. All inquiries for inspection received by inspectors directly from operators should be directed to the certification office.

### *Rotating Inspectors*

Many certification bodies have policies that say that the same inspector should not be used for more than three to five years in a row to inspect the same operator. The current IFOAM criteria require four years. The reasons for this are the following:

- The inspector may become too friendly with the operator.
- Visits by different inspectors to the same operation will reduce as well as detect "blind spots" occurring from inspectors' inspecting operations they have become too familiar with.
- Rotation of inspectors reduces the risk of corruption. However, rotating inspectors too frequently is also not good. It takes some time for inspectors to familiarize themselves and identify the weak and strong sides of an operation (be it a farm, a factory, or a larger project).

### *Using More than One Inspector*

Some certification bodies use two inspectors for inspection visits. The reasons given are that "two heads are better than one"; the risk of corruption is reduced; and the body is a better position to deal with a situation in which the operator contests the inspector's report. An operator's record of being aggressive towards inspectors can also be a valid reason to send two inspectors. To make visits with two inspectors is obviously good, but few organizations can afford it. When working in a difficult situation, it can, nevertheless, be worthwhile. Pairing trainee inspectors to experienced inspectors is often part of training new inspectors and is good for competency development.

### *Informing the Applicant of the Identity of the Inspector*

It is a good practice to inform operators of the identity of the inspector and to offer them the opportunity to object to the assigned inspector. There may be conflicts of interest that the certification body may not know about. It is problematic when operators raise concerns about conflicts of interest after the inspection is done. From a practical point of view, it is good for operators to

have the name and address of their assigned inspector, in case they need to contact the inspector regarding the inspection visit.

## *18.2 Inspection Programme and Risk Assessment*

**Risk assessment for organic production**

| LOW RISK | HIGH RISK |
|---|---|
| ***Production factors*** | |
| Small production | Large production |
| Simple production | Complex production |
| Extensive production | Intensive production |
| Easy production (good production results) | Difficult production (weed and pest problems, dependency on external inputs, etc.) |
| Little difference between organic and conventional production | Big difference between organic and conventional |
| | Parallel production |
| Whole production is organic | Not all production is organic |
| | Contamination from own use of pesticides |
| No neighbouring producers uses agrochemicals | High use of agrochemicals by neighbours |
| Centralized marketing (co-operative or contract production, making audit of sales easy) | Diverse sales from the producer |
| ***The producer*** | |
| High commitment to organic agriculture | Low commitment to organic agriculture |
| Good communication with the certification body | Bad communication with certification body |
| Good management | Bad management |
| Good quality system and internal control (ISO 9000 certified, etc.) | No quality system, no internal control |
| ***The certification history*** | |
| No problems before | Problems occurred previously |
| No complaints received | Complaints received |
| ***Incentive for fraud*** | |
| Low premium prices for organics | High premium prices for organics |
| Good market access for conventional products | Good market access only for organic produc- |
| No subsidies or other support for organic production | Subsidies or other special support for organic production |

For a long time, most certification bodies made one annual inspection of each operator and little more. The IFOAM criteria were revised in 2005 to allow for a risk-based approach to inspection frequency. Not all producers are necessarily inspected annually. For different types of production, different inspection regimes may be needed. It is recommended to develop an inspection programme based on risk assessment instead of just relying on routine annual inspection. The risk assessment may lead to more frequent inspections or longer time spent on operations with large risks. The certification body may decide that high-risk operators shall be visited twice per year, those with normal risk only once per year and those with low risk every second year, or that routine inspections can be simplified for those with low risk.

## *18.3 Making Inspections*

When getting an inspection assignment, the inspector should also get the relevant supporting documents, e.g., filled-in application or questionnaire, the previous inspection report, the certification decision, certification committee's comments, and any other relevant information.

Inspectors need to work closely with the certification office and make sure they clearly understand their instructions and the scope of their assignment. All supporting documents must be thoroughly examined and clarified in advance. The inspector should have a plan for the inspection and ensure that he or she is in control of the inspection process and does become sidetracked by the operator.

### *Observation and Verification*

An inspection typically begins with the inspector verifying that all information provided by the operator is accurate. For example:

- Matching the observations to the crops, livestock, products, and processes (i.e., scope of certification requested in the documents)
- Checking the accuracy of field maps, field-history sheets, product flow charts, facility maps, etc.
- Examining crops and weeds for evidence of spraying or drift
- Reviewing input records for the use of approved and non-approved materials
- For livestock, clarifying the source of the stock, source, and handling of feed, feed additives, water quality, health management, and records
- In processing, examining the facility's pest-management system, sanitation procedures, organic production protocols, lot and batch numbers, and the traceability of products

When inconsistencies or inadequacies are observed, further investigation is in order. All discrepancies are recorded and reported to the certification body, along with the operator's explanation of the inconsistencies.

**The Signing of Reports and Information Collection during Inspection**

As mentioned earlier, the operator usually provides information in an application, questionnaire, or affidavit. Some programmes (and the EU regulation) require the operator to sign the inspection report. Other programmes only require the operator to sign an annual questionnaire submitted before the inspection. It is important to identify the issues related to these practices:

- The operator should confirm that the information regarding the production is correct.
- The inspector should evaluate the production and verify information. The evaluation made by the inspector should not be subject to "approval" by the operator.
- The operator should be given the opportunity to comment on the findings in the inspection report before a certification decision is made (this relates in particular to any observed non-conformities).
- The inspector should have the opportunity to submit confidential parts of a report. Such parts should not include information about the production or the verification of such information but be used for communicating issues like guidance for coming inspections or serious concerns about the reliability of the operator.

If one adopts the practice of operators signing reports, what happens when they refuse to sign because they don't like the outcome of the inspection? The signing of inspection reports should only be regarded as essential if reports contain information that has not been provided by the operator earlier or as a means of giving the operator an opportunity to comment on the findings. This can also be dealt with by having the operator sign special forms for information collection and by forwarding copies of the inspection report to the operator for comment.

Some certification bodies have solved the problem of signing reports by letting the inspector have a simple report form that is filled in by hand during the visit, and that one is signed at the exit meeting with the operator. Such a form shall include all non-conformities detected, but might not have all the details of the final report.

### *Focus on Critical Points*

The inspection should be oriented to risks and critical points in the production. A risk assessment can be summarized as responding to the following questions[26]:

- What can go wrong?
- What are the implications when it goes wrong?
- When will it go wrong?
- Why will it go wrong?
- How will we notice?

26 A risk-based approach is used on two levels: first, by the certification office to determine the overall risk category ' of the production (see under inspection frequency); second, by the inspector to focus attention on the critical points of the actual production.

In order to assess risks, the inspector needs to have background information about the typical production conditions in the area, prevailing techniques, and the special problems involved in the kind of production that is inspected. The inspector views all relevant aspects of each operation, investigating all areas where "a loss of organic integrity" may occur.[27] For crop production, special attention should be paid to seed, field margins, water sources, prevailing winds, previous land use, production and harvesting equipment, and handling and storage areas. At processing facilities, assessment of risk is made at receiving stations, in processing lines used both for conventional and organic production, in ingredient and finished-product warehouses, and at the sites of production and packaging.

### *Evaluation*

The inspector's role extends beyond observation and verification to evaluation. What are the conditions of the crops and livestock? Do the conditions reflect an effective application of organic principles, or is the operator attempting to get certified using a management approach of "organic by neglect"? Does the condition of the soil indicate the use of soil-building strategies, or is the soil lifeless and susceptible to erosion? Is the record keeping adequate and appropriate for the operation?

The inspector should be prepared to evaluate the effectiveness of internal controls. Most importantly: Does the operator understand the standards and is he or she committed to their application? Does the operator have sufficient knowledge and experience to cope with current or potential problems in the production? When inspecting systems with internal control, the evaluation of the functionality of the internal control system is essential.

### *Sticking to the Standards*

It is of critical importance that the inspector stick to the standards and other requirements and refrain from noting non-conformities that are not clearly related to them. An exact reference to the actual standard or requirement should be made for any detected non-conformities.

### *Education and Advice*

Inspectors are often asked by operators for advice on improvements that can bring their operations into compliance with the standards. This can usually be done by helping operators understand the text of the standard and clarifying what is meant. This is best accomplished by working directly from the standards document, rather than by relying on memory. Often inspectors need to help educate operators on identification and traceability requirements and record-keeping systems. Inspectors should, however, not "design" the operator's system, as they will then be evaluating a system they have designed themselves in later inspections. No additional fees should be charged for any education or advice provided by inspectors during an inspection visit.

### *Reporting*

Inspectors report their findings on forms provided by the certification body. All relevant aspects

27 The Independent Organic Inspectors Association (IOIA) has introduced the concept of organic control points (critical points in the production process where the integrity of organic production is threatened). The concept is based on the HACCP (hazard analysis critical control points) approach, which is common in the food and medical industries.

of the operation need to be covered in the report. Reports should be transparent, including what the inspector did as well as the sources of information. If there were areas that were not inspected, due to poor weather, time constraints, etc., these should be specified.

Some certification bodies develop forms that are basically only checklists with tick boxes. Others prefer narrative reports. Checklist forms can make clear reference to all applicable standards and prompt the inspector to answer all relevant questions. However, complex issues such as the design of the production system or the operation of the quality management system of a company are hard to reduce to simple checkboxes. It is highly recommended to combine checkboxes with narrative sections. Reports should be submitted to the certification body without delay. Even with good notes, it is very difficult to complete a report several weeks after the inspection.

**Inspectors Making Recommendations for Certification**

Some certification bodies do not want the inspectors to make recommendations for certification decisions or conditions. Some encourage inspectors to make such recommendations. There are reasons for both approaches.

Arguments against Inspectors' Recommendations

- Recommendations may shift the focus of the inspector from fact finding and evaluation to interpretation and decision making.
- Recommendations can make the operators confused when the final decision is different from the inspector's recommendations.
- There is a risk that the certification committee will rely too much on the inspector's recommendations, making the recommendations de facto decisions.

Arguments for Why Inspectors Should Make Recommendations

- The inspector has the best opportunity to assess what is reasonable for the operator to achieve.
- The inspector is more familiar with the conditions for production.
- The inspector is likely to be able to assess the effect a certain decision will have.

### *Quality Development*

Since inspectors are in the field administering the programme, they are likely to have valuable opinions about the development of the programme, the standards, and the procedures. They should be encouraged to provide the certification body with input on the implementation of the programme. Obviously their comments on inspection report template will be a basis for their future improvement. Likewise, certification bodies should establish performance reviews by which inspectors are provided regular feedback on their work performance. To have a formal approval procedure for each inspection report with compulsory feedback to the inspector is a very good way to ensure that inspectors get the needed feedback.

## 18.4 Various Kinds of Inspection

### Pre-assessment

For complex operations, in which the operator is not sure whether the operation is ready for certification, a pre-assessment can be offered. Like an inspection, a pre-assessment results in an inspection report, but it is not moved forward in the certification process. It serves the purpose of informing the operator of deficiencies that need correction. It is particularly useful to identify gaps in traceability, internal controls, and other management issues or simple misunderstandings regarding the standards.

### Initial Inspection

The initial inspection provides the basis for the initial certification decision and for future inspections.[28] It is important that all the facts are clearly reported and verified. A complete inspection should be conducted, and all areas of potential non-conformity are identified, along with the strengths and weaknesses of the operation. A comprehensive report is submitted to the certification body.

### Routine Inspection

Routine inspections, as the name implies, are the most common type of inspection. These inspections are normally scheduled in advance and are conducted in cooperation with the operator. Key aspects of the operation are examined, with special emphasis given to new crops, production areas, and products or issues of special concern. Routine inspections can occur more frequently than annually for operations with high risk.

### Spot-check Inspections

Spot-check inspections are often routine inspections which are conducted on an unscheduled basis. They can also be directed to a certain area of concern for the certification body (e.g., checking GMOs and the use of chemical fertilizers). They are part of an internal quality-assurance programme implemented by the certification body as a check on the inspection process. ISO 65 and the IFOAM accreditation criteria contain requirements for such spot-checks. It is recommended that the certification body decide on a certain proportion of spot-check inspections to be made annually (e.g., 5 per cent). Part of that should be selected at random and part can be directed to certain groups of producers (with high risk). Assigning different inspectors from regular inspectors for spot-check inspections of operators can also be a means to uncover corruption or incompetent inspectors.

### Extra Inspections

Extra inspections are scheduled for a variety of reasons:

- The inability of the inspector to complete an earlier inspection due to unforeseen circumstances

28 Note that, according to the IFOAM standards and criteria, farmers will in most cases be inspected twice before the production can be certified.

- A request to register additional land, crops, livestock, products, processes or facilities for certification
- Follow-up inspection of a facility which was not fully prepared for certification during an initial or routine inspection, or where the previous inspector failed to do the job properly
- Verification of corrective actions (certification decisions)
- Follow-up on complaints received

### *Announced or Unannounced Inspections?*

All inspections except the initial inspection can be unannounced. In theory, unannounced inspections are a good method to detect fraud and in particular a strong deterrent to fraud. However, in many cases there are also substantial problems involved with unannounced inspections, mainly regarding the availability of the responsible person[29] or the needed paperwork.[30] A truly unannounced inspection may be very difficult to organize in large operations where contact with top management is needed to secure access to the facilities. The table reflects the different categories of inspections, and whether they normally will be announced or unannounced. The brackets indicate that it is not the normal procedure, but that it may occur.

***Types of Inspections***

| TYPE | ANNOUNCED | UNANNOUNCED |
|---|---|---|
| Initial | X | |
| Routine (annual) | X | (X) |
| Extra | X | X |
| Spot-check | (X) | X |

**What kind of fraud will most easily be concealed if inspections are announced?**

## *18.5 Relationship between Operator and Inspector*

### *Conflicts between Operator and Inspector*

The trust and cooperation normally to be expected during routine inspections may be lacking during unannounced inspections. The inspector needs to be prepared to operate in a potentially hostile environment without losing focus or being intimidated. There can easily be conflicts with operators during normal inspections as well. The inspector can reduce this risk by good behaviour, maintaining a neutral stance, and avoiding provocation the passing of personal judgements. But if the inspector discovers real fraud, there is a risk the operator will become aggressive regar-

29 Even if the person in charge is there, he or she may by too busy to take care of the inspector.

30 Paperwork may be at an accountant's office or in the head office of the company and not at the production site.

dless of how well the inspector behaves. Inspectors should have the mandate from the certification body not to complete an assignment if the situation becomes too rough.

### *Gifts and Bribes*

Inspectors should not accept any gifts from operators or from the party commissioning the inspection, unless a refusal would be a serious offence in the local culture. The reason for this is that there is no clear line between a gift and a bribe. Any attempt by the operator to bribe the inspector should be noted in the inspection report, or if it was less manifest noted in a confidential addendum to the report. It is important that the certification body have an open discussion with inspectors on this topic and that a common understanding be reached regarding how to reduce the risk of corruption. It is equally important that the certification body communicate its rules to the operators, so that they understand the inspectors' behaviour.

## *18.6 Timing of Inspections*

When performing routine inspections, the timing should not be too regular. Often inspections will be targeted to the most critical period of a crop. Whilst that is good practice, it should not be repeated every year. Inspections should once in a while be done during the sowing of a crop, which is the right time to check use of treated seed (can often be seen on the seed itself) and use of many chemical fertilizers (granulated fertilizers can easily be seen in the soil for some time after application). Furthermore, there can be a risk of application of storage pesticides. That will not easily be disclosed when inspection is carried out only during the production season, when storage areas are empty and cleaned.

## *18.7 Samples and Analyses*

The direct use of prohibited substances can sometimes be detected by analysis of the crop, the soil, or the ready-made product. Even if residue testing is not a major part of the monitoring of producers, it still has a role to play. Testing should relate directly to the standards. There is little point testing for things where there is no clear threshold or any other stringent rules defined. E.g., if samples are taken to detect contamination of a field or a crop with pollutants (e.g., heavy metals) but there are no established threshold values in the standards, the taking of samples is not really useful.

It is not always necessary to send all samples for analysis. Sample taking in itself may have a preventive function, since producers normally believe that analyses are more effective than they really are. The certification body should define why, how, and when samples are to be taken, and sent to be analysed, also to which laboratory. It is recommended that the certification body establish agreements with one or more creditable (possibly accredited) laboratories. How such analysis costs should be covered should be thought out by the certification body when setting its fees and made clear to the operator during the application process.

**Residues in Organic Products**

Organic farming is a production system based on good agricultural practices such as crop rotation and soil fertility management. In addition it refrains from the use of chemical fertilizer and pesticides. Organic products are products coming from such a system. They are processed and handled so that mixing with non-organic products is prevented and contamination is avoided. By quality management by the operator and the inspection of the process, the adherence to the standards can be assessed. Chemical analysis or GMO analysis is made on suspicion or as occasional spot checks, but do not constitute a major tool for verification. The reasons are the following:

- It is not possible to verify that a product is organically produced through means of analysis.
- Many modern pesticides are difficult to detect at all after use, and others are so persistent that even if residues are detected, that is not evidence of the producer's having violated the standards.
- Chemical analysis and GMO analysis are very expensive tools.
- There can be contamination of organic products from previous land use.
- There are environmental pollutants which may inadvertently come in contact with organic products, not necessarily leading to a loss of certification.
- Most organic standards have no thresholds established for content of undesirable substances.

## *18.8 Other Ways to Verify Compliance or Non-compliance*

One should not forget that there are other methods to verify compliance to standards than inspection. Using physical inspections to verify all data can be a waste of money. It is good to develop ideas on other means of gathering information and who should be responsible for that. Example: During an inspection, it is found that the operator has used a so called "biological" fertilizer. However, there is no information available at the farm to verify that ingredients used to make the fertilizer are permitted in the standards. In this case, the information can be gathered afterwards in several ways. The producer can request and forward documentation from the supplier; the inspector or the certification office can check with the supplier/manufacturer. All three means can be used to verify the same thing.[31]

### *Market Surveillance*

Consumers find organic products in stores. Inspectors are instructed to check on labelling practices during their visits, but is anybody checking the use of the certification mark in the marketplace? Are there huge quantities of certain certified products in the shops? Do they correspond to the production records in that operator's file? It is strongly recommended that the certification body visit shops and trace back sample products to their production units. Are the production

31 It is obvious that the producer should have requested sufficient information from the supplier before use, but quite frequently this is not done, especially when producers are new and have not learnt the rules.

units certified? Did the operator have this product certified? Is the product properly labelled? Where did the shop get it? What quantities have they bought? You will often get much information from this kind of research. Unfortunately you will get no income from it unless you start a shop certification programme.

### *Cross-checking information*

The certification body gets much information from inspection reports. Often most of the information is not further used. One of the biggest risk areas for organic production is in the trade between operators. If a certified operator sells more products than the operation can realistically produce and keeps no record of the additional sales, how will the certification body notice that? One way is to cross-check with the buyers. Similarly, to go back to all the suppliers of a certain processor, e.g., a mill, may reveal that some suppliers delivered a lot more than they had actually produced themselves or that the mill made up supplies from certified operators, while in reality using conventional.[32]

### *Listening to the Market*

As there is competition in the market, it is quite common that operators bad-mouth competitors. However, the market actors see easily if there are strange things happening in the market (e.g., one actor suddenly offers many products or for prices that are far below the established level for organic products). They often report this to the certification body, either as a formal complaint regarding another operator, but more often through a telephone call. By listening to the market, a certification body can often gain much useful information.

### *Investigations of Complaints*

To seriously investigate complaints is part of any quality assurance programme and one of the best and most cost-effective ways to disclose fraud. It can also inform the development of better inspection or surveillance methods and quality improvement of the programme in general. But bear in mind that competitors may complain about each other without any real substance to it. See more about complaints as a quality management component in chapter 23.

## 19 Certification

## *19.1 The Certification Authority*

There should be a defined body that has the overall responsibility for certification. This can be the board or a special certification committee.[33] The responsible body should have representation from the interested parties, and no single interest should dominate. This will strengthen the impartiality and credibility as well as ensure a sufficient experience in the programme.

The interested parties are

32 Indicating perhaps that they bought conventional produce and re-sold it as organic – a common practice.

33 Ultimately the board, obviously, is responsible for all activities of the certification organization.

farmers
processors
consumers
traders and buyers

Among others are

governmental agencies or ministries
NGOs, public-interest groups (environmentalists and similar)
researchers and educational bodies
extension workers

In most cases the certification committee is not actually taking all the certification decisions, but rather exercising oversight over the staff assigned to do it, and may take decisions only in the cases of sanctions or withdrawal of certification. In any case, certification decisions should not be made by the person who inspected the production (or evaluated in the case of a documentary review). There are four reasons for this:

1. A person who has direct contact with the operator will easily make a decision influenced by his personal relationship to the operator.
2. The fact that a second body/person is taking the decisions will keep the documentation in good shape, since they need clear and proper documentation to take a decision.
3. There will be a higher level of consistency in decision making.
4. The inspector's not being responsible for decision-making makes the job of the inspector and the relationship to the operator easier.

## *19.2 Certification Decisions*

There are several kinds of decisions that might be considered certification decisions. The two most apparent kinds of decisions are

initial certification of a new producer
annual renewal of certification for the producer

But there are many other decisions:

- Certification of new production lines for an already approved company
- Certification of new products for an already certified company
- The handling of a non-conformity revealed outside the normal inspection procedure
- Decisions regarding the results of a spot-check inspection
- Decisions regarding the fulfilling of a certain condition with a certain timeline
- Issuing transaction certificates (lot-specific certificates)
- Re-certification (acceptance of other certifications)

The certification body has to make clear for each of these cases which body or person is responsible and which procedures apply. Often, there will be an individual (a certification officer) who processes and brings the issues forward to the appropriate body.

### *What Is Certified?*

It is essential that all decisions related to certification be specific. There may not be any opportunities to misunderstand which fields, which crops or which products or processes are certified.[34]

### *Certification Conditions: Corrective Action Requests*

In most cases not everything is perfect in the production. Instead of just saying yes or no, most certification bodies will work with a system of corrective action requests (CAR) often called "certification conditions."[35] These are conditions that are formulated in the certification decision. The operators should be obliged to fulfil such conditions. That can be achieved by mentioning the obligation to fulfil such conditions in the certification contract or in the standards.

It is important that there be a clear time schedule for such conditions. You should craft the conditions carefully so that their meaning is absolutely clear for the operator, for the inspectors, and for the certification staff. It is also important to consider how the fulfilment of a certain condition can be demonstrated by the operator or verified by the inspector. Conditions should refer to a standard or a certification requirement so it is clear where the basis for the condition is.

Here are some typical certification conditions:

- Crop rotation must be improved the coming season (mention of some parameter such as a higher proportion of legumes, longer time span between specific crops, etc.).
- Calves should get fresh water every day.
- The producer must submit copies of all invoices of sales for the period xxx-yyy no later than zzz.
- Organic transplants must be used in the coming season.
- The storage for organic coffee must have signs saying "organic coffee" within two weeks of the certification decision.

Vaguely formulated conditions such as "The internal control system shall be improved" are fairly useless and could instead be made into general recommendations.

There is a delicate balance involved in setting such conditions. You must be careful not to certify a production that really is not at all in conformity, with the argument that you have given them many tough conditions. When deciding conditions you must also estimate the capability of the

34 Some certification programmes will take a separate decision to certify a certain process even if, at the time of the decision, there are no products to be certified. This kind of certification is recognition that the operator has a process that is suitable for a certified production, e.g. slaughter.

35 In most other certification systems, the term corrective action request is used, while in the organic sector the term conditions is commonly used (i.e., conditions that have to be fulfilled in order to get or maintain certification).

operator. There is little meaning in setting conditions that the operator will not manage to fulfil. See also the section on non-conformities.

The certification organization needs to have a system to track the timelines of conditions and establish how they will be followed up, possibly through a register or database.

### *Communicating Decisions*

When a change in certification status occurs or annual renewal of certification takes place, it is important that the producer be properly notified. Normally a new certificate will be sent out. In most cases there is also a need to send along a formal decision that will contain more information than will be on the certificate. Although they may contain some information specific to the particular operation, the main text of these certification letters should be standardized in language and format to ensure that they are correct and accurate in every case. Even more important is to use standardized formulations when certification is denied. Such notifications shall also contain the information about the right to appeal the decision.

## *19.3 Certificate of Registration*

A certificate of registration (also called a master certificate, a license or a certificate of conformity) is written proof that the operator has certified production or is registered as an operator in the certification programme. Sometimes it indicates clearly for what products or processing operations the operator is certified; sometimes it just indicates that the operator is registered as a certified operator.[36] A certificate of registration should in any case contain the following information:

- name, address of the operator
- name, address of the certification body
- reference to applicable standards
- products or product categories
- date of issuance
- the period of validity
- signature of certification body

The validity of a certificate will normally be 12 months plus some extra months to allow for delays in processing the renewal of the certificate.

### *The Certification Status*

The initial certification is only granted after one or more inspections. For the ongoing certification, the organization must decide which relationship it wants to have between inspection and certification. It must always be clear what is certified and for what period. There are two main approaches to the "certification period". One is that you are only certified after your annual inspection (a batch approach). The other is based on a continuous certification, i.e., after the initial certification operators retain their certification status as long as they pay

36 In this case, there must be another document that identifies exactly what is certified. Often this is written in an annex to the certificate.

their fees and adhere to the standards. The renewal of certification is not linked to a specific inspection visit (i.e., certification will be renewed before the expiry date, regardless of whether there was an inspection conducted). Similarly, inspections can take place without necessarily resulting in a new certificate. The batch approach to certification works best in situations with one distinct production cycle every year (e.g., grain production in countries with one rainy season or temperate climates). It does not work so well for intensive production, crops harvested around the year, or for animals. The batch approach to certification is also not applicable to processing units that are already certified as processing units. New products will be certified without any special inspection visit as long as the same processing lines and methods are used. Still a "certification decision" must be taken, which is not linked to a certain inspection visit.

It is recommended to create a system where certification registration data can be kept up to date also without the annual inspection's having taken place. A system where everything must be proven before you can certify will become overloaded with procedures and paperwork.

**Do you certify the past, the present, or the future?**

## *19.4 Transaction Certificates*

A transaction certificate is issued for the single transactions from one certified operator to another. In systems where both the supplier and the buyers are inspected by the same certification body, these certificates might not be needed. For sales going out of the certification system, a transactions certificate is mostly issued by the certification body at the request of the supplier. For imports to the European Union, such certificates are compulsory.[37]

A transaction certificate should always contain the following information:

1. The seller
2. The buyer
3. The date of delivery or the date of transaction
4. The date of issuing the certificate
5. A clear indication of the product, the quantity and, when applicable, the quality and season
6. Lot numbers and other identification (marks) of the products
7. Reference to invoice and bill of lading[38]
8. An indication of the certification body and the applicable standard
9. A statement from the operator that the product is being produced according to the applicable standards

37 In the EU regulation, these are referred to as certificate of inspection. This may be misleading, as it often is interpreted to mean that the good has to be inspected before the certificate is issued, which is not the case.

38 The purpose of this is to create a clear link between the commercial transaction, the physical movement of goods, and the transaction certificate.

Transaction certificates are normally issued by the certification body without any physical inspection of the actual products that are going to be sold. Instead the certification body tries to verify that the transaction is "legal" by going back to data from the inspection and certification process. Copies of issued transaction certificates should be stored in a manner that enables easy retrieval of information about each operator. The administration of transaction certificates can become quite a job if there are many to issue and monitor.

It can be worthwhile to make them from a database system that also stores the information.

Some certification bodies have installed systems where the operators themselves are issuing transaction certificates, sometimes in three copies where one copy goes with the good to the buyer, one remains with the seller (operator), and one is sent to the certification body. Alternatively only two copies are used and the inspector verifies them at the time of the inspection visit.

## *19.5 Interpretation of Standards*

A part of the certification process is the ongoing interpretation of standards. The responsibility for interpretation normally lies with the certification committee (or similar body). Operators often ask the inspectors for interpretations of standards, especially regarding whether a certain input is in accordance with the standards. Inspectors should refrain from interpreting the standards and direct such inquiries to the certification body, unless the certification body has supplied the inspectors with written interpretations.

## *19.6 Non-conformities and Sanctions*

Life is not black and white, and neither is certification. It can happen that a producer will continue to be certified despite his production's not conforming to all detailed standards. In these situations the certification body uses conditions and sanctions to steer the operator into compliance. Sanctions can be different kinds of warnings and reprimands, a temporary suspension of certification, and penalties. The programme needs to have clear procedures for handling of non-conformities and how to impose sanctions. Operators should get very clear information about any detected non-conformity, including an exact reference to the applicable standard, through a letter or an exit talk. They should not just get a decision with sanctions. Normally, the operator shall be allowed to give his version of the story before a sanction is finally enforced.

In 2005, Skal (the Netherlands) recorded 1,125 non-conformities for 2,347 operators. According to Skal's classification of non-conformities, 982 were light, 129 serious, and 14 fatal (certificate withdrawn). The most frequent non-conformities were

- Inadequate or no checks on incoming goods and ingredients
- Organic product contaminated with prohibited products or substances
- Use of prohibited feedstuff and/or additives
- Organic indications on the labels failing to meet the regulations
- Insufficient use of organic manure

*(The Organic Standard, Issue 63, 2006)*

### *Scale of Sanctions and Classification of Non-conformities*

It is useful to try to work out a clear scale of sanctions and how they should be used. Some programmes have complete sanction catalogues where you can see which sanction applies to a certain case of non-conformity. In order to use the scale of sanctions, you will also have to classify non-conformities according to their importance. A typical classification of non-conformity is the following:

- Deficiencies: a non-conformity of non serious nature, which should be corrected by the operator according to a set timeline
- Non-compliances: more serious non-conformities that could threaten the integrity of organic products or deficiencies that have not been corrected by the operator according to the set timeline
- Violation: a serious non-conformity whereby the integrity of organic products is at stake

Regardless of the terms you choose, it is important to define them properly and use them consistently. It is very confusing for staff and operators to hear words like *non-compliances*, *non-conformities*, *deficiencies*, *violations*, *transgressions*, *infringements*, *irregularities*, *fraud* and *deviation* interchangeably or without proper definition.

Often, certification bodies also want to qualify whether the non-conformity was intentional or a result of a misunderstanding or oversight. Non-conformities resulting from a misunderstanding or oversight are normally dealt with in a more lenient way, in particular if no direct effect on the product can be suspected and if it is a first-time non-conformity.

### *A Sample of Sanctions and How They Could Apply*

The table below lists some sanctions and situations when they may be used.

| SANCTION | WHEN TO APPLY |
|---|---|
| Written warning, reprimand | • failure to correct minor deficiencies in records or labelling<br>• unsatisfactory production system but not a direct non-conformity (too narrow crop rotations, etc.)<br>• information not supplied in time (on request) |
| Penalty (fine) | • substantial non-conformity<br>• failure to correct minor deficiencies after written warning<br>• "old" non-conformity revealed when products are already sold as certified<br>• major deficiencies in records or labelling |
| Withdrawal of certification for a product, a field, etc. | • clear violation of the production standard related to that product or field, e.g., the direct use of a clearly prohibited substance (e.g., a chemical pesticide) in organic crops<br>• repeated non-conformities related to a certain product |
| Termination of certification or expulsion from the certification programme | • repeated non-conformities leading to penalties or withdrawal of certification of a product<br>• obvious fraud, e.g., the re-selling of non-organic products as organic<br>• intentional obstruction of inspection (denying the inspector access, etc.)<br>• refusal to submit requested documents, despite several reminders |

It is not recommended to use extra inspection as a sanction, but in many cases conditions or sanctions may lead to the need for an extra inspection.

#### *Partial Withdrawal of Certification and Termination of Certification*

A partial withdrawal of certification is suitable where there have has a violation whose repercussions are tied to a specific field or crop, e.g., the use of a prohibited substance. If this was done repeatedly or if the operator tried to conceal the action it could still lead to a complete termination. Termination of certification is the correct response to direct fraud (i.e., intentional violations that lead to non-organic products' being sold as organic) and direct obstruction of the certification process.

If certification is terminated, there should be a clear statement of how long the operator will be excluded from applying again (e.g., three to five years.).[39]

### 19.7 Termination for Business Reasons

Apart from the reasons mentioned above, the certification may also be terminated if the producer doesn't pay the fees, or if the operator goes bankrupt.[40] This is not a sanction but a normal business practice.

### 19.8 Appeals

Operators should have a right of appeal, and they should be informed of that right. The final decision regarding a filed appeal should not be made by the same body that took the original decision.[41] Certification bodies should have written policies and procedures on appeals. A sample appeals procedure is included in part 7.

### 19.9 List of Operators

All certified operators should be listed in a directory that is available to the public. The list may contain just addresses but may also contain information about the production, scope of certification, etc.[42] The certification body may sell the publication at the cost of production. Many certification bodies have the list on the Internet, which then also acts as a promotion for the certified operators, something often appreciated by operators.

### 19.10 Acceptance of Another Certification[43]

Sooner or later, an organic certification body will have to handle the question of how to accept products certified under other organic schemes. The most obvious case is when a trader or a food processor wants to buy such products and put your certification mark on the product. This re-

39 In countries with several certification bodies, this poses problems, as a producer expelled by one certification body goes to the next one, and can continue with that many years. Certification bodies should therefore communicate their expulsions to each other, and a certification body should refrain from admitting operators that have been expelled from other programmes, until after the prescribed time has passed.

40 Certification bodies operating in an environment where bankruptcy is common may wish to develop elaborated policies and procedures for how certification can be transferred to a new owner of bankrupt operations.

41 This implies that if the certification committee is taking the individual certification decisions, there must be another body that takes final appeal decisions (e.g., the board). An appeals body can also be ad hoc, i.e., a panel established for each appeal.

42 Basically, all the information from the certificate of registration.

43 This is sometimes referred to as re-certification, certification transference, or acceptance of prior certification.

quires clear policies and procedures. You will have to establish the basic requirement about such other certifications (e.g., one or a combination of IFOAM, Accreditation, ISO 65 accreditation, approval by their national government or that they are accepted by other reputable certification organizations). You may also want to have a process whereby you can evaluate other organizations, but that is a very resource-demanding exercise. Apart from the basic requirements that have to be fulfilled, you also need to define the steps that should be taken by the buyer (e.g., asking for a transaction certificate, notifying the purchase to the certification body, etc.). You also have to consider whether there will be any fees for this service.

In some cases you may also find that operators that are already certified by another certification organization also want to be certified by you.[44] Here you have to see whether you can develop some partnership with the other certification body to avoid the operator's having to undergo two independent certification processes with double costs and double trouble.

You can take a very open attitude, where you try to make it as easy as possible while still maintaining some precautionary measures. You can also adopt a restrictive approach, as outlined in the IFOAM accreditation criteria. The restrictive approach creates much work and a potential trade distortion, while the more relaxed approach obviously has the potential to undermine the credibility of your certification. It is recommended that your approval system be based on the concept of equivalence rather than compliance (i.e., the products that you approve don't have to fulfil every single detail in your standard, but rather are produced under equivalent standards, e.g., assessed against the IFOAM Basic Standards).

## 20 The Certification Mark

### *20.1 General*

Certification is expressed to the public by a certification mark. This mark is a mark of conformity and not a normal trademark. In most countries it will nevertheless be registered as a trademark. When designing the certification mark, you need to consider what the "market" for the mark will be. Are the operators aiming at a local market, or are they export-oriented? If export is the main purpose, the mark will only be visible if your producers are exporting ready-made products, and even so the likelihood that consumers in the importing countries will learn to recognize or appreciate your mark is very small. Promoting a new mark in distant markets requires a great deal of investment, and consumers are already confused by too many labels. It is probably more interesting for your operators to use a mark of the importing county such as the NOP mark, the JAS mark, the German Bio mark or the mark of a private certifier in the importing country. If they are exporting raw materials, these will be re-certified by another certification body, and nobody will see the mark anyway. The mark therefore doesn't really play a big role for export markets. By getting IFOAM accredited, the operators will have access to the IFOAM seal. That may make marketing of your own mark redundant or assist you in marketing your own mark, depending on your strategy.

44 E.g., an operator that is certified by an international body for exports may want to participate in the local market under your certification.

## 20.2 Scope of the Mark

It is important to consider what the mark is supposed to express. Is it your certification or is it the adherence to a particular standard? If it is your certification, the name of the certification body should be there. But then if your certification body is going to certify to other standards also, there should be no reference to organic in the certification mark; otherwise, you will have to design a different certification mark for different scopes. If the mark is about adherence to a certain standard, the name of the certification body doesn't have to be an integral part of the mark but should appear somewhere on the label.

**Organic Labelling Strategies**

Having a clear labelling strategy for the organic sector in a country is an important step to developing the organic market. In that context it should be noted that one organic mark in a national market has proven to be one of the most important factors for efficient market development. Therefore to link the mark to one certification body is only an advisable strategy if that certification body is likely to maintain more or less a monopoly in the home market. This has been possible in a number of small countries (e.g., Switzerland, Austria, and Sweden) in the early stage of the organic development. In Denmark, 92 per cent of consumers recognize the governmental label for organic products, and in Sweden 96 per cent of consumers recognize the private KRAV mark (KRAV 2006). Today, that strategy is hardly possible anymore, as the competition in certification is fierce.

As a result of that, an organic label should rather be designed as a marketing mark. To be creditable, it should be linked to adherence to one (or more) standards and be subject to some quality assurance system. Initially, the ownership or the underlying construction around a mark is not very important. More important is that it be widely used on all organic products. Therefore an accessible "marketing mark" is likely to be most successful. By public ownership or collective ownership (e.g., by an organic-sector business association or organization) the future policies for its use can be adapted to the various stages of development. Initially a certification body can establish such a mark. The organic marketing mark can be used together with an indication of who has certified the production. The certification body in Tanzania, TanCert, has designed and maintains the ownership of an organic mark, Hai, but operators certified by other certification bodies can use the same mark. In that way, it hopes to promote the mark as a generic mark for organic in Tanzania.


## 20.3 Design

When designing the mark, apart from making a "nice" mark, remember the following:

- It should be easy to recognize, even in small sizes.
- It should be possible to reproduce it in black-and-white, since one cannot expect producers or the certification body to afford colour printing in all cases.

- It should easily be used with the producer's trademarks.
- Graphics may say more than words.
- It should not be easily mixed up with a similar mark.[45]

If there is an "organic in-conversion" label there should be a distinct difference between that label and the "normal" label.

## *20.4 Control of the Certification Mark*

The certification body must have control over the certification mark, preferably by owning the mark and its registration. Only producers that are certified may have the right to use the mark. The certification body shall take actions against (and also look for) uncertified producers that use the mark.

## *20.5 Use of the Mark*

There should be regulations on the use of the certification mark. Some of the rules will be part of the standards; others will be guidance to the producer, without being mandatory (e.g., recommendations for the kind of claims that can be done with the mark). Remember that IFOAM standards and importing markets also have other requirements for the labelling of products (i.e., indication of organic ingredients in mixed products, declaration of all additives).

45 It is especially important if the certification programme operates under the sponsorship of another organization (i.e., farmers' association) that the certification mark be clearly different from the sponsoring organization's mark.

**Which mark do you like the best?**


Marks of IFOAM accredited certifiers (2006)

# 21 Record keeping

Records can be divided into "operators' records" and other records (minutes from meetings, etc.)

## *21.1 Operators' Files*

Normally, all records of one operator are collected in one file. When files get big, an "internal order" will be needed so that important papers like contracts, certificates, and inspection reports are not lost between the letters in which the operator complains that he or she can't sell the coffee. You can also divide the files into years. However it is essential that historical information be easily available, as the inspector and certification staff need easy access to the most recent years' reports and certification decisions.

### *Operators' Codes*

You will normally assign some kind of code to the operators. A code is needed to ensure proper identification of operators. The code can be just a serial number, or it can contain more information, e.g., the code 2004-F-0001 means that this is a farmer (F) who entered the certification system in 2004. Sometimes the same operator is registered under several codes, e.g., if they run several operations with different scope of certification. E.g., a farmer that is also a processor or a processor that is also an importer. It is critical to maintain the registration codes for each operator over the years, in order to trace historical information. Codes should be assigned once to an operator and not be changed.

### *On the Hard Drive*

It is recommended that you store all documents relating to one operator in one folder on the hard drive (with sub-folders for each year). Preferably you use the code of the operator as the filename. You should also organize your email system to correspond to a similar system.

## *21.2 Minutes*

Minutes from meetings should be kept chronologically in files. Minutes may often contain important information about an operator, and it is recommended that extracts from such minutes be copied and stored in the operator files as well, or that there be a clear reference in the files to relevant minutes. Minutes often also contain "policy" decisions. It is a good practice to keep policy decisions compiled in separate papers and collected in a policy handbook.

## 21.3 Special Records

As soon as the number of operators is growing and the organization has been active for a few years, separate records should be made for

- Appeals
- Complaints
- Violations
- Exemptions

This way, appeals from an operator will be found both in the actual operator's file and in the special file for appeals. There are many reasons to maintain these special records:

- You need it for consistency in decision making.
- An internal audit would cover how you dealt with these issues.
- When reviewing your programme, you need easy access to this kind of information.
- You may wish to generate statistics or analytical reports regarding complaints to monitor the development.
- The accrediting agencies will ask for it.

You may choose to establish these separate records only with reference to the operator's files, in which case you avoid copying many papers, or to make these records digitally.

## 21.4 Storage of Records

The files of the operators and other sensitive information should be stored in such a way that unauthorized people do not have access to them. It is wise to keep records for at least five years (in some countries there may be regulations requiring longer storage time). When they are disposed of, they should be burnt or shredded.

## 21.5 Using Computers

Certification programmes will use computers for many tasks. Easiest to start with is

- Word-processing
- Designing and printing forms
- Bookkeeping

Essential for the use of computers for important records is that the file system be in very good order and that that there be proper virus protection and backup procedures.

### *Register or Database*

The register of operators is another important matter. Here the possibilities are abundant, but so are the pitfalls. A simple register of producers could contain

- Code, name, address, etc.
- Date of last inspection
- Next scheduled inspection
- Name of inspector
- Data about the production

A producer register can be made in simple register software or in any of the popular spreadsheet programs. However if you want to be able to link data (e.g., the register of inspectors with operators), follow the operators over the years, or manage transaction certificates, you should go for a database program. The problem here is that design of a database is difficult, and your demands will likely change over the years, so it is difficult to ask some consultant just to design your system. There are a few software packages developed particularly for the administration of certification, e.g., E-Cert.

### *Backup*

Having proper backup procedures is essential. Not only the paper copies of important documentation need to be properly stored, but also the computer files need careful backup procedures. Remember that backups should be stored somewhere else than in the office, as they might be destroyed by fire or stolen. Identify all relevant computer files that need backup, remember to include emails and bookkeeping, identify who is responsible for backups, where they should be stored, and how often they should be made. Also try to restore your backups once in a while, so that you know that it works and how to do it, if the accident happens.

## 22 Information and Market Activities

The certification body is dependent on the successful marketing of the certified production. Without sales, nobody will buy the certification service. At the same time, the certification body should not get involved in marketing of the products. See more in part 1. The operators normally want the certification body to do a lot of promotion and to be useful for marketing, while accreditation bodies normally want marketing activities to be minimal. Nevertheless, the certification body can play an important role in market development.

### *22.1 Information to Consumers*

The certification mark gives almost no information to the consumers. It is important that the certification body inform the public of the meaning of its certification system and standards. This will have the dual role of ensuring that consumers get satisfactory information to make an informed choice as well as being a promotion of the certified production.

## 22.2 Information to the Market Actors

It can be very valuable for the market actors if the certification body can supply them with statistics on production. That facilitates market planning. Some certification bodies also supply interested parties with information like a list of all producers having a certain crop, but normally the certification body will not provide data on the exact quantities of production of individual operators. Whether they do or not depends on the confidentiality policy and the operators being informed of and having accepted this practice.

## 22.3 Assisting the Certified Producers in Their Marketing

Many certification bodies will assist the marketing of certified production through

information about the certification body
participation in trade fairs
publications (lists of certified products, etc.)

Such activities should be done in a "generic" way. All certified operators should get the same kind of assistance. If certified products are displayed in a trade fair, you should offer this service to all your operators, unless you have only a few samples of the production you are certifying. The certification body shall never get involved in activities that are related to sales, sourcing of materials, or business contracts.

## 22.4 Marketing the Certification Service

It is necessary to market the service, especially if there is competition. As with all marketing activities, you must have a clear picture of what you want to achieve and who the target for your activities will be. In a situation where organic agriculture is just starting, you would probably market yourself best by direct contact with all interested parties. Personal contacts normally pay off better than fancy brochures. A website is a cheap tool with much reach, but it needs maintenance and frequent updating in order to be useful.

## 23 Quality Management System and Document Management

Documents are various generic papers, from statutes of the body to forms for farmers. Records are minutes, filled-in forms, inspection reports, etc. The blank inspection report is thus the document; the filled-in inspection is a record. Part 6 of this guide contains a format for a quality manual, which is an important document for a certification body.

Documentation is essential in a certification body, but the volume of documentation is not the quality indicator. The bigger the volume, the smaller the chance that affected people actually read and understand all documents. Short and simple documentation will be read by more people and is more likely to be followed.

### *23.1 The Quality Management System*

A quality management system (QMS) is a structure to manage the process to achieve particular objectives with regard to quality. Before instituting a quality management system you should formulate a quality policy statement. See guidance on this in parts 6 and 7. This guides the action undertaken to deliver a consistently reliable service of certification. Such a service meets the goals of the organization, gains client confidence, and complies with regulatory requirements. It is possible to have one and the same quality system supporting more than one certification programme (e.g., organic certification, HACCP certification, and GAP certification).

A quality management system works with two main components:

design of the processes to fulfil the objectives
review processes (audits, monitoring and reviews) which look critically to the system and suggest improvements to it

In many cases in the organic industry, the demand for a quality management system comes from the accreditation bodies or the regulators and not from the clients of the certification body or from the certification body itself. This has created a bias in the design of quality management systems for organic certification bodies towards issues that are important for the accreditation bodies and the regulators and not towards what is demanded by the client or the supplier. From the service perspective, there are many other relevant aspects of quality than the one expressed e.g. in the ISO 65, in particular issues related to timeliness, invoicing procedures, payment conditions, client information, and client satisfaction. Certification bodies are advised to look at all aspects of its operations from a quality perspective.

**What Is Quality Management, according to the ISO?**

ISO 9000 is primarily concerned with quality management. As with beauty, everyone has his or her idea of what quality is. But in the ISO 9000 context, the standardized definition of quality refers to all those features of a product (or service) which are required by the customer. Quality management means what the organization does to ensure that its products or services satisfy the customer's quality requirements and comply with any regulations applicable to those products or services.

The management system is the organization's structure for managing its processes or activities that transform inputs of resources into a product or service which meets the organization's objectives, such as satisfying the customer's quality requirements, complying with regulations, or meeting environmental objectives.

The eight quality management principles are defined in ISO 9000: 2000: Quality Management Systems: Fundamentals and Vocabulary, and in ISO 9004: 2000: Quality Management Systems: Guidelines for Performance Improvements.

- Principle 1: customer focus
- Principle 2: leadership
- Principle 3: involvement of people
- Principle 4: process approach
- Principle 5: system approach to management
- Principle 6: continual improvement
- Principle 7: factual approach to decision making
- Principle 8: mutually beneficial supplier relationships

*(www.iso.org)*

As with any system, the failure of one process has consequences for the effectiveness of others. The creation of clear guidelines for the making of certification decisions will not produce quality if the conflict of interest policies and procedures are inadequate to ensure that the decision makers are acting in an independent and objective manner. Likewise, a good inspection procedure is of little value if the qualification or training requirements of inspectors result in their being unable to carry out the procedure effectively.

ISO Guide 65 and the IFOAM criteria mainly address the aspects of quality management relating to the certification process, but it is recommended that the quality management system be applied to all aspects of the organization including the financial management and the delivery of services other than certification. This is also a way to ensure that quality management is understood and mainstreamed in the organization.

### *Organizing the Quality Management System*

The quality management system can be looked at from various perspectives (e.g., from an organizational perspective, identifying the various organs and positions in the organization, their role, and responsibilities). Without perspective, the focus of the service is easily lost, and you get stuck in hierarchies, installing various organs, etc. In contrast, by focusing the processes of service delivery you are more likely to design a system that works and which is a help and not a redundant bureaucratic layer. Looking at your organization with a process perspective means that you look into each process; you define the steps, the inputs and the outputs, the

responsibility, the guidance needed to perform the step, the records that need to be generated, and the relationship between that step and the previous and subsequent steps. In the end, it is how you manage those processes that will determine the quality of the service. Obviously the processes are executed by different persons and organs and the system needs to identify them.

A good starting point is to write down in a structured way what you are already doing or plan to do. Compare this with international norms (ISO 65 and the IFOAM accreditation criteria) and this guide, and then discuss various parts of your programme step-by-step. There should be a continuous interaction between the practice and the theory, not just an execution of documented policies.

### *The Quality Manual*

The normal way to organize the documentation is to develop a manual or system of manuals. Accreditation requirements are likely to specify the information that must either be contained in the quality manual or referred to in it. Essentially the quality manual provides information on those aspects directly related to quality management. The manual is either constructed as a kind of reference document, referring to various other documents, or it contains the full documents. Which option to choose will depend on the decision-making process, the speed of development of the programme, etc.[46] In any case, the idea is to have a single document that gives a clear overview of important features of the programme and gives at least clear reference to all important policies and procedures. The certification body doesn't have to have a document with the name *Quality Manual* but may chose to integrate the elements of a quality manual into a larger document.[47]

**Quality-speak**

I have strong advice about getting help with developing procedures that will meet ISO 65 requirements. We tried for three years and I learnt a lot about the inspection and certification issues, but not the "quality-speak". It's a whole different world, and in the end it was only finding the funds to pay an ISO9000 consultant that led to us actually developing a set of procedures that would be acceptable. We wasted an awful lot of time two to three years.

*(Diana Callear, Afrisco, South Africa)*

It could be an idea to just copy a document of an existing certification body, but there are several arguments against that. Firstly, conditions and traditions differ quite a lot. Secondly, the process to compile the manual will be very educational in itself. (The editor can assure you that there is a big difference between reading a manual and writing it.) Nevertheless, it is a good idea to get copies of a number of manuals to have as references for the work.

46 In a new programme with fast development, policies and procedures may be changed frequently, and it will be a more complicated procedure to redo (and maybe reprint) a whole manual than to change a policy.

47 But accreditation bodies will like it.

**What Is a Quality Manual?**

The word quality manual is not really defined. In relation to certification bodies, it can be found in the ISO 65:

4.5.3. The quality system shall be documented in a quality manual and associated quality procedures, and the manual shall contain or refer to at least the following: [48]
(a) a quality policy statement;
(b) a brief description of the legal status of the certification body, including the names of its owners and, if different, names of the persons who control it;
(c) the names, qualifications, experience and terms of reference of the senior executive and other certification personnel, both internal and external;
(d) an organization chart showing lines of authority, responsibility and allocation of functions stemming from the senior executive;
(e) a description of the organization of the certification body, including details of to management (committee, group or person) identified in 4.2 (c), its constitution, terms of reference and rules of procedure;
(f) the policy and procedures for conducting management reviews;
(g) administrative procedures including document control;
(h) the operational and functional duties and services pertaining to quality, so that the extent and limits of each person's responsibility are known to all concerned;
(i) the procedure for the recruitment, selection and training of certification body personnel and monitoring of their performance;
(j) a list of its approved subcontractors and the procedures for assessing, recording and monitoring their competence;
(k) its procedures for handling nonconformities and for assuring the effectiveness of any corrective and preventive actions taken;
(l) the procedures for evaluating products and implementing the certification process, including
(1) the conditions for issue, retention and withdrawal of certification documents,
(2) controls over the use and application of documents employed in the certification of products;
(m) the policy and procedure for dealing with appeals, complaints and disputes;
(n) its procedures for conducting internal audits, based on the provisions of ISO 10011-1.
You can also read about quality manuals in the ISO 9001:2000. There it says the following:

4.2.2 Quality manual
The organization shall establish and maintain a quality manual that includes
(a) the scope of the quality management system, including details of and justification for any exclusions
(b) the documented procedures established for the quality management system, or reference to them, and
(c) a description of the interaction between the processes of the quality management system.

ISO 9001:2001 is a more recent standard than the ISO 65 and represents a more modern view of quality management, focusing the management on process more than organization.

48 This means that the manual itself can point to where certain policies or information are and not necessarily include them.

## *23.2 Document Management*

When one starts a certification programme, document management may seem distant. But soon there are lots of documents: statutes, forms for producers, forms for inspectors, instructions for inspectors, application information, leaflets for consumers, policies, and standards. Some guiding documents will appear in several versions, and one day nobody knows which version is valid. Documenting the structures, processes, policies and procedures of the organization should not be viewed as bureaucracy for bureaucracy's sake. It is a critical element in the delivery of consistent quality:

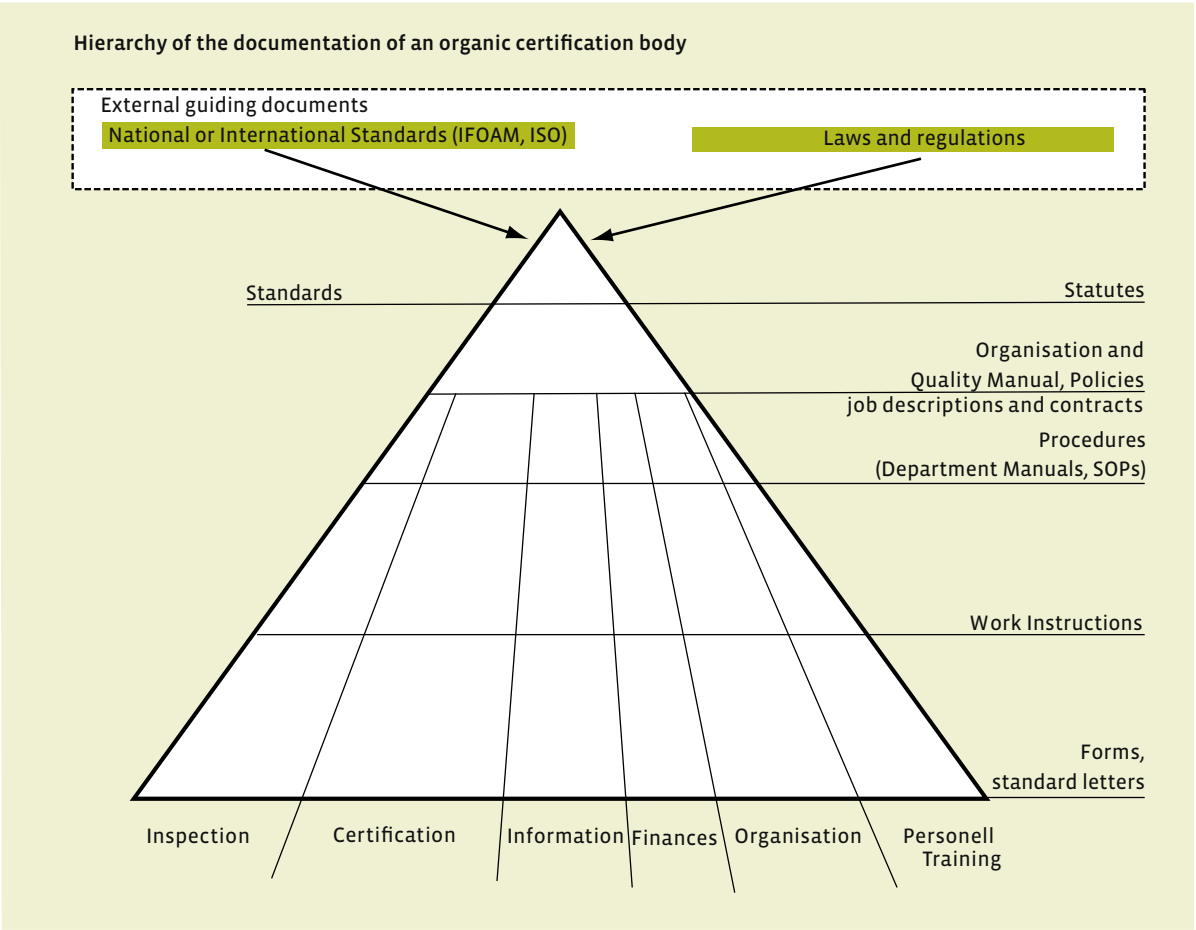
- Documenting the policies of the organization reduces confusion amongst staff and clients of the certification service.
- Documenting the policies of the organization enables a process to be replicated, resulting in a consistent outcome.
- Documented procedures and work instructions assist in the training of personnel. They also provide greater flexibility in the workforce as task switching is simplified.
- The documentation enables third-party verification of the organization, thus meeting accreditation requirements or complying with governmental regulations.
- A systematic review of the quality management system to determine failings and institute improvements is possible only if the system is documented.

The need for documentation should be determined by management, taking into consideration several factors:

- The size of the organization
- the complexity of the organization (certification bodies with regional structures are likely to need to document the relationships of the different parts of the organization)
- the complexity of the certification scope being offered (additional documentation is needed where certification in special situations occurs, e.g., the certification of grower groups and wild harvesting operations)

### *Organizing Your Guiding Documents*

It is essential that there be clear hierarchical levels in the documentation, so the lower documents build on what is defined at the higher levels. This is also linked to who has the authority to decide on the content of a special document. If the documentation is not structured according to clear hierarchies, even the simplest form may contain hidden policies or important decisions. E.g., if there is no high-level document that has defined what information should be submitted with the application for certification, and if there is no higher-level document that has determined the certification fees, the application form suddenly is the document that defines both the documentary requirements for certification and the fees for certification. The right way to do it is to have top management decide those fundamental things. The design of the application form can then be left to an administrator.




Detailed instructions for some administrative task may not fit well in the same manual that describes the overall structures of the organization. They are unlikely to have the same people referring to them. This leads to the suggestion that manuals should be organized with the users in mind. Other types of manuals may include:

- Certification manual. The certification manual contains policies and procedures and other documentation not included in the quality manual. Smaller organizations could include these documents in the quality manual rather than have a separate manual.
- Financial manual. The financial manual contains the financial policies and procedures relating to budgeting, bookkeeping, reporting and invoicing, and regulations on the authorization of expenditures.
- Personnel manual. The personnel manual contains the rules pertaining to staff and recruitment procedures, staff review, leave regulations, and workplace policies
- Others. Other manuals relate to certain functions. An example would be an inspector's manual.

**Organizing a Manual**
The manual can be constructed as comprehensive books or as a collection of separate policies and procedures, all starting on a new page, with individual page numbering and codes. There are advantages and disadvantages to both approaches.

**Book/booklet**
Advantage: easy control of distributed copies
Disadvantage: revisions of documents require replacement of the entire document

**Ring binder**
Advantage: revisions of documents by replacing single pages/chapters or entire SOPs
Disadvantage: more difficulty controlling distributed copies (a thorough document-change service needs to be established)

Some organizations use the term *operating manual* for their procedures. However for others the operating manual is a document they give to the operators as guidance to their obligations and rights in the certification programme.

The distinction between a policy and a procedure is often not understood. Essentially a policy is what will or should be accomplished, while a procedure describes how it will be done. For example, a sanctions policy would state what sanctions would be applied and in what circumstances. The procedure would list the steps taken to carry this out when those circumstances occur. Not all policies and procedures need to be separate documents; they could be separate sections of the same document. In some cases, the policy may be so brief that separating it is useless. On the other hand, where the authorization of the policy and procedure are different, it is practical to separate them.

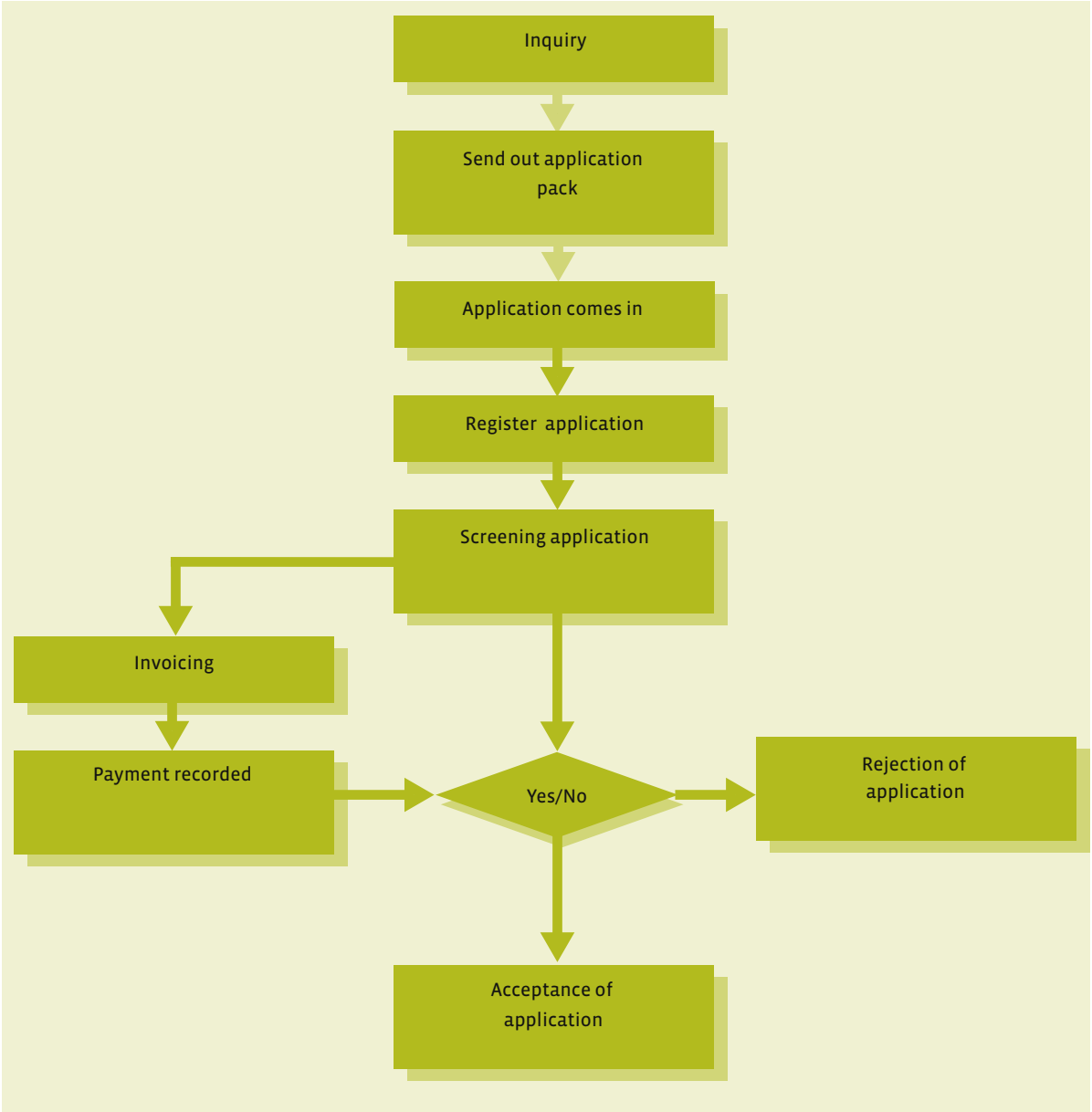
### *Standard Operating Procedures*

Standard operating procedures describe the process you work with. When formulating them, think about how recipes are written. The idea is to give straightforward instructions so that anybody using the procedure can reach the same result. Use simple, direct language. The level of detail in any standard operating procedure should be considered carefully. Too much detail may result in a procedure that is impractical for all circumstances that may arise. Too little can lead to different procedures being applied with inconsistent results. Sometimes outside forces can influence the level of detail. For example, procedures that may lead to legal actions, such as suspension, termination and trademark violations, should have clearly defined steps including timelines for actions.

The understanding of a process is usually enhanced when more complex or lengthy procedures are accompanied by a flow chart. However, some people seem to get confused by boxes and arrows.

The distinction between a standard operating procedure and a work instruction is one of detail. A work instruction essentially provides more detail on how a procedure will be executed. More

complex operations require more detailed work instructions. Some employees may be offended by the idea that every single action has to follow a certain procedure. Not all procedures need to have accompanying work instructions. Work instructions should be referenced in the corresponding procedures. For example, the procedure might state, "When the inspection form is received in the office it is allocated to a certification officer by the certification manager. The certification officer processes the form according to the steps in the work instruction processing of inspection forms document # xx."




### *Proper Identification of Documents*

It is important that the content and purpose of a document be made clear. The most obvious identifier is the title of the document. A document titled Sanctions does not say whether it is a policy or a procedure or both. It should rather be titled Sanctions Policy or Sanctions Procedure. In addition to a title a unique code for the document is useful. This code can be a number. The code can give information about the kind of document it is. The code can also be a computer filename. The computer filename should either be the code or the title of the document.

**Document Coding**
Many systems can be used to allocate numbers or codes to documents. These range from the highly complex to the relatively simple. The more complex systems may work well for those intimately concerned with the quality system, but tend to be confusing for those less centrally involved. A more complex system may, however, be necessary when the number of documents is large. There are four main options for design of the codes:

1. serial numbers, possibly with some alphabetic qualification
2. a system of letters and numbers all meaning something
3. letters derived from the title of the document
4. no code: the document is always referred to by its full name

The application form for farmers can in these different systems have these numbers:

| | | |
|---|---|---|
| **SERIAL NUMBERS** | 234 (2005) | Just the highest unused number (year) |
| | F-234 (2005) | The same but with the qualifier "F" indicating it is a form |
| **A SYSTEM OF LETTER AND NUMBERS ALL MEANING SOMETHING** | F-F-A-2005-01 | Farm Department-Form- Applications-Year-number |
| | A-F-001 | Applications-Farm-number |
| **LETTERS DERIVED FROM THE TITLE OF THE DOCUMENT** | FAF 2005 | Farm Application Form 2005 |

Before designing the coding system, consideration should be given to how the documents are to be organized in a manual (whether electronically or on paper). One method requires that all documents related to the same subject are placed alongside each other. This means that the sanctions policy is followed by the sanctions procedure which in turn is followed by the form letters used in carrying out the procedures. Another method is to place all the policies together followed by all the procedures and then all the forms and form letters.

The disadvantage of coding systems based on classification is that one often finds that the initial classification was not helpful, or that as the organization grows, new classifications are needed. If documents have just a unique code, such as a serial number, it is easy to re-organize documentation. In any case, the re-coding of documents should be avoided as much as possible.

Apart from the name and a code, a document should always contain the following information:

date of issue or revision
page number and number of pages
This information should be reprinted at the top or bottom of every page (before you know it,

you will have a copy of a page from a larger document, with no idea where it comes from; with identification, date, and page number, you will no longer be lost). Most computer software has a function for putting this into the template of any document. It will then be done automatically.

Some documents are public, meaning that everybody has the right to see them. Others are restricted in some way. If there are restrictions on the distribution, that could be identified on the document with "internal", "restricted distribution", etc. In many cases, it is also beneficial if the document can state when and by which body the document was approved: "Decided by the certification committee on March 4, 1994." In more sophisticated systems, there is often information on when a document was first approved and the last date of revision. The main point to consider is that there should never be any doubt about which document you are reading, whether it is in force, and where to find it.

### *Document Revision and Authorization*

There will normally be a hierarchy for documents. Some documents may only be changed by the highest level of the organization (statutes, standards, etc.). Other documents may be changed by certain staff persons (information brochures to farmers). It is necessary to make a clear decision on who has the authority to approve various documents. Similarly there is normally one person responsible for the revision of the document.

### *Document Distribution*

There should be rules about the distribution of documents. "I never got that paper" is a typical statement, and often you can't be completely sure he did. It is easy to understand that farmers should have access to all new standards that are decided, but what about other documents? Are the inspectors getting all the information they need? For each document, it should be clear who should get new versions, and who is responsible for the distribution. It is useful to have some registration of when a certain document has been distributed to various groups, so that you can be sure that all relevant groups actually got the document. Make standard mailing lists for important documents.

### *Document Register*

A document register is a useful tool. Such a register is a list of all documents that exist in the organization. Normally it should contain at least the following:

- Name of document
- First date of decision
- Date of last revision or issue (possibly the number of the revision)
- Body or person who approved the document
- Information about whether the document is public or confidential

The register could further include these elements:

- Code, if any
- Computer filename, preferably as a hyperlink. It is recommended that the computer filename be either the same as the code or the same as the name of the document
- Where the document is stored physically
- Whether it is part of a larger document (e.g., a manual)

A document register can easily be made in spreadsheet programs (e.g., MS Excel) or word processors (e.g., Ms Word), with hyperlinks to the various documents. A sample register is found in part 6.

### *Managing Documents on the Hard Drive*

It is of outmost importance that you manage your documents in a proper structure on the hard drive of your computer or server. Preferably you should make one folder for all guiding documents. You place the document register in that folder and then you sort in all guiding documents under that folder in sub-folders. Drafts should not be in that folder, but stored in some other place until they are approved. Remember that hyperlinks will break if you move documents around or change their filenames. The best way to keep discipline in your files is to always work through the document register to access your files. In that way you will immediately realize errors, i.e., that a document is not entered in the register or that the hyperlink has changed.

### *Web-based Documentation System: Intranets*

To save paper and ensure that there are no invalid issues of documents in the organization, a Web-based document system can be designed, where the accurate version of all documents are placed on an intranet. Obviously all staff members need to have excellent network access.

### *Document Revision*

As the organization changes, documents become outdated. Documents should reflect reality. It is harmful to have documents saying you are doing one thing, while in reality you are doing something else. Documents (and the real procedures they are supposed to reflect) need regular review. It is common to have a two-year cycle for the revision of documents.

### *The Structure of a Document*

It is useful for the document to identify more than its basic content. For this reason, a preamble or introductory section should be included, which addresses any or each of the following:

- Purpose. For example, “This document establishes the policy and procedure for appeals against certification decisions”
- Scope. What does it cover? It is extremely useful to refer to related documents. For example: “The policy is limited to appeals made by applicant and certified operators regarding certification decisions as well as challenges by third parties regarding those decisions. Third-party objections to specific actions of certified operators are considered complaints and are dealt with in document # xxx, Complaints Policy

and Procedure. The constitution and rules of the appeals committee are laid out in document # xxx Terms of Reference, Appeals Committee"
- Distribution. Those to whom the document must be distributed when changed
- Access. This identifies who may receive the document on request
- Authorization for changes. This identifies the body or person authorized to make changes to the document
- References to accreditation or regulatory requirements that this document addresses
- Definitions, if not compiled elsewhere within the quality management system

Whether to include all these aspects in the preamble is a matter of choice. The purpose and scope of the document should be included, but the other items may be in the document register. Consideration should be given to including at least some of them in both the preamble and the document register. While the document register provides easy reference, a person reading a document may not have access to the register.

### *Consistency and Appealing Design*

Documents should be compiled in a consistent format to enable easy location of information. They should be written in a way that makes them easy to read and pleasant to the eye. It is strongly recommended to use one or more standard templates for the design of various types of documents, e.g., one template for policies, one for procedures, and one for work instructions, etc. All staff assigned to develop guiding documents should get proper training in the use of templates, the style to use, naming documents, etc.

### *Duplication*

There are some reasons for duplicating information, but there are some real dangers to be aware of. The main danger is that when changes occur there is a risk that they will be made in one document without the editor's realizing that the same changes may need to be made in others. If much information is duplicated in various other documents, amending documents can become a difficult task. You may forget to amend all documents, so that you end up with contradicting documents. The question arises: "Which document has the valid regulations?" Contradiction in documentation is one of the most common sources of mistakes and is also something that accreditation bodies typically will note.

The main reason for replicating information is so that personnel turning to a particular document to locate a policy or procedure may, on not finding it in that document, assume that it does not exist. If you choose to copy information from one document into another, you should make clear which document is guiding the other, and then indicate whenever you take information from the main document that this is an extract from the main document and that the authoritative version is to be found in the main document.

An alternative to duplicating the information is making reference to the document in which the information may be obtained. While this may still result in the need to make multiple amendments, for example when a policy is removed, the frequency with which this occurs will be far less than with duplicated information. The benefit is also that it is always clear which document has the final authority on a certain issue.

### *Referencing of Associated Documents in Text*

Although associated documents may be listed in the scope section of the preamble, it is useful to reference them in the text. This is particularly so in the case of work instructions. A procedure that simply refers = a letter's being sent without referencing a specific form letter that is used may result in a newly appointed person composing a letter that misses important points or even using the wrong form letter.

## *Sample Confidentiality Policy and Procedure*

This example shows how a policy can be drafted.

Confidentiality Policy P-2.04

**Purpose and Scope of the Policy**

- To define what kind of information is confidential
- To regulate how confidentiality is maintained

Refer to Information Policy P-2.05, which regulates which information not linked to an operator is made available to the public

**Policy**

All proprietary information about the operators is kept in confidence. Such information includes

- Details of the operation
- Inspection reports and correspondence
- Certification decisions

The information will however be available to accrediting agencies and others with legal rights to view the certification records. Confidential information regarding a certified operator can be released to a third party on request of the operator concerned.

The following information is not confidential:

- Information about the operator's certified production, as registered in the certification decisions and certificates
- Information regarding an operator's violation of the standards
- Information regarding the investigation and resolution of a complaint

For information and situations not covered by this policy, the chief executive officer will make the decision regarding the release of information and propose amendments to this policy.

**Procedures**

- The policy is available to all interested persons and is sent to all operators and staff, committee members and inspectors.
- All persons working for the certification programme or who in other ways come in contact with confidential information shall sign the Confidentiality Agreement (A-2.01)
- Within the certification programme, the various persons' access to information shall be limited to the files they need for performing their duties.
- Operator records will be kept for five years. The disposal will be done either by burning or shredding, under the supervision of the responsible officer.
- Requests for data on a certain producer should be directed to (title of person responsible)
- An operator who wants the certification programme to forward confidential information must so request in writing, indicating **exactly what information and where to send it.**

Decided by the Governing Board on May 5, 1996
Revised by the Executive Board on November 19, 1997

page 1(1)

Title of the document

Code of the document

Defines what the scope of the policy is

Defines what information is confidential

Indicates exceptions

Defines what is not confidential

Indicates how to deal with a situation not envisaged when writing the policy

Refers to another document

Indication of the responsible body and the date

## 23.3 Various Policies and Procedures

Below are a number of policies or procedures that are required according to the IFOAM accreditation criteria and/or the ISO Guide 65.

- Terms of reference and rules of procedures for committees
- Procedures for assignments and instruction of inspectors
- Confidentiality policy and procedure
- Conflict-of-interest policy and procedure
- Policy and procedures for granting exceptions
- Appeals policy and procedures
- Complaints policy and procedure
- Handling of inquiries procedure
- Keeping of records: policy and procedure
- Backup of computer files procedures
- Handling of non-conformity and sanctions, policy and procedure
- How certification is granted, upheld, revoked, etc.: procedures
- Inspection methods and frequency: policy and procedures
- Public information policy
- Re-certification policy and procedures
- Recruitment of personnel procedures
- Sampling policy and procedures
- Training policies and plans
- Unannounced inspections policy
- Use of mark policy and procedure

Note: these may be stand-alone documents or parts of more comprehensive documents. See for instance the sample quality manual and certification procedures in part 7, which incorporate a number of the procedures mentioned above in one comprehensive procedural document.

In some cases, the policies referred to above are very brief sentences and might be part of the quality manual (e.g., the appeals policy may state that all certification decisions are subject to appeals by the applicants and an identification of the appeals body, while the appeals procedure might be a three-page document). Sometimes the policy can form the first part of the same document that contains the procedure.

## 23.4 Forms and Checklists

Forms are used for standardizing data collection, reporting, presentations, etc. Instead of letting all producers take a blank sheet of paper and write down details of their production, you will design a form guiding them to give the kind of information that is relevant. Forms are also used for the internal process in the certification system, to ensure that each activity is performed according to the same procedures. There will always be things that don't fit into the form. Be sure to provide enough space to allow for such information to be presented. Also provide space for the responsible staff to make notes and place their signatures. E.g., if an application form will only be

processed after receipt of initial payment, the form should have an entry where the accounting staff notes the date of payment and puts a signature.

Forms are tools. They should be designed with usefulness in mind. Forms should direct the person filling in the form, and should be made easily understandable for anybody who comes in contact with the form. The best forms are self-explanatory, but sometimes special guidelines for how to use them are needed. Don't collect more information than is essential.

Forms should be referred to in the standard operating procedures or in work instructions so it is absolutely clear in which case to use which form.

***Work progress (processing) forms***
If many activities are going on, it is a good idea to make forms for monitoring the process for each application. With such a form, one will always easily see where in the process a certain application is. Of course these data can be entered in a computerized database and printouts can be made to have the data available on top of the operator's file. Similarly, a form recording the steps in an appeals or complaints process will be helpful to ensure that all steps are taken and that at every moment you know where in the process you are, and who is in charge.

***Form letters***
These are standardized templates of important letters, such as the one involved in communicating decisions, making quotations, etc.

## 24 Improving Service and Operations: Surveys, Complaints, Audits, and Reviews

The quality management system should not be static. As important as designing the system is ensuring that it is being used properly. You should constantly assess its effectiveness and where possible improve the quality system. Four main tools for the improvement of your system are client surveys and feedback, complaints handling, internal audits, and management reviews. For most young certification bodies with very few staff, the need for comprehensive audits and reviews is small and so is the capacity to do them. It is wise to install them, at least in a formalized way, after a few years of operations.[19]

### *24.1 Client Surveys and Feedback*

There should be proper mechanisms in place to take care of feedback from the clients. Staff and inspectors should be encouraged to collect the feedback from clients and the management should develop procedures for consideration of the feedback. Once in a while, a more systematic client survey may be justified. It can also be worthwhile to make surveys among the secondary

19 However, accreditation bodies will normally insist that they be in place.

clients, i.e., the consumers of organic food, to understand better their expectations for your programme.

## 24.2 Complaints

Complaints and the handling of complaints should be seen as a quality development activity and be given high priority. How you deal with complaints will have a major impact on your reputation and your relationship to the outside world. Don't be arrogant, even if the complaint is irrelevant or based on false information. Certification bodies should have written policies and procedures for complaints (see parts 6 and 7 for more information).

## 24.3 Internal Audit

The internal audit is made by a person who is not responsible for the activities being audited. In small organizations, this often means that it is done by a contracted consultant. In larger organizations, a quality manager can do it.[20]

Like a financial audit, an internal audit is a detailed examination of how the organization has followed its own systems and the applicable norms or regulations. Non-conformities are listed (in a similar way as is done for the inspection of operators). Based on the internal audit, decisions on corrective actions are taken. The results of internal audits feed into management reviews. See part 7 in the quality manual for a sample.

## 24.4 Management Review

The management review is conducted by the top management. The review builds on the internal audit and reports from accreditation bodies, and on client feedback, complaints, and staff feedback. Its objective is to ensure that the system is adequate and effective, and to what extent the system, including the quality policy, needs to be revised. The output of the review can be improvement of the service delivery, improvement of the quality system, investment in technology, and training initiatives. See part 7 in the quality manual for a sample.

20 A quality manager is in charge of the development of the quality system. A small organization will rarely have a quality manager.

# *PART 3: RUNNING THE BUSINESS*

## 25 Certification as a Business Operation

In most cases when certification bodies are established, the people involved spend most of their energy on the technical as pects of certification, getting accreditation, etc. That is important, but it is equally important to approach certification from a service and business perspective. Certification bodies are more likely to fail because of poor service, poor finances, or poor management than because of a lack of adherence to a certain norm.

Ideally, certification bodies are established with a strategic plan (see part 2) and a solid business plan. However, when starting up, key people normally don't understand the business well enough to actually develop a business plan. Nevertheless, some fundamental business strategies need to be in place when starting. After a year or two, the board and the manager should develop the business plan further.

In most developing countries, the organic sector is not regulated. This also reflects the non-existence or incipiency of sector development and the market in those countries. Local certification initiatives establishing themselves in new and unregulated developing country markets face the following conditions[51]:

- The infancy of sector development necessitates paying greater attention to production and market development than to quality assurance procedures.
- The infancy of sector development necessitates confidence building for market acceptance.
- A small and weak local market may not attract private sector investment to support the development costs of an independent local certification body.
- A small and weak local market cannot sustain high administrative overhead costs associated with ISO-type third-party structure and procedures and accreditation.
- The absence of regulation means less bureaucracy to deal with.
- The absence of regulation necessitates the setting of private local standards and label schemes for market differentiation.
- There is little or no competition for domestic market certification.

Like the early pioneers, local certification initiatives in unregulated developing markets will play a major role in the development of the organic sector in the country. Their private standards

51 Based on Ong 2006.

will influence the country's regulations. As the domestic market develops, well-functioning local pioneer certification bodies are likely to maintain a leadership position in the local sector and a dominant market position.

It is hard for local certification initiatives in developing markets to compete with international bodies in certification for exports. Local bodies do present many advantages as a service partner (to international bodies), e.g., local presence, inspectors familiar with local production methods and growing conditions, staff fluent in the local language, and political support for a local business rather than a foreign one. Local bodies offer international bodies the opportunity to extend their service at competitive rates in the region where they work.

Partly due to its original thrust in servicing exports, the non-existence or infant stage of sector development in developing markets, foreign linked certification bodies mainly focus on offering certification for exports and not for the local market.

## *25.1 The Organic Market and the Demand for Certification Services*

Organic certification services the organic market. Therefore the certification service is completely dependent on the development of the organic markets. Is there really any production to certify? To set up a body before there is enough production to certify makes little sense. A critical mass of production is needed before setting up a certification body. This critical mass must be able to carry the burden of paying professional staff and ensure financial stability.

When setting up an organization and projecting the business you need to assess the various market segments:

the domestic market for organic products
the export market for organic products

In most situations when the need for a certification body emerges, there is already an organic export market serviced by foreign certification bodies, while the domestic market is little developed and most products sold are not certified. Those two markets are very different and need to be analysed in different ways. Even the nature of the service is different (see below). But in both cases it is important to first know the current volume of those markets and to make realistic projections of their future growth (for the coming three to five years). For the domestic market, the question is also whether the domestic market will demand certification. When you have assessed the value of that market ask the question how much of the total value of the market can justifiably go to certification services and how much will go to your organization. Questions to ask:

- How high is the current value of the organic production, divided into production for the domestic consumption and for exports?
- What are your projections for growth?
- What is a reasonable share for the certification costs (1 per cent? 3 per cent?)?
- What is currently charged for the service?

- If you calculate these factors, you will get an idea of the potential "market" (income) for organic certification services.
- After that, you will have to determine your "market share": Are there other certification programmes, national or international? How large a proportion of the production will join your certification? Domestically and for export?
- For those certified by other agencies, can you provide an inspection service to them?

You may end up with a matrix like this (projections five years ahead):

| | VALUE | OF WHICH CERTIFIED | OUR MARKET SHARE | % OF VALUE FOR SERVICE | INCOME FROM CERTIFICATION |
|---|---|---|---|---|---|
| **DOMESTIC ORGANIC MARKET** | 3,000,000 | 1,000,000 | 100% | 2% | 20,000 |
| **EXPORT MARKET (CERTIFICATION)** | 8,000,000 | 8,000,000 | 40% | 1% | 32,000 |
| **EXPORT MARKET (INSPECTION SERVICE)** | 8,000,000 | 8,000,000 | 25% | 0.5% | 10,000 |
| **TOTAL INCOME** | | | | | 62,000 |

In the example, 40 per cent of the exports are certified by your organization, while for another 25 per cent you provide inspection services for other certification bodies, giving you only a part of the total certification fees. In the example, the difference in proportional fees for certification between domestic and exports is caused by there being many producers certified for the domestic market, while for exports most producers are organized in big groups with internal control systems, which lowers costs substantially.

**The Certification Business in Uganda**

Fifteen of the 16 operators in Uganda exporting on a certified organic basis in 2005 provided data on certification costs. For this group, total certification charges (not counting the cost of transaction certificates) were $132,105. This corresponded to 2.3 per cent of the 15 operators' sales in 2004–05.

*(CBTF 2006)*

For an estimation of export markets, you can read some of the many organic market studies that are available from the ITC, UNCTAD, IFOAM, FAO, and other international organizations. But assess carefully how realistic it is that producers in your country will take high market shares and for what crops they are competitive. Too many producers think that if they can't compete in the conventional market that they will be able to compete in the organic. Most countries are competitive in the organic market in the same commodities or products for which they are competitive in the conventional market. So be realistic. Apart from the export market, you also need to asses whether there are new producers ready to go for organic. Are there special commercial or other initiatives that are already targeting organic? Has the government initiated programmes to support organic?

How large a proportion of the product price may be costs for certification?

## 25.2 What Is Your Service Offer?

What is a certification service, really? Do you sell certificates? The right to use your mark? Access to foreign markets? The service offer is quite different depending on your situation and the market for your operators.

The basic value of certification is the trust, the confidence that your certification adds to the product (i.e., the added value from the operator's certification is that consumers are willing to buy the certified products for a higher price or more willingly than if the operator were not certified).

In the domestic market, this is a very clear business proposition. It is the common interest of the operator and the certification body to enhance that added value, by promotion and information. The carrier of the added value is normally the certification mark. The main reason behind the outstanding market position of some certification bodies is that they have managed to charge their marks with much value and consumer recognition.

In the scenario where your producers are exporting their products, they are normally selling to other companies that are certified by other bodies, and the consumer will not even know that the raw materials were certified by your organization. In that perspective, the value for your operator is mainly the certificate which gives him access to that export market. Issues to consider are these:

- If the export market is regulated, the main aspect to consider is that your certification is legally accepted in that market.
- In many cases, importers guide exporters regarding which certification body they should select. Therefore, importers become a clear target for your confidence-building activities.
- In some import markets, private certification bodies and their mark have such a strong position that you would need their acceptance (i.e., they become a target group for your promotion), and you may wish to enter into some form of cooperation with them.

Many emerging certification bodies start off with a partnership with a certification body in the main export market. That can take many forms, but most of the time it means that you are providing an inspection service and maybe also business representation on their behalf. In that case, they are your clients and not the operators that you inspect. The value you bring to your partner is local knowledge, a network, and timely and correct service.

Understanding these different scenarios and their implications for service and promotion priorities is essential for a successful operation.

## 25.3 Are There Competent Persons and Resources Available?

In many cases, nothing will happen until there are at least a few persons willing to devote (invest) considerable free time to get things going. Most of the early organic certification bodies started on volunteer labour. The high budget solution is to get development funding from donor agencies for training of personnel, etc. Even with funding, it is often difficult to pay salaries for everyone involved.

## 25.4 Knowing the Competition

As with any other business it is crucial to know the competition. What do they offer? Ask yourself, this question: What would it take for their client to shift to your service? Understand that there are many factors apart from price that determine your competitive edge. The most obvious factor is formal recognition in the major export markets. Your competitors' long-term relations with key importers (in the main export markets) and their track record of being able to sort out problems for their clients are often a determining factor. Timeliness and correctness are much valued by clients. Also some certification bodies have strong brands that inspire confidence in the buyer and consumers. It is not at all likely that you will be able to build up any brand recognition by consumers in export markets. Also consider the risk that competitors buy up your staff once you trained them—a good reason to ensure decent working conditions and competitive salaries.

## 25.5 Offering Multiple Organic Certification

Many certification bodies are set up with the idea of offering one organic certification. However, because of different requirements in different markets, they end up having to develop specific schemes for various organic certifications. E.g., a certification body in Europe may offer a special NOP programme in order to give their producer access to the U.S. market; a certification body in Latin America offers certification to their own national standards, to the NOP, and to the EU regulation. Most things are the same in the various programmes, but certain details are different. However, the operators need to know which kind of organic certification they want, and certification bodies should inform them about the options and clarify the costs. Very few organic certification bodies have managed to get approvals or accreditation for all main markets and the main producing countries. Instead, they have to work through partnerships to get market coverage.

## 25.6 Expanding the Service

Many organic certification bodies offer also other certifications, e.g., EurepGap, HACCP, BRC, and FSC, just to mention a few. Similarly, certification bodies that were set up for other purposes venture into organic certification. There are some good reasons for this:

- Many clients want multiple certifications, and it is easier for them and also more economic if one certification body can offer multiple certifications.
- The basics of operating a certification body and the procedures are more or less the same for all certification services, so a certification body is likely to be able to use the same infrastructure and administration for several programmes.

However, there are also hurdles:

- The technical expertise needed for one programme differs quite a lot from the other. A qualified inspector can probably be trained to inspect for many different systems, but there is much training to be done, and there are special forms to be designed, etc.
- Most systems have their own procedures for how to get acceptance. E.g., the FSC has its own accreditation system; EurepGap demands ISO 65 accreditation and registration with an agency in Europe. The procedures themselves and the costs involved may be prohibitive.
- A few systems maintain near-monopolies or qualifications procedures that make it virtually impossible to get acceptance. E.g., the Fair Trade labelling system or Kosher and Halal certification.

It is of course nice to be able to offer your clients any certification they want, but reality shows that even for well-resourced international bodies it is virtually impossible to offer that. One option for a start-up certification body is to enter a new market as an inspection service provider on behalf of another certification body, to gain experience and see how big the business is before committing too many resources into a field of certification.

## 26 Business Planning

A business plan is a helpful tool to orient and focus your business. It is also often used to attract investment, loans, or grants. It can be based on a strategic plan (see part 2), which then forms the introduction to the business plan.

A business plan for an organic certification body will normally contain the following sections:

1. Executive summary (one to two pages)
2. Introduction, presenting the company, the founders and the organic sector
3. Mission (from strategic plan)
4. Objectives (from strategic plan)
5. Business strategy (from strategic plan)
6. Analysis of market environment (organic market and demand for certification services)
7. Service offer and target market
8. Competition
9. Service process and cost analysis
10. Technical developments needed (e.g., development of a database and other IT solutions)
11. Financial plan (profit and loss, cash-flow analysis, financial needs)
12. Human resource and management plan (How are you managing your service and what people are needed? Are there special qualifications you need to obtain?)
13. Analysis of risks and opportunities (e.g., What happens if the demand for the service is only half of what you projected, or what opportunities could arise that you haven't included in your plan?)

Sometimes it contains a timeline for start-up with targets and times for reaching those targets. Sometimes these are part of annual work plans based on the business plan.

The business plan is likely to be a 20- to 40-page document with annexes. For some parts of the business planning you may need assistance depending on your own expertise, e.g., for the financial plan. The principles for the financial planning of an organic certification body are not much different from those of a financial plan for most other business operations and are therefore not elaborated here.

### *26.1 Look at the Service from the Process Perspective*

For quality management as well as for business management, it is helpful to look at the service from a process perspective. Try to see your work as a production line. There are different stages. In each stage there is work; there are some inputs needed; there are timelines to be kept. Most of the costs in a certification organization are labour input; other costs are rather small. By focusing on the work hours needed, you get a good view of your cost level and on your need for employees.

| STEP IN PROCESS | PERSON IN CHARGE | TIME PER CLIENT |
|---|---|---|
| **PROCESSING APPLICATIONS** | Admin. assistant | 30 min. |
| **REGISTRATION OF APPLICATIONS** | Admin. assistant | 30 min. |
| **FINANCIAL MANAGEMENT RELATED TO APPLICATIONS** | Accountant | 15 min. |
| **ASSIGNMENT AND INSTRUCTION OF INSPECTORS** | Certification officer | 1 hr. |
| **INSPECTION, INCLUDING TRAVEL** | Inspector | 6 hrs. |
| **REPORT WRITING** | Inspector | 3 hrs. |
| **REVIEW OF INSPECTION REPORT, SEEKING CLARIFICATION, GIVING FEEDBACK, ETC.** | Certification officer | 2 hrs. |
| **CERTIFICATION DECISION MAKING** | Certification officer | 1 hr. |
| **COMMUNICATION OF DECISIONS, CERTIFICATES, REGISTRATION, ETC.** | Admin. assistant | 1.5 hrs. |

**Table Showing Steps in Process, Responsibility, and Time Needed (Example)**

These are the same steps that you will work on when you develop the procedures involved. It is highly recommended to work on all this in parallel, i.e., when you design your procedures you also should try to estimate the time involvement. One reason to do this in parallel is that the procedures should not only be according to norms. They also need to be efficient. If some procedures involve too many steps or too many people are involved they are likely to also be expensive to implement and more mistakes may occur. You should also consider that it sometimes is safer and more efficient for the person in charge to do a simple administrative task than to have a file sitting on the desk of an assistant for a week.

### *Overhead*

There are many other things that could be classified as overhead that you can't relate to one individual client. Here is a list:

responses to general inquiries
promotion and marketing
development of the certification system
bookkeeping
reporting

office administration and maintenance
planning
staff training
issues relating to accreditation

You should be able to quantify how large a proportion of the total work is directly client-related, and therefore also income-generating, and how much is overhead. A lot of the overhead is very much needed and helps to develop your organization or open up new markets. But if you spend too much on overhead you are likely to offer a very expensive service. Perhaps you can land on figures showing that 50 per cent of the work involved is devoted to field inspections, 30 per cent is directly client-related certification administration, and 20 per cent is overhead. If you realize that you spend more than half your working hours on overhead, that the certification administration takes double the time spent on inspections, and that your inspectors spend more time writing reports than conducting inspections, then your operation is most likely inefficient.

### *Staffing*

Finally, if you look at your business from a service process perspective, you should also staff it from that perspective. That is staff and assign work according to the needs of the service you will deliver and not by having a ready-made traditional organizational diagram in front of you with managers, secretaries, accountants, etc.

## *26.2 Budgeting*

You need to make a budget for the organization. The list of costs will unfortunately be much longer than the list of incomes you can expect.

**ANNUAL BUDGET LINE ITEMS FOR A CERTIFICATION BODY**

| Costs | Income |
|---|---|
| Office rent | Application fees |
| Postage | Annual Certification fees |
| Telecom | Penalties |
| Travel of staff | Fees for certificates |
| Equipment (depreciation) | |
| Accounting | Inspection service fees |
| Auditing | |
| Legal advice | Sales of publications |
| | |
| Salary and costs for manager | Donations, grants |
| Salary and costs for secretarial staff | |
| | Consultancy services |
| Governing board:<br>Meetings: travel, food, remuneration? | |
| Committees:<br>Meetings: travel, food, remuneration? | |
| | |
| Inspectors' work | |
| Inspectors' travel costs | Inspectors' travel costs |
| Inspectors' other expenses (postage, telecom, etc.) | |
| Publications: standards, forms, catalogues, etc. | |
| Brochures | |
| Participation in trade fairs and international conferences | |
| Memberships (e.g., IFOAM) | |
| External consultants for training and technical advice | |
| Other training costs<br>(will you cover salaries during training?) | |
| | |
| IFOAM accreditation | |
| National accreditation | |
| Taxes | |

## 26.3 Certification Fees

It will normally be the operators that will have to pay for certification, through a certification fee. Remember that the fees need to contribute also to overhead. Even if you get funding on a high level, don't start with a very low fee. It is difficult to raise fees from a very low level, and instead of thanking you for having kept the fees low the operators are going to curse you for the outrageous rise. Do not offer your certification service free, even if you have other sources of income, e.g., a grant. A service that is free will not be taken seriously and you will get applications from many producers that are not eligible for certification. It can be in your interest to lobby that certification fees be subsidized, e.g., by the government, or that NGOs cover certification fees for groups of farmers.

**Who Pays?**
In many projects in developing countries, certification costs are paid for wholly or subsidized by development projects, or in a few cases by exporters or importers. In many EU countries as well as in the United States, there are government programmes to support certification costs. In Denmark, Thailand, and Malaysia, government certification is free for farmers, and in Tunisia the government covers up to 70 per cent of certification costs. In China, companies that are certified can get up to USD 4,000 from the state government (Rundgren 2006).

## 26.4 The Fee Schedule

There are many ways of constructing a schedule of fees. It will normally contain the following components:

### *Application Fees*

The application fee is used to cover the costs for initial processing of a new applicant. Organizations may choose to keep the application fee on the low side, to avoid discouraging new producers. If application fees don't cover the real costs for new applications, the organization may be in trouble if the office gets too many applications. Application fees should not be used to protect the interests of those already certified by being unreasonably high and thus preventing new operators from joining the programme.

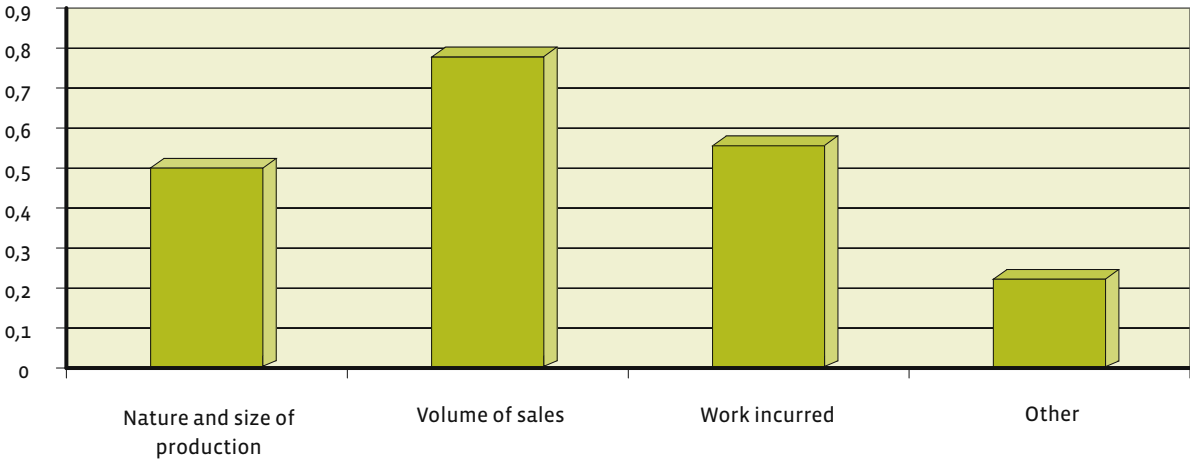
### *Inspection and Certification Fees*

Many organizations have separate inspection and certification fees, where the inspection fee just passes through the organization to the inspector. It is not a recommended practice for producers to pay inspectors directly. Keeping the relationship between the producer and the inspector free from financial transactions is important and reduces the risk of the inspector "being overpaid" to give a nice report. In general it makes it clear that the inspector works for the certification body and not for the operator.

If an organization chooses to have a separate inspection fee, it should develop clear policies on how spot-checks and extra inspections are paid. No operator would like to be under a contract ac-

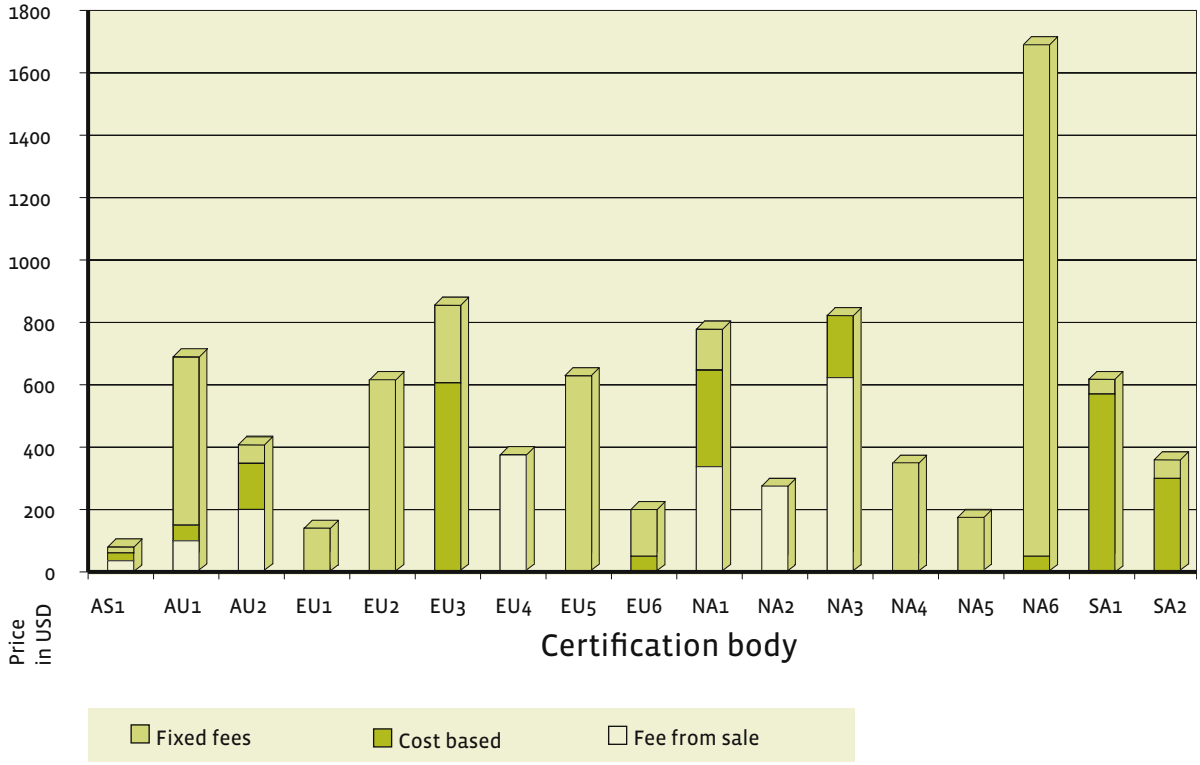
cording to which the certification body could send inspectors again and again and keep charging for the costs. On the other hand, the certification body must be able to make a spot-check inspection without the operator's approval. This can be solved by having an annual certification fee that not only covers costs for administration but also enables spot-check inspections. Operations needing extra inspections may, however, be responsible for paying the extra costs, since it is not fair that an "easy" operator should pay the costs for extra inspections caused by another operator's failure to submit accurate information, by operators violating the standards, or operators with complicated production.

The certification fee is supposed to cover all kinds of overhead costs as well as the processing of inspection reports and certification decisions. These costs are often equal to the costs for field inspections. The certification fee usually has two components: a basic annual fee that is the same for everybody (or differentiated for different categories of operators), and another fee that is linked to the size of production. That can be expressed as a percentage of turnover of certified production or as a fee per hectare, per animal, per kilogram of product, etc. When setting up the schedule of fees one must make very clear whether a fee applies to the certified production or the certified sales. From the certification body's point of view, the work is more or less the same regardless of whether the crop can be sold as organic or not, while from the operator's perspective the value of the certification is linked to the ability to actually sell the products as organic. A general recommendation is that the fee should be based on certified production, since that is the focus of inspection and certification. A simple fee schedule and basis for calculations will save much time and many discussions.
The following data were gathered by The Organic Standard in 2001. Eighteen certification bodies were surveyed. Five of the responding certifiers are among the largest in the world. The survey gave the following results on how producers are charged.
As can be seen from the figures in the diagram, most agencies use a mixture of fee-calculating methods. The category "other" often meant that the basis was a mixture or hybrid between the different options (Rundgren 2001).




The table shows the total fee and the basis for the calculation of the fee. One organization (EU4) uses a fee schedule, in which the fees relate only to the volume of sale; three organizations had only fees based on fixed parameters (e.g., basic fee plus fee per hectare). Half of them have fees that in some way relate to direct costs (e.g., costs for inspection) (Rundgren 2001).

**Fees for horticulture (3 ha)**




It is also quite common for certification programmes to charge a fee for transaction certificates. This can be either a fixed administrative fee (just to cover work, postage, etc.) or it can be a way to charge the overall certification fee, assuming that all transactions result in the issuing of a transaction certificate.

All in all, it is a real challenge to develop a reasonable fee schedule. Here are some of the main points to consider:

- It is easy to understand for the operators
- It is easy to apply (i.e., calculate and motivate) by the staff
- It is seen as fair so that it doesn't exclude small producers, but at the same time keeps fees for large producers on a level which still has some reasonable relation to the costs involved; otherwise, large producers are likely to go to other certification bodies
- It covers all costs involved, including general overhead costs (assuming that there are no other substantial streams of income)

## *26.5 Costs for Establishment (Initial Investment)*

Only in exceptional cases will it be possible to cover the costs in the first few years with the income from inspection and certification. In most cases, the organization will survive through a mixture of voluntary work and donations, or, in the case of a private company, capital investment from shareholders. Even if you rely on voluntary work,

it can be wise to keep track of the amount of work done, to see how far you are from a real long-term break-even.

There will be some special costs upon the establishment of the organization:

registration of the organization
registration of the mark
legal fees

After a year or so, some income may be generated but it will not likely be sufficient to cover all operating costs. You may want to set targets that indicate what share of your costs will be covered by income for the coming two to three years; and all costs not covered by income can be considered investment costs. Most likely there will be a need for some technical assistance, e.g., for

training of inspection staff
training of certification staff
development of documentation and quality system
setting up a database
setting up a website
legal issues
guiding you through an accreditation process
In addition, you probably want and need to make your organization known by participation in fairs and international events. The initial accreditation can also be seen as a kind of investment cost.

***Example of Costs to Establish a Local Certification Body***
Below are examples of costs drawn from local certification bodies in Armenia (Boor 2006) Bosnia and Herzegovina, Uganda and Tanzania (editor's own experience). It should be noted that all four cases have been subject to support by development agencies.

| CATEGORY | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 |
|---|---|---|---|---|
| Costs | | | | |
| Registration of organization | 1,000 | | | |
| Registration of mark | 500 | | | |
| Office running costs | 2,000-8,000 | 3,000-10,000 | 5,000-12,000 | 5,000-12,000 |
| Equipment | 1,000-2,000 | 1,000-2,000 | 1,000-3,000 | 1,000-3,000 |
| Costs for board and committees | 1,000-5,000 | 1,000-5,000 | 1,000-5,000 | 1,000-5,000 |
| Salaries of staff | 8,000-12,000 | 12,000-20,000 | 15,000-30,000 | 15,000-30,000 |
| Travel, transport | 1,000-6,000 | 1,000-6,000 | 1,000-6,000 | 1,000-6,000 |
| Training costs | 15,000-30,000 | 15,000-30,000 | 5,000-10,000 | 2,000 |
| Technical assistance | 10,000-30,000 | 10,000-30,000 | 5,000-20,000 | 2,000 |
| Taxes | 0-3,000 | 0-3,000 | 0-3,000 | 0-3,000 |

| | | | | |
|---|---|---|---|---|
| Accreditation costs | 0 | 0 | 6,000-25,000 | 5,000-18,000 |
| Total costs | 39,500-97,500 | 33,000-96,000 | 39,000-114,000 | 32,000-81,000 |
| Income | 0 | 15,000-20,000 | 25,000-45,000 | 32,000-65,000 |
| Net investment | 39,500-97,500 | 18,000-76,000 | 14,000-69,000 | |
| Accumulated net investment | 39,500-97,500 | 57,500-173,500 | 71,500-242,500 | |

**Start-up Costs for the Establishment of an Organic Certification Body (Example, Euro)**

After four to five years, the organization will be able to stand on its own feet in most cases. In the scenarios above, the organizations with the highest cost level are not likely to break even. Note also that the costs don't include the preparatory cost and time that normally comes before the establishment of the organization. Travel costs for inspectors are not included in the calculations, as they normally will correspond to an equal income. Costs for accreditation are calculated for IFOAM plus one more accreditation (e.g., NOP, ISO 65, or JAS).

In contrast to the example above, there are plenty of certification bodies set up with minimal capital investment (less than €20,000) and no external support, but with big contributions of voluntary work by everybody involved. However, most of them were established when the regulatory environment and the business environment were less demanding.

## 27 Getting Recognition

There are many ways to become recognized. The now-emerging certification bodies have a tougher job than the ones starting 15 years ago had. At that time, it was often sufficient to have printed standards, to be a member of IFOAM and to make some promotional effort on a low scale. That would more or less make you "recognized" or accepted. Today this acceptance is much harder to achieve and in many cases there are a number of formal approvals or accreditations that you have to obtain. Very few certification bodies have worldwide recognition. Instead they operate partnerships with other certification bodies for market access in markets where the costs for getting recognition are just too high or the procedures too demanding. An emerging certification body will have to prioritize market access for its operators in the main export market for those operators. I.e., if your operators' main market is the EU, you may seek ISO 65 accreditation; if it is the United States, choose NOP accreditation.

### *27.1 Mutual Recognition*

*Mutual recognition* means that two certification programmes accept each other's certification. Lack of mutual recognition among certification bodies is a major obstacle in the international trade of organics.

Many exporting countries actually export raw materials and not ready-made packed goods, so their production will have to be approved by another certification body before reaching the consumer. With mutual recognition, an operator certified by body X can use raw materials certified by bodies Y and Z.
There can be substantial benefits gained by reaching mutual recognition agreements. The agreements can be bilateral or multilateral. Unfortunately, most national regulations for organic do not consider mutual recognition as basis for import approvals, i.e., even if a certification body in an importing country has recognized you, a formal approval by the authorities will still be needed. Nevertheless, mutual recognition agreements can be very useful to facilitate smooth acceptance in importing countries and to give producers access to important certification marks.

## *27.2 Approval according to Regulations/National Accreditation*

In some countries a certification body will be required to be registered and/or approved by the government. This is not necessarily because of specific regulations for organic agriculture. It can also relate to food quality laws or general regulations for certification programmes. This has to be examined for each country. If there is a mandatory organic regulation in place in your home country, the certification body normally will have to undergo some process of approval by a designated ministry and/or accreditation by a national accreditation body.

The process of getting national accreditation will in most cases be a slow, expensive, and difficult process. Accreditation bodies normally know little about organic agriculture and will often try to duplicate the process they have designed for approval of ISO 9000 certification bodies or for other certification systems. Some countries have established special accreditation procedures and organizations for organic (e.g., APEDA in India).

## *27.3 Managing the Accreditation Process*

If you seek accreditation, nationally or through IFOAM, the first step is to go through the applicable norms and regulations. Order the application pack. Have a checklist where each norm is stated and where you indicate where and how you regulated that particular issue. The checklist will also make the communication with the accrediting agency and assessor a lot easier. It is possible to go through an accreditation process on your own, but it is useful to have a consultant's assistance. Make also sure that you clarify the scope of accreditation from the onset of the process.

## *27.4 Market Recognition*

If you want recognition by the market, IFOAM accreditation can be a useful instrument. You will also like to make yourself known by importers and certification bodies in your main export market. Making personal contacts (e.g., by attending major trade fairs) is normally most efficient.

# 28 Partnerships

Many emerging certification organizations can get their main income in the early years from acting as an inspection service agent for one or more foreign certification bodies. They will normally want you to work exclusively for them, especially if your tasks extend to being a business agent (i.e., receiving applications, handling invoicing, etc.). However, in order to accept such exclusive agreements there must be enough in the agreement for you (e.g., a guarantee that they will only use you as agent, a certain volume of business, favourable remuneration, etc.).

**Organska Kontrola – KRAV**

KRAV in Sweden and Organska Kontrola (OK) in Bosnia and Herzegovina have cooperated for a number of years. Initially the cooperation was part of a development assistance project where KRAV was engaged in direct inspection and certification in Bosnia and Herzegovina as well as training of inspectors.

- There is a basic partnership contract between the organizations.
- The main objective of the partnership is the "co-certification" of the certification work of OK by KRAV.
- Operators apply for KRAV certification to OK.
- Inspection is carried out by inspectors from OK. They use forms, etc. developed by OK and approved by KRAV. Reports are made in the local language.
- Organska Kontrola sends a summary (in English) of inspection reports, the main data from the application form and a certification summary to KRAV.
- KRAV evaluates the reports and requests additional information, if necessary.
- KRAV takes certification decisions and issue certificates.
- OK handles all financial matters.
- Producers in conversion to organic can be certified only by OK and after the conversion period apply to KRAV for full certification.[52]

The most difficult question is how such a partnership should be arranged so as to develop and strengthen the local body without the foreign certification body's compromising its obligations as a certification body. Selection of a good partner and careful clarification of the two parties' longer-term objectives and strategies are essential. The reasons for establishing collaboration between certification bodies include cost savings, enhancing competitive position, and expanding service markets.

52 The partnership was taken over by KRAV's subsidiary Aranea in 2006.

**Who Is Interested?**
According to a report from a series of meetings held during BioFach 2004 between a group of four emerging certification bodies (Malaysia, Uganda, Tanzania, Bosnia) and six established certification bodies (two from the United States and four based in Europe) to explore options of collaboration, responses from established certification bodies (CBs) can be placed into three categories:

keen and interested
interested but cautious
not interested

Reception to collaboration was clearly related to the business model of the established CBs. CBs with an international expansionist strategy were amongst those who were keen and interested. The reasons for adopting such a strategy include limited market in the home country, operators' need for raw-material supplies from overseas, and availability of funding support from governmental or other development agencies. Supporting the development of emerging CBs in developing countries was also mentioned due to the CB's own experience in a former "certification colonized" country. The terms and conditions offered by CBs under this category were the most generous. With exception to full financial support the components offered within a total development package include training and shared control over registered operators by the local partner CB.

The interested but cautious CBs generally prefer greater control over registered operators, including inspector assignment and other protocols. One established CB said that its policy requires it to be the main shareholder of partner CBs (Majid 2004).

Another way to establish a partnership is to team up with companies involved in other kinds of certification, e.g., ISO 9001:2000, BRC, or HACCP. Through such a partnership, an organic certification body can get access to the experiences of general certification systems and procedures. The partner can more easily offer organic certification to potential clients.

More equal partnerships can also be established between organization certification organizations, when they are on a similar level of development. One such example is the organization Bio Latina in Latin America.

**BioLatina**

Interest in organic production in Latin America increased during the 1970s and 1980s. In the late 1980s, several CBs started up in the region. Most were linked with NGOs. Their aim was to provide a local and competent alternative to foreign certification, more sensitive to the reality of the region, and perhaps able to contribute dynamically to rural development.

The early years of the local CBs were devoted to the establishment of proper certification systems and training of inspectors. Much time was spent explaining to farmers and technicians why certification was needed and why somebody had to pay for it. Soon it was obvious the local markets could not sustain the certification business and some kind of recognition or authorization was required to gain acceptance into foreign markets, mainly the EU. When the local CBs were confronted with ISO requirements for accreditation they realized it might be wise to shoulder the burden together. This also made sense financially. As individual small certifiers they were not able to pay the costs of accreditation.

Four small certifiers, CENIPAE (Nicaragua), Inkacert (Peru), Biomuisca (Colombia), and Biopacha (Bolivia), all established between 1988 and 1996, began to consider the idea of joining forces. GTZ, a German development agency, had a catalyst's role in this process. The four organizations first established cooperation in 1995. Amidst concerns and fears of loss of identity, they decided to merge into Bio Latina in December 1996 and seek accreditation from DAP, a German-based accreditation body. They received ISO 65 accreditation in 2001.

In April 2002, Bio Latina was among the first group of CBs to be accredited by the USDA for the U.S. market. It now has agreements with ICS Japan and QAI for the Japanese market. Many import authorizations into the EU based on Bio Latina certification have been issued. Bio Latina is interested in IFOAM accreditation but cannot afford it at this time. Financial support from GTZ, the German development agency, ended in 2001 and today they are no longer dependent on development funds. All the work and changes required by the accreditations have certainly been difficult but have also made sustained growth as a company possible.

Bio Latina provides services for organic and in-transition (conversion) certification, bird-friendly coffee inspection (as subcontractor of the Smithsonian Migratory Bird Center), and inspection for Naturland certification. Bio Latina's main clients are small farmers' organizations. The company is particularly proud of the way they deal with "collective certification", their assessment of the internal control system and their 20 per cent minimum annual inspection rate of the group members by Bio Latina's inspectors.

The main office is in Lima, Peru. Besides the four original countries of operation, Bolivia, Colombia, Nicaragua, Peru, it now has offices in Ecuador and Venezuela and certifies in El Salvador, Guatemala, Honduras, and Panama. It currently has 13 employees and 40 inspectors (part time). The general manager works in Lima, the deputy manager in Quito, the quality manager in Caracas, and his deputy in Managua.

Most of the administrative work as well as certification decisions are centralized in the main office. Each office functions more or less autonomously but with common rules and procedures. Inspections are carried out by local inspectors but these might cross borders for training purposes. Inspection and certification fees are based on the economic reality of each country.

Most important, however, is the empathy and trust among the managers and their original willingness to lose (identity) in order to gain (Ong 2006).

Emerging certification bodies need a clear strategy and a certain level of preparation to take full advantage of partnership opportunities. Questions like what strategy to pursue, what to prepare, and how to conduct negotiations with potential partners require coaching. A good consultant, however, is no replacement for a competent manager.

## 29 Assistance for Development

### *29.1 Assistance for Development*

There are various possibilities for assistance in the development of an organic certification programme. Internships at a functioning certification programme can be worth considering. Another possibility is to go into a larger certification development project with a foreign certification body. These projects typically include training of inspectors and key personnel and development of standards and documentation. They often include study visits, etc. These projects are mainly funded by a development agency in the country where the foreign certification body is operating, but they can be organized in other ways.

It should be recognized that there are potential problems with certification bodies training other certification bodies. Since it is not certain that the new certification body will gain international recognition, it may remain dependent on the other body and practically become a "national branch". Such a development may even be in the interest of the certification body providing the training. It is worth noting that today there are many qualified certification bodies established in developing countries and that there is a good basis for South-South cooperation.

There are also consultancy firms that specialize in the development of organic certification programmes. Such organizations as well as certification organizations can be found in the IFOAM membership directory or by looking up the forum of consultants on the IFOAM website, www.ifoam.org.

The budget for a comprehensive project to establish a new certification body will typically vary between €100,000 and €300,000, depending on the following factors:

the starting level and the ambitions
the ability of both parties to create an efficient project
the availability of funds

whether the salaries of local staff and the operational costs for the early years are included

A list of development agencies that have supported or expressed their interest in supporting development of organic certification programmes is found in part 5.

In a joint venture, it is important that the parties have agreed on the terms and the long-term goal. It might also be an idea to include an independent evaluation of the new body at the end of the consultancy, e.g., IFOAM accreditation. This would both serve as an evaluation of the assistance and be a big step in the direction of international recognition.

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# *PART 4: CASE STUDIES*

## Organic Agriculture Certification Thailand (ACT)

**Author:** Piyaphan Phinthuphan

### *Organisation details*


| | |
|---|---|
| Full name of organisation: | Organic Agriculture Certification Thailand |
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### *Starting up and general background*

Organic Agriculture Certification Thailand (ACT) was established in 1995 as Alternative Agriculture Certification Thailand by the Alternative Agriculture Network (AAN), a network of 85 Thai NGOs working on sustainable agriculture. At the time, interest in organic agriculture among Thai farmers and consumers was emerging and several business groups were marketing products with "hygienic food" or "non-toxic food" labels. These products were not organically produced and could potentially mislead consumers on the authenticity of organic products and undermine the integrity of genuine organic farmers. This precipitated AAN to establish a certification programme to protect farmers doing alternative agriculture and build consumer confidence in products produced from them.

ACT was set up through the effort of two key individuals, Ms Virajit Lianchamroon and Mr Vitoon Panyakul, who had worked with organic NGOs and marketing for several years. During the initial period, ACTs meetings were always tied with AANs meetings. There was no independent funding. People working for ACT were seconded and paid by AAN member organisations.

In 1996, ACT received a small grant from DANCED, a Danish development organisation. The inspection process was set up between April and July 1996 with the contribution of a Canadian volunteer, Mr Fred Reid. The first inspectors' training was held through the assistance of IMO,

the Swiss-based inspection body, during their inspection visit of a rice export project.
After operating for a few years, it became clear that ACT should narrow its focus to certifying only organic farming and not all sustainable agriculture operations. In the beginning of 1998, ACT changed its name from Alternative Agriculture Certification Thailand to Organic Agriculture Certification Thailand.

From 1998 to 2000, ACT received development funding from Misereor (German catholic based development organisation) to engage Mr Gunnar Rundgren from Grolink AB, Sweden, and Mr Ong Kung Wai from Humus Consultancy, Malaysia, as advisers and trainers to meet international norms in organic certification. In November 1999, the ACT seal was launched. ACT submitted its application for IFOAM accreditation at the end of 1999 and became the first IFOAM accredited certification body in Asia in the beginning of 2002. Currently, ACT is an independent certification organisation operating under the Foundation of Organic Agriculture Certification Thailand, which was registered in 2001.

### *The standards*

ACT offers certification to its private standards. Its first standards for alternative agriculture products was published by AAN in 1996. The standards covered two levels, i.e. pesticide-free products and chemical-free (organic) products. As the Thai organic movement was at an embryonic stage at the time, ACT standards began as simple standards formed on the basis of what is achievable by Thai farmers. In 1998, when it was clear that ACT should certify only organic products, ACT revised its standards using IFOAM Basic Standards as the framework. ACTs first organic standards were approved by the ACT General Assembly in 1999.

ACT standards are regularly revised and developed by the ACT Standards Committee, for approval by the ACT General Assembly every two years. The current ACT standards, version 2005, include the following certification scope:

1. Crop production
2. Processing and handling
3. Wild product harvesting
4. Input manufacturing
5. Aquaculture
6. Eating establishments

In future, as requested by stakeholders, ACT plans to cover animal husbandry, bee keeping, retail shops and organic silk.

Although ACT standards are in compliance with IFOAM Basic Standards, they are applicable only for organic products sold in Thailand or in countries where no national regulations/standards are enforced. ACT is also able to offer certification based on the EU Regulation 2092/91, as ACT standards are recognised as equivalence to the EU Regulation 2092/91.

### *Structure and organisation*

Established by a network of 85 NGOs, a regional certification structure was created and tried during the start up period. NGOs groups in the four Thai regions, Northern, North-eastern, Southern, and Central regions, were supposed to organise their own regional certification committees. However, only the Northern group managed to set one up, the rest were not ready. Nevertheless, the process precipitated a lot of debate about regional autonomy and inconsistencies in certification decisions. The Northern group subsequently split from ACT and in 1999 created its own local certification programme for the north. ACT subsequently cancelled its regional certification structure. There is now only one Certification Committee responsible for certification decisions.

ACT was first created as a membership organisation comprising of full members and associate members in the General Assembly. Full or voting members comprise of both NGOs and private companies. Individuals and ACT certified operators can be associate members or non-voting members. Operating under a foundation since 2001, ACT re-arranged its structure according to the Thai regulation for foundations. The role of its members is now limited to comments on the revision of standards as ACT stakeholders. There is no longer a general assembly and elections. The Governing Board has been replaced by a self-selecting Foundation Board where board members are to represent various stakeholders, e.g. farmers, consumers, NGOs, academics, media, private companies, etc. The Executive Board, appointed by the Foundation Board, is in charge of ACT's management, as well as appointing the Certification Committee and Standards Committee. All committees are supposed to include a diversity of stakeholders.

### *The inspection and certification system*

At the start up, ACT's inspection and certification system was designed only for single producer certification, not group certification. That meant all producers, no matter how small or big, were individually inspected and certified directly by ACT. Most of ACT certified producers were farmers in a rice export project operated by NGOs, who also applied for IMO certification. IMO at the time considered ACT's inspections as an Internal Control System (ICS). This reduced IMO inspections for the rice export project and also offered opportunity for ACT to work with an international certification body.

During competency development in 1998 to 2000, ACT's inspection and certification system was further developed with the input of Grolink AB and Humus Consultancy, including opportunities to work with other international certification bodies (CBs), i.e. KRAV and Bio Suisse.

At the beginning of 2001, ACT developed procedures for "Project Certification" or Grower Group Certification according to IFOAM criteria. NGOs working with ACT certified farmers thus developed their ICS and reapplied for certification as grower groups. During 2001-2003, ACT actively participated in the Smallholder Group Certification Workshop organised by IFOAM. Grower group certification is important for ACT because the majority of Thai farmers in the region are smallholders. Currently, 98% of ACT organic farmers are certified under the grower group certification system.

## *Training*

Since start up, a lot of time and expense has been devoted to inspectors' training. ACT inspectors are independent inspectors, trained by ACT, but not full time staff. Since ACT is still small, it is not possible for it to employ full time inspectors. During the institutional development in 1998 to 2000, ACT in cooperation with Grolink and KRAV, Sweden, organised three Organic Inspection and Certification Training Workshops; two in Thailand and one in India. The trainings were also open to all individuals and certification initiatives in the region. More than 20 non-Thai people in the region were trained in that period.

To recruit new inspectors, a training course is provided to all interested individuals. The applicants should have a bachelor's degree in agricultural science or experience in organic or sustainable agriculture. To be registered as an ACT inspector, the participant must pass four training steps:

- Step 1: Theoretical session, i.e. certification process, roles of inspector, organic standards, inspection checklists and forms.
- Step 2: Field workshop on an organic farm
- Step 3: Apprenticeship with an experienced inspector (at least three inspections)
- Step 4: Knowledge-skill test by the ACT Office

In addition, ACT also organises annual seminar/workshop, for the registered inspectors to update their knowledge on new standards/regulations, new inspection procedures (e.g. ICS evaluation), revised checklists/forms, ACT policy/procedure/guideline, and exchange inspection experiences. Today there are ten registered inspectors who are active. Most of them also have other jobs.

Since setting up the grower group certification system in 2001, training for setting up ICS is needed for organic operators. ACT conducts an ICS training course for interested operators. The first ICS training was done in 2001. In 2004, after IFOAM published its ICS Manual for operators, ACT incorporated IFOAM's inputs into its training. So far, 8 ICS training workshops have been organised. The training may take 2 to 4 days, depending on the content of the course. ACT plans to organise ICS training courses at least once a year.

## *Recognition*

IFOAM Accreditation, acquired on January 1st, 2002, has boosted the credibility of ACT's certification. ACT's seal with "IFOAM Accredited" has made operators and consumers, especially in domestic market, trust ACT certified products. IFOAM accreditation has also facilitated acceptance of ACT certified products in EU markets. In 2004, the Thai government, under the National Bureau of Agriculture Commodity and Food Standards (AFCS), launched a national organic accreditation programme. ACT is the first certification body accredited under this programme. ACFS accreditation adds to the credibility of organic products carrying ACT seal sold in the domestic market. In addition, ACT acquired ISO 65 accreditation in early 2005 and CAAQ recognition from Quebec, Canada, in February 2006.

## *Partnerships*

Running parallel to its institutional development, ACT also developed a relationship with certification initiatives in the region. In 2001, ACT established ACT Control (ACTC) to offer a regional inspection service to international CBs working in the region. International CBs can use ACTC inspectors to inspect their operators at a lower cost than that of sending their inspectors or establishing local offices in the region. While offering an affordable inspection service, ACTC also developed partnerships/collaborations with local certification initiatives. ACTC inspectors include those working independently and seconded by partner organisations/local certification initiatives. Currently, ACT has partnership/collaboration agreements with the Organic Alliance Malaysia (OAM), the Organic Food Development Center (OFDC), China, and BioCert, Indonesia.

Since ACT is IFOAM accredited, it is accepted by many international CBs to perform inspections on their behalf. Currently, ACT conducts inspections for KRAV (Sweden), Bio Suisse (Switzerland), Naturland (Germany), Soil Association Certification (UK), NASAA (Australia), and ICEA (Italy).

Recently, ACT entered into a collaboration agreement with ICEA, Italy, to offer ACT and ICEA joint certification for exporters in Thailand and the ASEAN region. ACT is not able to offer certification for export to US and Japanese markets as ACT has not achieved accreditation/recognition from the US National Organic Program and the Japanese Agricultural Standard. The joint certification arrangement with an international CB with a larger base of accreditations enhances opportunities for a small certification body like ACT. Together the ACT and ICEA joint certification offers a one-stop certification service for operators in the region to access organic markets in the ASEAN region, EU, USA Japan and elsewhere.

## *Basic data*

In 1997 the number of ACT certified operators was only 110 producers, certified as single operators. By the end of 2005, ACT certified 81 operators, of which 26 were grower groups comprising over 1,500 small farmers.

ACT's start up budget was around 500,000 Baht a year (USD 14,000) with only one full time staff. The turnover in 1999 was only 59,000 Baht (around USD 1,600). In 2005, the turnover of ACT was 1,800,000 Baht (around USD 50,000) while the operating budget was around 3,000,000 Baht (USD 84,000) with six full time staff. External funding is still necessary for ACT, and it currently receives funding of around 1 million Baht (USD 28,000) a year from Oxfam.

As an NGO based organisation supporting small producers access organic certification, ACT certification fee was set quite low. In 2006, ACT adjusted its certification fee structure but it did not help ACT get more income than previous years. The new fee structure affected single producers more than grower group operators. Many single producers withdrew their certification as they

could not afford the higher fee. Many do not get a high income from selling their products. There is currently a lot of discussion regarding ACT fee structure and how it can become self-sufficient.

### *Reflections and looking forward*

Reflecting on the ten years of its operation, ACT believes:

- To develop a certification programme, the recognition of the organisation is crucial. ACT sought its recognition through IFOAM accreditation and found recognition among other international CBs after accreditation.
- Organic certification is a business, not a social service. There are many certification bodies operating and competing in the world. It is important for a new certification initiative to have a marketing plan and strategy to compete in this business. NGO-based certification initiatives need marketing personnel.
- One strategy for a local certification body is to offer certification at a lower cost in order to compete with other international CBs. However, the low fee may also undermine its credibility and professional standing. Fee structure has to be set, taking the ability of operators to pay and the certification cost into account.
- For countries where organic agriculture is still in the initial stage, the certification initiative should cooperate with potential operators to build organic production and certification together.

# AFRISCO

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## *General background*

Afrisco short for Africa's Farms Certified Organic was founded in December 2000, by Diana and another partner as there was no local certification body in South Africa at the time. They started first with studying the South African government's draft organic standard, and decided to use it as their standard. It has been mainly adapted from the EU regulation, but made more readable and easier to understand. They also got additional information and inspection documents from the Independent Organic Inspectors Association [IOIA] based in the US, and adapted them for inspection and certification in South Africa.

## *Starting up*

In March 2001, Afrisco started looking for potential clients. It presented itself to the organic industry as a new certification body in South Africa, able to certify to the local standards. Afrisco found three interested operators (a farm operation, a pack house and a small-scale farmer association) inspected them for free as part of a learning experience. After the inspections Afrisco had a training session with its certification committee about procedures and how the inspectors' work is to be reviewed. At the next session with the certification committee, Afrisco was able to review the inspectors' reports and to make the first certification decisions and grant its first certificates.

### *Lessons learnt*

Several lessons learnt in the first two years, include

- When one offers a service to one client, one must be able and prepared to offer the same to all.
- A lot of time was required to complete procedures after inspection because of procedures and documents to be followed up.
- Not all people who are experts in organic farming enjoy doing inspection or certification – policing the sector! Afriso lost one reviewer and one inspector who didn't like the policing aspect or the finicky attention to detail required.
- Everybody in Afrisco had to have another family income for the first years whilst Afrisco built its client base. Where it is possible to get subsidies during establishment – one should think of getting a three-year subsidy. Afrisco never had one so it had to learn the hard way.
- Record-keeping, record-keeping, record-keeping! All along the certification process.

### *The standards and meeting international norms*

South Africa's draft national organic standard is only acknowledged in the Southern African markets. To service exports the certification body needs to be accredited to ISO Guide 65. ISO 65 requires a quality manual covering all aspects of the certification programme, including ownership details. It also requires management of liabilities and financial stability. One has to employa bookkeeper and have insurance for mistakes that can result into huge costs to the client, who may claim them from you. It is difficult to find an insurer for this in South Africa and that was one of Afrisco's biggest hurdles.
It took Afrisco a long time and a lot of effort to get accredited. This is partly because certifiers are always busy, and there is little time for other issues. It also cannot be done without paying for advice. Afrisco eventually hired an ISO 9000 consultant to help develop standardised procedures, and would have succeeded without that.
ISO 65 is essential, but accreditation raises operation costs, e.g. more administrative staff, insurance, annual audits, and many more internal procedures. Afrisco will need a long break before attempting anything like IFOAM accreditation.

### *Recognition*

A big problem for certifiers in exporting countries like South Africa is to be acknowledged abroad by importing countries as credible certifiers. Besides ISO65 accreditation Afrisco also have to be 'accredited' by the import authorities in the importing countries, e.g. Europe, Japan, the US. For this reason, and in order to obtain ongoing supervision Afrisco decided to have a close alliance with a European certifier, i.e. Ecocert, who had German development funding for such a purpose. It has been an excellent arrangement, through which Afrisco has gained know-how, close super-

vision in the early years and also information on providing the paperwork to support clients into foreign markets.

### *Partnership*

Afrisco does all the inspections in South Africa for ECOCERT for the last four years, and there is nothing better than learning by doing. Afrisco and Ecocert have been able to create a joint venture where Afrisco certifies for the southern African markets, and Ecocert, certifies for export markets, with part ownership in South Africa and France. As a local certification body in South Africa, Afrisco can offer local certification, which is cheaper than the international one. Afrisco also offer certification to the standards of the major importers, and represent up to three other international certifications.

Through ECOCERT, Afrisco is able to offer different certifications, e.g.. a client in South Africa who needs four types of certification. Whilst we can do all four through one inspection, which cuts the cost, we still have to grant the different certification according to their respective procedures. There are different certifications for different markets. It would be very good for the industry if all the different certification requirements of different countries can be harmonised to reduce costs and trade barriers. Sadly, little progress has been made on this so far.
Having been a supervised agent of Ecocert in South Africa (and thus falling under their COFRAC accreditation for our Ecocert work) Afrisco learnt the systems for exporting organics,. Working with a European certification body is also useful as they know what is happening in import markets and they can interact with import authorities.

### *Basic data*

Afrisco only offers organic certificatin only at this point and hopes to include BRC and FFS soon.

Afrisco operates in ten southern African countries: Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Zambia, Zimbabwe. It has no branches. In Zambia, Afrisco works through OPPAZ, the local organic association.

Number of registered operators: 112 including our Ecocert clients
Number of staff (full time): 2.5 (two full time, one half time)
Turnover in organic certification: approximately EUR 110,000

### *Future development plans*

To expand the range of certifications Afrisco can offer and number of accreditations. Afrisco lobbies the government to bring in a South African organic standard at a level that will be acceptable internationally. The national regulations should be equivalent to the European regula-

tion (main export market) and maybe other regulations like the US. Afrisco hopes if the South African government does bring in good legislation, it can then become accepted as a SADC regional standard, which would assist neighbouring countries with establishing standards, and also assist with IFOAM accreditation.

### *Recommendations*

We have to make sure as a certification body in a developing country that we and our clients always follow the rules. If a certifiers in a developing country is found to have been negligent, it will make it more difficult for other countries to get their certification bodies accredited by the major importers. Then our dependence on certification services managed at a distance by overseas certifiers will just continue.

## ARGENCERT, Argentina

**Author:** Laura Montenegro

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### *Starting up and general background*

Before ARGENCERT was established, the need for independent organic certification organisations was recognised by several NGOs in Argentina. The major factor was the requirement for certification for the export market. Argentine authorities also recognised that the best structure for organic certification would be one in which the basic official framework, working rules and standards were set by government authorities, while the actual certification of organic production would be performed by private independent agencies closely supervised and audited by government bodies.

When establishing the programme the following principles were applied:

- Independence - no connections whatsoever with consulting or commercial activities.
- Transparency - working on the basis of clear standards and written procedures.
- Reliability - certification decisions by an independent Certification Committee.

ARGENCERT was officially founded as a Society of Limited Responsibility (S.R.L.) on March 6, 1992 by four partners. Laura Montenegro, with an agricultural engineer degree and previous officer of the Ministry of Agriculture, became Director. The four founders were experienced in organic agriculture. Some of them had conducted inspections for foreign certification bodies.

### *Assistance and institutional support*

Start-up capital was supplied by the initial four partners. There was no external funding. During the early stages of the company, Mr Gabriel Guet (a French organic advisor) provided invaluable advice and cooperation.

## *The first standards*

The first standards were developed with a close eye on the IFOAM Basic Standards and the EU Reg 2092/91 as well as some North American certification standards. There was a process of consultation with producers and experts. ARGENCERT's standards were first presented to the National Authorities in February 1992 and were approved in December that same year.

## *Evolution of the programme*

One of the partners has since left and the two others have sold their stocks to an investing partner. The latter (a non voting partner) and Laura Montenegro are the present owners of ARGENCERT.

From an initial handful of customers and a few hundred certified hectares, the customer base has grown to the present 294 customers (November 2006). The customers include producers (totalling 373 farms), processors (totalling 163 processing plants) and commercial traders, either grouped or as individuals.

## *Structure and organisation*

### *The initial structure*

The first structure was very simple with a General Director, four inspectors and an Independent Certification Committee.

### *Present structure*

ARGENCERT´s present structure comprises:

- General Director
- Operative Manager
- International Relations Coordinator
- Inter-institutional Relations Coordinator
- Standards Committee
- Inspectors
- Independent Certification Committee

The Certification Committee (CC) is composed of six people representing institutions related to agriculture (research and education institutions for crops and livestock, an environmental NGO and a consumers association). In addition there is a representative from the certified producers (elected at an annual meeting of the certified producers). The CC members are not paid by ARGENCERT. The office in Buenos Aires is supported by independent inspectors in several provinces.

### *Training*

There are yearly training courses for inspectors. Some inspectors attend international training courses as well. ARGENCERT's personnel are encouraged to attend training courses according to each one's own field of activity.

### *Different ways of organising certification of producers*

ARGENCERT serves several groups of growers but all producers in these groups must have a standing certification agreement with ARGENCERT (either directly or through subcontracts to the leading operator), and they are annually inspected in all of the cases. For these groups, a trader or processor is the "holder of the Certificate", and often pays the producer's annual certification fee.

### *Basic data on the current activities*

Number of operations: 536. Hectares under follow-up: 850,000
Staff: 15 hired people and 16 contracted independent inspectors. ARGENCERT presently certifies roughly 60% of the exports from Argentina.
Fee structure: ARGENCERT charges a fee for an annual certification agreement and a minimum of one day inspection per operation, per year. In addition to this, there is a certification fee based on a percentage of products sold.

### *Recognition and regulations*

#### *Argentina National Agri-food Health and Quality Service*

ARGENCERT is registered for certification of organic products of vegetable and animal origin at the National Service for Quality and Agroalimentary Safety (SENASA). This is a governmental agency under the Secretary of State of Agriculture, Livestock, Fisheries and Food of the Argentine Republic.

#### *International*

a. Since 1992, ARGENCERT has been included in art. 11.1 of CEE 2092/91 as a certification body from an equivalent third country authorised to issue organic certificates valid in the EU.

b. In July 1997, the ARGENCERT certification programme was evaluated by the IFOAM Accreditation Programme. In the end of 1997 accreditation was granted, being the first Accredited Certification Body (ACB) in Argentina.

c. In June 2002, ARGENCERT was accredited by the DAP (Deutsches Akreditierungsystem Profwiese) as compliant with Guide ISO 65 (EN 45.011) for third party certifiers.

d. In November 2002, ARGENCERT was accredited by the US Department of Agriculture to certificate under the National Organic Program (NOP).

e. In January 2003, ARGENCERT was recognised by the authority of the Canadian Province of Quebec for certification of organic products according to the provincial organic regulations.

f. ARGENCERT also has several "reciprocity agreements" with private and governmental certification bodies in Europe, Japan and other countries.

*g.* ARGENCERT certifies organic production for the Japanese market, under a Memorandum of Understanding Argentina signed with Japan in December 2006.

h. ARGENCERT also offers several other certification and follow- up programmes, as EurepGAP, Quality Attributes, Traceability, Private protocols of food processing, etc.

### *Future challenges*

ARGENCERT sees the need of harmonising the different existing organic rules as the main challenge in the years to come. Maintaining leadership in certification services, facilitating access to any market in the world and help developing local organic sector are issues of concern for ARGENCERT.

### *Learning points*

The lessons learnt from the development are described by Mrs Laura Montenegro as follows:

*"We would like to mention three points that are closely related to each other, which have given ARGENCERT good results.*

- A country's government has to be convinced of the importance of addressing the organic subject very seriously. In our case, the Argentine government (we should say the people in the pertinent sectors) had sufficient background in organics and sufficient intelligence to convene existing ecology minded groups and experts for consultations, setting up the basis for a viable regulatory system. This contributed to the clarity and objectivity of the system, and to the setting up of reliable certification agencies.
- The above procedure involved looking deeply into existing certification programmes and systems, gaining advantage from their experience. This led to the establishment of a system that guarantees transparency, independence and credibility for all parties involved. It also led to a system that easily conforms to international standards, allowing a very rapid acceptance by EU. The above, of course, helped the certification agency to get recognised as equivalent by other countries.

- Finally, the coordination of government and private sector, with the former setting up the rules and the basic national standards, and the latter responsible for the inspection mechanisms, has proven most efficient in assuring transparency, independence and credibility to third parties."

We should also emphasis the importance of continuously networking with organic stakeholders throughout the world, through constant participation in international fairs, exhibitions, seminars and collaborative taskforces. By attending international organic markets it has been possible to gain trust and confidence in Argentine organic products and their producers.

# Balkan Biocert

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## *Start up and general background*

Organic agriculture has steadily gained interest in Bulgaria since the late 1990s and since that time different consultancy and lobby organisations have been formed. These were the initiators of the establishment of a local certification body (CB), as its absence was identified as a bottleneck in the further development of the organic sector in Bulgaria. Governmental regulations for organic production and certification were also developed requiring a professional approach to the establishment of a local CB.

As a consequence, stakeholders from the organic movement, lead by Bioselena, a local extension service, and BioBulgaria, a marketing cooperative, worked together to form a CB. In 2002 all organisations involved in organic agriculture, as well as the Accreditation Service and the Ministry of Agriculture, were invited to an initial workshop to introduce the idea, discuss the structure and identify interested shareholders. The aim of this initiative was to offer affordable certification services to local farmers and processors in order to facilitate market access. In 2003, Balkan Biocert was founded to offer its services in Bulgaria and neighbouring countries. Due to Swiss funding it was possible to have two full-time staff right from the beginning.

Notwithstanding some difficulties to find a suitable manager at the beginning, the company is managed by Gergana Nentcheva, who has played a key role in the achievement of the organisation, since mid 2004.

Needing technical and financial support to establish a local certification body, the initiators and current shareholders of the company approached Swiss partners and subsequently set up a project, lead by the Swiss Research Institute for Organic Agriculture (FiBL) and financed by the Swiss State Secretariat for economic affairs (SECO).

### *Structure and organisation*

Balkan Biocert is a shareholder company, owned by stakeholders of the organic movement in Bulgaria. The shareholders include traders, organic farmers' associations, consultancy companies and environmental interest groups. The company remains open to new shareholders. Since the establishment of Balkan Biocert in 2003, fluctuations in the shareholder group have occurred for reasons not related to the business operation of the company.

Since Bulgaria is a small country and organic agriculture is not yet well developed the plan is to include offering services in the neighbouring countries. Since 2003 inspections have been conducted in Macedonia and in 2005 an office was established in Skopje (Macedonia) as required by Macedonian law. In 2006 Balkan Biocert had five staff members in Bulgaria (General Manager, Quality and Certification Manager, two inspectors and one administrator) and two in Macedonia (Manager and inspector). Members from both countries are represented in the Certification Commission and in the Supervisory Board of Balkan Biocert.

### *The standards*

Bulgaria has had national standards on organic crop and livestock production since 2001. Balkan Biocert certifies operators either to the Bulgarian legislation or to the EU Regulation, depending on the wishes of the client. Since certification to the Bulgarian standards is mandatory and most operators are interested in certification for exporting within the EU, there is no interest in the organic sector to develop private standards.

### *Cooperation and partnerships*

Balkan Biocert cooperates closely with IMO, an international certification body based in Switzerland. When Balkan Biocert was founded the Bulgarian legislation had just been passed, requiring certification bodies to be approved by the Ministry of Agriculture. According to the law, approval by the Ministry is only possible when the certification body has been accredited by the national accreditation body, BAS. Although Balkan Biocert applied for accreditation in autumn 2003 it took almost two years for it to become accredited and subsequently approved by the Ministry. In the interim period, from application until approval, Balkan Biocert was not allowed to certify in Bulgaria. However, the Ministry accepted international certification bodies, like IMO, to certify Bulgarian operators. Therefore, for the first years Balkan Biocert focused on the acquisition of clients and inspection, while certification was provided by IMO.

Other important partners for Balkan Biocert are the local organic associations with whom Balkan Biocert is cooperating on promotional events. There are also various attempts for closer cooperation with certification bodies within the region, i.e. the Balkan area in general, especially with Albania where cooperation in certification is currently being discussed.

### *Inspection, certification system and training*

Balkan Biocert adopted, to a large extent, the inspection system used by IMO. IMO provided the inspection forms and related documents such as requests for the use of external farm inputs. IMO-documents have been translated into Bulgarian and adapted for Bulgarian conditions. In addition, Balkan Biocert's inspectors were trained by IMO. Training covered inspection procedures and standards, such as the Bulgarian legislation, EU Regulation 2092/91 and at a later stage other standards such as Bio Suisse, Demeter, US National Organic Program (NOP) and EurepGAP. New inspectors first accompanied a senior inspector from IMO until they were familiar with the inspection procedures. They were then supervised conducting their own inspections before they are authorised to conduct inspections on their own. After some time the senior inspectors from Balkan Biocert took over training and supervision activities and IMO concentrated more and more on supervision and specific technical support.

Certification activities started when Balkan Biocert was approved by the Ministry at the end of 2005. In the first year of approval only farmers requesting certification to the Bulgarian legislation were certified by Balkan Biocert. Since then operators interested in certification for the EU or Swiss market have been able to choose between certification by Balkan Biocert or IMO. For the latter, Balkan Biocert conducts the inspection and submits the inspection report to IMO for certification.

The close cooperation with IMO has brought many advantages for Balkan Biocert. For example, they were able to quickly incorporate a very differentiated standard control system, covering all relevant scopes such as crop production and animal husbandry as well as more specialised areas like bee-keeping and wild collection. Acceptance by the German competent authorities for imports was quite easy since the authorities were familiar with and appreciated the IMO system. On the other hand it was not so easy to adapt the forms for Bulgarian conditions. It is difficult for personnel with little experience in inspection and certification to revise well developed and established forms. It was obvious that these forms had been developed for international conditions and not for Bulgaria's typical small farms. Also, experience and good understanding of the standards is needed to assess how questions could be phrased simpler or differently to address specific conditions. Another problem was for the purpose of certification, IMO's policies had to be implemented. Again, on one hand it was a big advantage to be able to rely on the experience of IMO, but on the other hand the specific structure and bureaucracy in Bulgaria, e.g. the difficulties to receive confirmations from the local authorities and their validity, were not handled in the best manner. With the limited experience in inspections and being overloaded with work it was hard for Balkan Biocert to develop alternative proposals.

The majority of the training regarding inspections was provided by IMO, and by FiBL concerning the establishment of the certification body and EN 45011 accreditation. Whenever possible Balkan Biocert staff also participated in training provided by local bodies, e.g. on ISO 19011 or HACCP or an introduction in organic agriculture by the Plovdiv University.

### *Recognition*

As required by Bulgarian law, Balkan Biocert is accredited to EN 45011/ISO 65 by BAS, the Bulgarian accreditation body. A major problem and partly a reason for the lengthy accreditation procedure, was a dispute on whether it is a conflict of interest for a certification body to have farmer organisations as shareholders. After some time it turned out that a mistake in the Bulgarian national translation supported a different interpretation of the requirements. The dispute was finally resolved by referencing various European accredited certification bodies owned fully or partly by farmers' organisations, as well as by establishing policies and procedures to prevent any undue influence from farmer organisations. The Macedonian branch office had, in addition to applying for EN 45011-accreditation by the Macedonian accreditation body IARM, a provision set by the government in the course of the subsidy programme for organic production. Balkan Biocert has been in regular contact with many relevant competent authorities for import authorisations in Europe and received confirmation by them for recognition of their certification for issuance of import authorisations. In January 2007 Bulgaria will become a member of the European Union and no import procedures will be necessary for Europe anymore.

Balkan Biocert staff are also trained for US NOP inspections, however certification is offered in cooperation with IMO. Since Europe is the main export market for Bulgaria and requests for certifications other than the EU certification, is low, there are no plans to apply for additional accreditations.

### *Basic data*

In 2005 Balkan Biocert had a turnover of about 35,000 Euros with a strong growth trend; and 140 operators had been inspected, two thirds from Bulgaria and a third from Macedonia. Due to recent subsidy programmes in Bulgaria, there is a high demand for certification in 2006.

The Balkan Biocert fee schedule has two different ways of calculating fees; either it can be based on an hourly rate or by the farm size. Farmers can choose which option they prefer. For small farmers the rate by hectare (differentiated by crops) is the preferred option whereas for larger operations the rate per hour is more favourable.

### *Key success factor*

For the development of Balkan Biocert, cooperation with local partners and the commitment of shareholders in the founding process and during the difficult first year was very important; as was the close cooperation with Swiss partners FiBL and IMO and the financial support by SECO. Nevertheless, the key factor was the personnel of Balkan Biocert; after an arduous start it was the commitment, the reliability and qualification of the staff and the team spirit that made the turnaround in the development and led the company onto the path of success.

## *Challenges and looking forward*

The current challenge for Balkan Biocert is expansion of the business since the project will phase out in 2007 and from 2008 onwards Balkan Biocert will have to be fully depend on its income from services offered. Balkan Biocert is currently developing a new business plan for the next few years and calculating the costs, expenditures and necessary investments for the Bulgarian and Macedonian activities. The subsidy programme from the Bulgarian Government has contributed to the increased number of clients, but also provides new challenges as many of the new clients are not familiar with organic agriculture and are not sure whether they will continue with organic certification. Balkan Biocert is planning to introduce new services such as EurepGAP and diversify its services on offer. In January 2007 Bulgaria becomes a member of the European Union. Balkan Biocert is prepared for that and is familiar with the EU Regulation 2092/91, but it is difficult to assess whether and to what extent this will influence the development of Balkan Biocert.

## *Reflection*

Looking back at the five years of development it may be concluded that they were hard times and a lot of work, sometimes too much work. But establishing Balkan Biocert was worth the effort, and the future for the company is promising – an opinion that is also shared by the shareholders of Balkan Biocert.

## Egyptian Center of Organic Agriculture (ECOA)

**Author:** Dr Yousef Ali Hamdi

### *Organisation details*

| | |
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### *Starting up and general background*

Egyptian Center of Organic Agriculture (ECOA) was founded in July 1998. It is a control body in the field of inspection and certification of organic products within and outside Egypt. It is an independent entity and is not a part of any larger organisation.

ECOA has been an EN 45011 accredited control body, according to the EU accreditation system, since August 2000, accredited by the German accreditation body DAP. ECOA's current accreditation issued on 5 July 2005 for organic control and EurepGAP is valid until 4 July 2010. ECOA has been an active member of IFOAM since 1998. ECOA was accredited to Tesco's Nature's Choice standard in October 2006. In addition to issuing EU organic certificates on its own, it also issues certificates for the US National Organic Program (NOP) and the Japan Agricultural Standard (JAS) in collaboration with QAI.

### *The standards*

ECOA has not developed its own private organic standards. There is a draft of the Egyptian national standards that is expected to come into force in the future. ECOA certifies according to the EU Regulation and its amendments. The guidelines of Naturland and Bio Suisse are followed. NOP and JAS standards are applied on commodities shipped into USA and Japan, respectively.

### *Structure and organisation*

The number of stakeholders (general assembly) at ECOA is seven. The board of directors is composed of three members including the Chairman and the Managing Director. ECOA's remaining

staff includes the Chief certifier, Chief inspector, four inspectors and an administrator. The Quality Control Manager is the Managing Director.

### *The inspection and certification system*

The inspection and certification system includes registration, inspection and certification. Farms and processors are registered after being visited to check the suitability for organic agriculture and having been given code numbers. Farms and processors are inspected to control the implementation of EEC 2092/91 Regulation, or other standards depending on the market to which the products are shipped to. Farms, processors and organic products are given certificates if found in compliance to the standards.

### *Partnership*

ECOA stands alone with no partnership. However, ECOA collaborates with QAI for NOP and JAS certificates. It also collaborates with Naturland and Bio Suisse for their respective certificates.

### *Training*

The staff of ECOA attend training within and outside Egypt. Major subject areas covered are organic agriculture, EurepGAP, Tesco's Nature' Choice, HACCP, biological control, etc. ECOA staff also participate in training courses given to farmers, extension personnel, exporters, processors, etc. to increase their awareness and skills in organic agriculture.

### *Recognition*

ECOA is recognised and accredited by DAR_ZE of the German accreditation counsel for organic agriculture and EurepGAP. Accreditation is valid till April 2010.
ECOA is recognised in all the markets in the EU, USA and Japan.

### *Basic Data*

Activities of ECOA have been growing since establishment in 1998.
Number of farms in 1998 was 75, increased to 550 by 2006.
Total area cultivated in 1998 was 3,377 acres (1370 ha), increased to 15,000 (6070 ha) by 2006.
Number of firms in 1998 was seven increased to 50 by 2006.
Number of issued certificates in 1998 was 110, increased to 1,500 by 2006.
ECOA certifies for EU, NOP, JAS, Naturland, Bio Suisse, EurepGAP and Tesco's Nature's Choice standards. Annual turnover of the company is very modest. It is between 60 to 67,000 dollars

per year. Fee structure varies according to the certification standards used.

### *Reflections and looking ahead*

ECOA activities have been growing since it was established in 1998.The scope of certification offered by ECOA has been broadening through persistency and patience. The lack of an Egyptian law for organic agriculture is a challenge. ECOA will work with authorities to legalise the present draft. The goal of ECOA is to extend the scope of certification to include BRC, HACCP, and ISO 22,000.

## KRAV

**Author:** Gunnar Rundgren

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### *Starting up and general background*

Organic farming was established in Sweden in the 1930s by bio-dynamic farmers. It received an injection of energy in the late 1970s by the growing concern for the environment. It then started to appear in the agriculture debate, but was still seen as mostly something for home gardeners and not for professional farmers. Up to this point organic farming had been promoted by a few NGOs, with little linkage to the market place or to the agriculture sector at large.

In 1983 the first marketing cooperative for organic products was formed with the expressed strategy to sell organic products to normal people in normal shops. The following year the Organic Farmers Association (OFA) was formed. Its task was to organise and represent the professional organic farmers, at this time less than 200, in the country.

With marketing to retail chains, the need for some kind of quality assurance was raised by producers and retailers alike. Both parties felt that there was a need for a unified mark under which organic products could be marketed. On the initiative of the OFA the certification organisation KRAV was founded in 1985. The existing organic NGOs, the National Farmers Union (LRF) and the Swedish consumer cooperatives (KF) were invited to join KRAV. The stakeholders visited the Ministry of Agriculture to inform it of the initiative and to seek political and financial support. Moral support was given by the Ministry.

### *The standards*

The first standards developed by KRAV were very simple, inspired by existing standards of the NGOs and the IFOAM standards. In 1985 the whole standard fitted on one page. The approach was mainly to codify what already existed in practice. The contentious issues were the regulations on conversion period, parallel production and the use of treated seeds, which at that time

was widespread among organic farmers. The first standard covered only crop production, but was rapidly expanded to storage and handling, and included livestock in 1988. The standards were adopted at the KRAV General Assembly by the members (i.e. the organisations mentioned above).

### *Structure and organisation*

KRAV is a federation of organisations. The idea was to have all actors in the agriculture and food sector represented as members, including those involved in conventional farming, as they were seen as the future organic farmers. In the first year the members were the OFA and three NGOs. After one year KF and LRF joined. Many more organisations joined later, e.g. environmental organisations, animal welfare groups, trade associations etc. The total number of member organisations today is 28.

The organisation was initially very slim, mainly a three-person working board. The secretary of the Board was employed half-time for the first four years, and only got an assistant in the third year of operation – when the number of operators had reached 600. The two other Board members did not do administrative work but did do a lot of the standards, policy development and networking - with a symbolic compensation. There were no committees. Inspectors were free-lance, most of them employed by the County extension services, where they were paid an addition small hourly fee for the work.

The finances were based on the fees paid by producers. In addition, KRAV received some financial support in the first years from a charitable foundation, and from LRF and KF. Linked to a first government support programme for organic 1989, KRAV received some limited financial support from the government.

### *The inspection and certification system*

All farmers were inspected annually, and the inspectors filled in a simple inspection report. If there were no problems noted, a certificate was issued. If there were non-conformities, the Board discussed the appropriate measures to take.

*Basic data*

| | 1985 | 1989 | 1995 | 2005 |
|---|---|---|---|---|
| Turnover: | Approx. 100 000 SEK (11,000 Euros) | Approx 2 million SEK (220,000 Euros) | 13 million SEK (1,428,000 Euros) | 49 million SEK (5,385,000 Euros) |
| Number of producers: | 150 farms | 1,600 farms 90 other operators | 2,621 farms 800 other operators | 3,000 farms 1148 other operators |
| Staffing | 0.5 | 3.5 | 26 | 71 |

1 Euro is approximately 9.10 SEK.

Since mid 1990s most of the inspections have been conducted by full time employees.

In the period 1995 to 2003 KRAV also had a fairly substantial international inspection and certification operation with more than 20,000 certified farmers in a dozen of countries.

## *Training*

When starting the inspection and certification system, there was very little knowledge in KRAV and elsewhere on how to manage such a system. The Board members read relevant literature, and studied some of the other existing certification schemes for organic systems, e.g. the Soil Association in the UK and Nature et Progrès in France. The Board organised trainings for the inspectors, which over the years became more advanced and focussed.

Today new inspectors are introduced with the following training:
Auditor training according to ISO 19011: 2 days
KRAV's standards and their application: 0.5 day
Procedures for inspection visits and reporting: 1.5 day
Practical field work with another inspector: 3 – 4 days

For the existing inspectors there are also internal two-day workshops for inspectors conducted twice a year. In addition, at the regional level, groups of inspectors make "calibration inspections", when all the inspectors inspect the same operation and thereafter the results are discussed.

## *Recognition*

Operating in a non-regulated market and mainly for the domestic market, recognition for KRAV was about being recognised as a serious partner by the market actors and by the consumers. The

strategy to have all important actors as members of the KRAV largely contributed to achieving its aim. Also the government, even if there were not formal regulations, referred to KRAV as being a reliable organisation. In 1990, a County Governor became chairperson of the KRAV Board, one more step towards respectability. That person had also been a director of the LRF and thereby had a vast network in the food and agriculture sector.

A bigger issue for KRAV was how to recognise other certification bodies. There were (and are) substantial imports of organic products into Sweden. KRAV's strategy was to establish the KRAV mark as THE mark for organic products in Sweden. Therefore, it had to find ways of having imported products carry the KRAV mark. At that time there were no mechanisms in place to be able to judge the reliability of foreign certifications. KRAV embarked on a process to evaluate other certification bodies by visiting them. Seeking more efficient and long-term solutions KRAV also became involved in the early attempts by IFOAM to evaluate certification bodies (IFOAM had such a programme from the late 1980s to 1992). KRAV was the first organisation to become IFOAM Accredited in 1994, not because it needed it for its own recognition, but in order to convince other certification organisations to join.

When the EU Regulation came into force there were some small exports to the EU, and Sweden had to go through the process of becoming an approved third country. This was achieved with close cooperation between the authorities and KRAV, and it required the authorities to exercise some kind of oversight of KRAV. KRAV had already installed a system of internal audits to ensure the proper execution of the system, and a civil servant from the Board of Agriculture has been one of the two internal auditors for several years. This meant there was no big step for KRAV to take in order to become more formally under government supervision, and KRAV was officially recognised by the Board of Agriculture (an agency under the Ministry). The regulation implemented by Sweden to get on the third country list was light and without bureaucracy and served its purpose, allowing KRAV to continue its business and maintain its standards as written. Once Sweden became a member of the European Union in 1995, this changed as the EU Regulation became law in Sweden. A slow process started where KRAV's standards gradually became more aligned with the EU Regulation and government supervision become more and more formalised.

As of 2006 organic certification bodies in Sweden have also had to be accredited according to the ISO 65 by the national accreditation body. KRAV has not sought accreditation by the US National Organic Program (NOP) or Japan Agricultural Standard (JAS), but helps operators needing such approvals to get it through other certification bodies.

On the private sector level, KRAV is a signatory of the IFOAM Accredited Certification Bodies' Multilateral Agreement, and is internationally well respected and recognised.

### *Future challenges and learning points*

In 2006 KRAV decided to separate the inspection and certification business to a subsidiary company, Aranea. Aranea will also develop certification services into other areas such as BRC and

EurepGAP certification. KRAV is currently discussing whether it will open up its certification so that any certification organisation (recognised by KRAV) could offer KRAV certification. The mother organisation, KRAV, will maintain the ownership of the KRAV standards and will work with promotion and market development. In 2006 KRAV experience real competition in the Swedish organic market place for the first time, with another certification body offering organic certification.

A key success strategy was the inclusion of all important stakeholders in KRAV. It gave KRAV recognition and support, from authorities and in the market place. Another important feature was the pragmatism by which KRAV implemented its system, seeking solutions for problems and working for market actors. Some of this pragmatism is, unfortunately, not applicable today as regulations are increasingly prescribing solutions.

The handling of imports (re-certification) was a stumbling block for many years. In retrospect, it would perhaps have been more successful to have had a more relaxed attitude and to have applied less scrutiny. That is, however, not possible to combine with IFOAM accreditation.

The use of free-lance inspectors is very difficult to combine with quality and internal development of the organisation. KRAV did gradually move towards full-time inspectors, but this move should probably have been made earlier.

The KRAV standards have been developed into great detail, sometimes because of internal pressure, sometimes because of external pressure (the EU and IFOAM). They now consist of 165 pages. Somehow the number of rules producers have to follow seems to be getting out of control.

The transformation of KRAV, from a movement-based organisation to a professional certification services, has been a process executed by many small steps. However, now that this process is completed it is obvious that something got lost in the process. In a meeting in October 2006 a farmer said: 'Before you felt that you were a part of KRAV, today you are seen as a "client".' As a result of regulations the possibilities for KRAV to act differently is rather limited.

## Organic Food Development & Certification Center of China

**Author:** Xiao Xingji

### *Organisation profile*


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### *Starting up*

The former organisation of Organic Food Development and Certification Center of China (OFDC-China) was the Rural Ecosystem Division of Nanjing Institute of Environmental Science (NIES), National Environmental Protection Agency (NEPA) of China. It was the earliest organisation involved with eco-agriculture and organic agriculture in China. In 1989, it joined IFOAM and became the first Chinese organisation to participate in the international organic movement.

In 1994, influenced by the rapid development of the international organic agriculture movement and the increasing demand for certified organic food in the international organic food market, the NEPA approved a proposal by the Rural Ecosystem Division of NIES to establish the Organic Food Development Center of NEPA (OFDC-NEPA) to conduct organic agriculture research and certification. All the people involved in its foundation were staff (engineers, professors, etc.)] or officials from NIES or NEPA.

During the start-up period, NIES and NEPA gave a small financial contribution to the programme. However, the major financial support came from research project funds of OFDC-NEPA itself. All the people involved in the OFDC worked for governmental organisations or offices and got their salaries through the same. In December 1998, the name of NEPA was changed into the State Environmental Protection Administration (SEPA); the name of OFDC-NEPA was also changed into OFDC-SEPA.

### *The standard*

In 1995, OFDC-NEPA developed the "Organic Food Production and Processing Criteria" and "Organic Food Logo Management Rule", and set up the first organic certification system in China. Along with the development of the organic sector in China and organic standards worldwi-

de, OFDC-SEPA developed its own OFDC Organic Certification Standard in 2001, based on the IFOAM Basic Standard and related standards in the EU, USA, Japan, for reference. The OFDC standard is the oldest and most comprehensive standard in China.

The OFDC Organic Certification Standard has been updated once a year since 2002. The recent version was updated on July 1st, 2006. Since the issuance of the China National Organic Products Standard (CNOPS), operators have a choice of certification standards. Most operators choose the OFDC standard together with the CNOPS, as OFDC is currently the only IFOAM accredited certification body in China, and operators want to distinguish their products from other organic products with the IFOAM logo.

Currently, OFDC Certification Standard is considered to be the strictest organic standard in China. The high requirements demanded of operators by this standard may cause some operators to not to choose OFDC certification. However, OFDC operates two standards for certification, OFDC standard and the national standard, and OFDC must clearly indicate which operators are certified to which standard. In addition, different logos must be delivered to operators, an administrative duty that has increased OFDC's workload. (China National Organic Logo Management Rules require China national organic logo to be delivered to operators by CBs). In China, as in other countries, too many kinds of certification standards and logos usually cause confusion to operators, consumers, and even certification bodies (CBs).

### *Structure of organisation*

The predecessor of OFDC-China was the Organic Food Development Center of National Environmental Protection Agency (OFDC-NEPA), which was established in October 1994. The OFDC-NEPA was established with five departments:

- Research and Development
- Quality Inspection and Testing
- Certification and Labelling
- International Cooperation
- Financing and Administration

OFDC-NEPA not only worked with certification but also with other activities such as research, consultation, and policy study, etc., which were related to the development of organic agriculture.

On July 15, 2002, China Organic Food Development and Certification Center (OFDC-China) was set up as a non-profit organisation by Nanjing Institute of Environmental Science (NIES) of the State Environmental Protection Administration (SEPA). After years of development, OFDC-China has become more specialised in certification, and its current organisation structure is given below.
In 2002, the original OFDC-SEPA was separated into OFDC-SEPA and OFDC-China. All the certification affairs of the original OFDC-SPEA were assigned to OFDC-China, and the current orga-

nisation structure of OFDC-China was set up according to accreditation requirements of IFOAM and China National Accreditation Service for Conformity Assessment (CNAS). Other responsibilities, such as research, consultation, and policy study still belong to the present OFDC-SEPA.

### *The inspection and certification system*

The original OFDC-SEPA was set up with responsibilities of certification, research, consultation, and policy study, etc. In 1995, OFDC-SEPA set up 11 branches in over one third of the provinces in China. Branches only conducted inspections for OFDC-SEPA, and had no right to make certification decisions.
At present, OFDC-China is a third party certification body focusing on organic inspection and certification, with the inspection and certification income as its operating budget.
Major responsibilities of OFDC-China include:
a) Handling applications for organic product certification
b) Implementing organic inspection and certification
c) Issuing organic product certificates
d) Supervising and managing use of the organic product logo by operators

Main certification procedure of OFDC-China is as follows:
a) Application acceptance
b) Inspection preparation
c) Inspection
d) Inspection report evaluation
e) Certification decision

The main department involved with inspection and certification is the Inspection and Certification Department. The Certification Committee is responsible for decision making. There are 20 internal inspectors and 28 external inspectors working for OFDC-China presently.

The inspection and certification system of OFDC-China has been adjusted and improved gradually according to accreditation requirements of IFOAM and CNAS. The current inspection and certification system has been improved considerably in the last five years. Nevertheless, the old problem of a shortage of inspectors remains, as the increase in inspector numbers cannot keep up with the growth of certification cases.

### *Partnerships*

From 1997 to 2002, OFDC-SEPA and Gesellschaft fur Techniscshe Zusammenarbeit (GTZ) jointly implemented a Sino-German project “Development of Organic Agriculture in China”. After this project, OFDC-SEPA continued project cooperation with organisations such as Amber Foundation, Greenpeace International, Nanjing Agricultural University, Cheung Kong (Holdings) Limited, etc., in many organic agriculture research in regions all over China.
Currently, OFDC-SEPA has launched and implemented a number of research and demonstration

projects, such as the programme "Environmental Security and Technical Research for Agricultural Products", and is participating in some regional organic food development programmes in Xinjiang Uygur Autonomous Region, Guiyang Municipality, Panjing Municipality and so on. OFDC-SEPA is mainly involved with research and demonstration projects but still has a close relationship with OFDC-China. From the technical support and assistance of these programmes, OFDC-China improves its certification standard, quality control system, internal management mechanism, and certification procedures.

In order to help Chinese operators enter international organic markets, OFDC-China has closely cooperated with OCIA since 1995. Today, OFDC can offer inspection services for Chinese operators for OCIA certification, which provides access to markets in USA, Japan, EU, Canada, and other countries in the world.

### *Training*

OFDC-SEPA has held annual national training workshops on organic food development since 1994. It has held 13 national training workshops on organic food development to-date [2006]. More than 3,000 people, consisting of governmental officials, technicians, producers, traders and processors, have participated. The number of indirect beneficiaries from these workshops is reaching to about five hundred thousand. In addition, OFDC-SEPA conducts regular training courses for organic enterprises and farms in different regions of the country each year. Such trainings have made significant contributions to China's organic development.

The trainings usually contain information on the organic agriculture concept, technology, policy, market information, and certification norms, etc. Trainers from government, institutes, farms, processing plants, commerce companies and CBs are invited. However, studies on organic agriculture in China are still in the early stage and need further work in many fields, especially production technologies, market information and policy support.

### *Recognition*

Before 2002, SPEA was responsible for the national organic agriculture management, and thus OFDC-SEPA was recognised by SEPA. In 2002 the Certification and Accreditation Administration of China (CNCA) was authorised by the State Council to be responsible for the administration of certification and accreditation in China. Then CNCA authorised the China National Accreditation Service for Conformity Assessment (CNAS) to conduct accreditation to all the certification bodies. OFDC-China was approved by CNCA and accredited by CNAS in 2004 as an organic certification body. OFDC-China has also been IFOAM accredited since 2002. OFDC certified products are recognised by all the domestically accredited CBs, and most of IFOAM accredited foreign CBs.

Recognition is a key issue for trade in organic products. As many Chinese organic products are aimed for international markets, especially the USA, EU, and Japan, OFDC is considering getting accreditation by the US Department of Agriculture, the EU Commission, and the Japanese

Ministry of Agriculture Forestry and Fisheries (MAFF). However, as there is still a long way to go to before obtaining the list of international accreditations, cooperation with foreign CBs for international certification is expected to continue in the long future.

### *Basic data (end of 1st year and 2005)*

| YEAR / DATA | END OF 1ST YEAR (1999) | 2005 |
|---|---|---|
| Turnover | 0.8 million RMB (78,000 euros) | 4.5 million RMB (440,000 euros) |
| Number of producers | about 70 | about 400 |
| Staff number | 10 | 28 |
| Fee structure | government budgets and research project funds | inspection and certification income |

### *Reflections and looking forward*

Looking back at the development of OFDC, policy, financial, and technology support from the Chinese government, various international programmes and other organisations have been very important and helpful to the establishment of OFDC.

At present, the intensive competition of domestic organic certification bodies is the priority challenge to OFDC. In order to address the situation, the following measures must be adopted in the future:

- improve competitive ability (credibility, efficiency, international recognition) of OFDC
- provide value added services such as exhibition, workshop, training, publication for operators

#### *Lessons learnt*

- It is very important to have qualified personnel to form an entity and start the certification programme
- Some financial support is needed to start the programme
- Governmental support is of vital importance in China
- Help from other cooperative organisations is also important

### *Advice for new initiatives*

According to the experience and lessons of OFDC, it is not only useful but necessary for a new initiative to master enough knowledge on ISO65 and ISO9000, in order to strengthen management systems of a certification body.

## TANCERT

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### *Starting up and general background*

TanCert provides services for inspection, certification and quality assurance for organic products in Tanzania. It strives to provide affordable certification services to facilitate market development of organic products locally and worldwide. It certifies to standards for the local market as well as standards for the export market. Both were developed through stakeholders consultation based on IFOAM Basic Standards (IBS).

TanCert is working towards being accreditation to IFOAM and ISO 65 by the end of 2007 to get international recognition. In addition to providing inspection and certification services, TanCert member organisations provide local training activities to farmers, producers, processors, traders and exporters about certification and standardisation.

### *The people and supporting institution(s)*

The organisation is supported by its members who are local community based NGOs. Since its establishment, TanCert has also enjoyed support from EPOPA, the export promotion programme funded by the Swedish government and Grolink, an international consultancy service based in Sweden. As a member of IFOAM the organisation has been supported accordingly. More support is required as the organic sector in the country is just emerging, and certification management and other inspection and certification aspects are not well developed.

### *Resource mobilisation*

TanCert has local human resources and external funding through the EPOPA programme, but that is ending in June 2007. Other sources are from members' fees and other flanking activities.

### *The standards*

When TanCert began, there were no set organic standards in the country. TanCert developed standards for organic production in the country based on the IFOAM Basic Standards (IBS), which were adapted to local conditions. Their development was achieved in a participatory way, involving all stakeholders for organic production in the country. The standards cover aspects of crop, livestock, wild collection, bee keeping and social justice.

### *Structure and organisation*

TanCert is a member based organisation managed by full time employed staff, who work under close supervision of the Board. The annual General Assembly is the main decision-making body for all matters concerning the rules and policy of the organisation.

### *The inspection and certification system*

TanCert does inspection services for both domestic and international markets. Certification for domestic market is done by TanCert. Major areas covered for inspection include:

- Organic
- Utz kapeh
- EurepGAP
- Bee keeping

TanCert plans to also include inspections for

- Fair trade
- Marine Stewardship Council (MSC)
- Starbucks

### *Partnerships*

TanCert is open to partnership with any certification organisation whenever the need arises. It currently works closely with IMO. At the same time it is working hard to establish its own identity internationally.

### *Training*

TanCert trained 32 inspectors in collaboration with Grolink consultants. Two personnel are trained in certification management.

### *Recognition*

TanCert is member of IFOAM and is working towards IFOAM and ISO 65 accreditation.

### *Basic data*

TanCert managed to cover about 30% of its budget at end of 2005. There are about ten producers growing crops for the domestic market and 20 for export. More producers are registering for organic production in the country, and the growth rate is increasing.

### *Reflections and looking forward*

Key element of success during the starting phase included:

- Unity among members
- Self motivation
- Good local knowledge about the production systems and culture of the people
- Timely assistance from EPOPA

Current priority challenges

- Government policies that might threat development in this sub sector
- GMOs
- Low rate of domestic market growth
- The low capacity of the institution
- High costs of accreditations
- Low turn over from international and domestic certification services

How to meet challenges

- Get accreditation
- Improve operator's access to TanCert's services
- Improve quality of services
- Remaining as a private service organisation

**To Dos**

- Accreditation
- Partnership and collaboration with other CBs
- Local standards development

**Don't Dos**

- Regulation of CBs by governments
- Use external inspectors

## Washington State Department of Agriculture

### *Organic Food Program*

**Author:** Miles McEvoy

### *Organisation profile*


| | |
|---|---|
| Full name of organisation: | Washington State Department of Agriculture |
| Contact person: | Miles McEvoy |
| Position: | Organic Program Manager |
| Addresses: | P.O. Box 42560, Olympia, WA 98504-2560, USA |
| Office telephone: | 01-360-902-1805 |
| Fax: | 01-360-902-2087 |
| Email: | organic@agr.wa.gov |
| Website: | http://agr.wa.gov/FoodAnimal/Organic/default.htm |


### *Introduction*

Washington State is in the northwestern corner of the United States. Agriculture in western Washington includes dairies, soft fruit such as raspberries and blueberries, potatoes, vegetable seed crops and direct market vegetable operations. In eastern Washington the farms tend to be larger. Crops include apples, cherries, grapes, potatoes, sweet corn, wheat, hops, mint, beans, and barley. The growth in organic and sustainable agriculture in Washington State has been phenomenal. The state's organic food industry has grown a hundred-fold since 1988. Farmers' markets are thriving and provide a gathering place that improves the quality of life of the community as well as providing economic well being for many small farms. Community supported agriculture (box schemes) supports dozens of farms throughout the state. Domestic and export markets have expanded and provide markets for hundreds of organic farms. The Washington State Department of Agriculture's Organic Certification Program, started nearly 20 years ago, has been an integral component in the development of organic agriculture in Washington State.

### *Beginnings*

In 1987 the Washington State legislature authorised the establishment of a government organic certification programme, which was the first in the United States. The Washington State Department of Agriculture (WSDA) Organic Food Program certified 63 organic farms in the first year. These farms were relatively small with total organic sales in 1988 being $2.5 million.

The WSDA Organic Certification Program evolved out of the Tilth Producers certification programme. Tilth Producers certified organic farms from 1977 to1987, but for a variety of reasons wanted to transfer certification work and authority to the state. WSDA worked with Tilth

and the organic community in a spirit of open communication. The agency wisely allowed the organic community to direct the development of the WSDA organic programme. WSDA established an Organic Advisory Board that met often to direct the programme. Assistance from California Certified Organic Farmers (CCOF) and Oregon Tilth (farmers' association operating certification programmes in California and Oregon) was also critical at this time. Members of Tilth Producers believed that government could play a positive role in the development of organic agriculture. At the same time they held a healthy skepticism of WSDA's commitment to organic agriculture. Leaders within WSDA believed that the role of WSDA was to provide a public service to all of the citizens of the state including the organic food industry.

By 2006 WSDA Organic Food Program has expanded to include nearly 1,000 certified organic operations. WSDA has a material registration programme to evaluate and approve products for organic agriculture. Currently, there are over 450 products registered. The programme has seven full time inspectors, five certification officers (reviewers), three administrative staff and two managers. The WSDA Organic Food Program certifies to the US National Organic Standards and the EU Reg. 2092/91 organic standards. The programme is ISO Guide 65 accredited (1999), IFOAM accredited (2004) and has a product acceptance agreement with the Soil Association. The programme is recognised in Quebec, and has cooperative agreements with two Japanese certifiers to provide JAS inspections for Washington organic operations.

***WSDA Organic Food Program 1988 and 2006***

| DATA COMPARISON | 1988 | 2006 |
|---|---|---|
| Number of producers | 63 | 634 |
| Number of handlers | 0 | 334 |
| Number of staff | 0.3 | 17 |
| Total organic sales | $2,500,000 | $438,000,000 |
| Organic acreage | 2,100 acres (850 ha) | 63,000 acres (25,500 ha) |
| Program's budget | $17,000 | $1,230,000 |

## *Institutional support within Washington State for organic and sustainable agriculture*

- WSDA Organic Food Program – Provides organic certification to US, European and Japanese organic standards. Enforces organic standards within the state. Funded entirely by user fees.
- WSDA Small Farm and Direct Marketing – Developed in 1998 by the WSDA Organic Food Program to support small farms and direct marketing efforts. Receives state general funds to support direct marketing activities. Addresses food regulations so that they are family farm friendly. Supports development of slaughter facilities for small farms, develops market opportunities for farmers to sell direct to schools and other

institutions, and publishes a guide to agricultural regulations for small farms.
- Washington State University (WSU) Small Farm Program – Provides educational support and technical assistance for small farms. Conducts classes on small farm production, value-added products, and marketing.
- WSU Center for Sustaining Agriculture and Natural Resources – Develops and fosters agriculture management approaches that are economically viable, environmentally sound, and socially acceptable. The center facilitates interdisciplinary linkages and coalitions among WSU, growers, industry, environmental groups, agencies, and the people of Washington.
- WSU Organic Agriculture Degree – First organic agriculture degree course in the United States.
- WSU Organic Research – Receives federal funding for organic research. Has funded organic seed research, organic pest control, organic weed control and organic agricultural statistics.

### *Non governmental agencies*

- Tilth Producers – Has a broad membership base that includes many small organic farmers. Has annual meeting, supports research and education and lobbies for organic agriculture and small farms.
- Washington Sustainable Food and Farming Network – Lobbies for organic and sustainable agriculture. Critical organisation that advocates for organic agriculture at the legislature, governor's office, state agencies, county governments, and the university.
- Puget Sound Fresh – Regional market promotion programme with their own regional label.
- The Food Alliance – Originally an alternative ecolabel programme for farmers. Standards are adopted from sustainable agricultural principles and include soil quality, low impact pest management, and social justice components. Allows the use of synthetic fertilisers and pesticides under an Integrated Pest Management model.
- Washington Farmers Market Association – Supports farmers markets within the state. The number of farmers markets has expanded from twelve to eighty-six markets in the last ten years.
- From the Heart of Washington Program – Promotes the local marketing of Washington agricultural products. Promotes better understanding of the importance of agriculture to the state's economy and people.

### *Institutional change*

So how did this happen? It took leadership, persistence, and engagement in the political process. Leadership was provided by many individuals who were outside the institutional structure but were not shy about advocating for institutional change. They worked countless hours attending meetings, meeting with legislators, testifying at legislative hearings, writing letters, and making phone calls. Success also depended upon allies within the institutions that listened and worked

within the institutional structure for change. Institutional change does not happen overnight and requires persistence and perseverance.

The first step in creating change within government institutions is legislative – getting the authorisation for a programme. The second step is obtaining funding for the programme. Without funding legislation is not worth very much. Obtaining funding requires building alliances with government agencies, using the media to promote your programme, building alliances to gain allies within the political process, and working the legislative process through attending hearings and meeting with legislators. It is also critical to avoid making enemies that can easily derail all of your work. The final step requires working closely with agency staff to ensure the intent of the legislation is implemented and not watered down by incompetence or indifference.

### *Lessons learned*

1. Large institutions (e.g. corporations, government agencies, NGOs) have vested interests and inertia that resist change. Change does not happen overnight.
2. Government can be a good ally in supporting organic agriculture. There are many good-hearted people within government institutions that are working to make a difference in creating a more sustainable future. The organic industry needs to work collaboratively with government institutions. It takes vigilance, persistence and respect.
3. NGOs and individuals need to work directly with government staffers as well as with agency and legislative decision makers. The media is an important resource to utilise in ensuring that government agencies and legislators hear the concerns of the organic community.
4. Government can be a barrier to organic agriculture. It is important to take a stand when it matters. For example, when USDA proposed to allow genetically engineered products in organic standards it was important for the US organic industry's voice to be heard.
5. The diversity of organic organisations throughout the planet has to be accepted. Organic standards must be allowed to be flexible for meeting the regional needs of each bioregion. In diversity is strength. Organic agriculture promotes biodiversity. The organic community needs to tolerate diversity amongst organic standards.
6. The international regulatory structure for organic food products is mostly in place. The EU, US and Japan have developed government organic regulatory structures that need to be accepted, respected and lived with. The IFOAM Accreditation Programme should be modified to provide accreditation to these government standards or provide a registration system that all certification agencies could afford and participate in. IFOAM should act as a watchdog for the organic regulatory agencies – EU, USDA, and Japan. IFOAM should assist indigenous certification agencies in Africa, Asia, and South America to obtain international recognition. Current international organic standards are a form of cultural imperialism that imposes first world standards on the South.
7. Organic standards need to be amendable to better understanding of farming systems. Standards need to allow the adoption of new technology and materials (e.g. mating disruption, synthetic inputs) that are science based and promote the goals of environ-

mentally sound farming systems, low impact agriculture, and support the quality of life for farmers and rural communities. Synthetic substances should not be disregarded just because they are synthetic.

8. Social justice and fair trade are important, but organic standards are not the way to address them. IFOAM should support the fair trade movement and work with organisations to establish fair trade guidelines for the south and also for industrialised countries. Additional labels will provide consumers with critical information to help drive change in the global food system. Additional labels are needed to describe fair trade for domestic products, natural raised livestock, and local marketing that promote the goals of a sustainable agricultural system.

Institutional change is a slow process. The seeds of institutional change exist within government institutions. It is important to cultivate the government programmes that support a sustainable organic agricultural system. In order for institutional change to take root and prosper it needs to give careful attention to maintaining good relationships and holding government accountable through a public process.

# PART 5: RESOURCES

## 30 Organic Inspection: Basic Training

The model below is for the complete training of an organic inspector. The training can be divided into several sessions with some practice in between. Inspectors who have already been working as inspectors can be excused from parts of the training programme.

| ACTIVITY | TIME (HOURS) |
|---|---|
| ***Theoretical modules*** | |
| Basic organic agriculture | 4-16 |
| The legal framework<br>• national<br>• international | 2 |
| The standards for production | 4-8 |
| The certification system | 4 |
| ***Inspectors and inspection*** | |
| The role of inspectors in the certification system | 2 |
| Inspectors' qualifications<br>Inspectors' conduct<br>Confidentiality and conflicts of interest | 2 |
| Inspection frequency<br>(how often and when) | 2 |
| Risk assessment and critical control points | 4 |
| Preparation of visit | 1 |
| The inspection visit | 8 |
| Inspection report writing | 6 |
| Follow-up on reports | 1 |
| Inspection quality development | 1 |
| ***Practical modules*** | |
| Mock inspection<br>• Farm<br>• Processing | 8 |
| Assessing inspection reports | 4 |
| Mock certification (an exercise to understand how the inspection report is used in the certification process) | 4 |

| | |
|---|---|
| *Practice under guidance of trained inspector* | |
| Following experienced inspector | 40 |
| Making inspection under supervision of experienced inspector | 16 |
| *Inspections under guidance of certification officer* | |
| Individual inspection | 40 |
| Critical reading and individual assessment of the reports by the certification officer | 10 reports |
| ***Final (theoretical and exam)*** | |
| Repetition of most important points | 8 |
| Test on standards, inspection and reporting | |

Ongoing training: As important as the proper initial training of inspectors is ongoing quality development. There should be annual meetings for the inspectors for the sharing of information, methodology development, and update of information.

## 31 List of Resources

### *31.1 Publications*

Certification and Related Activities, ISO 1992

Certification of Organic Foodstuffs in Developing Countries, GTZ, undated

*Codex Alimentarius* Guidelines GL 32

Grolink Inspection Handbook, Höje, 2006

Harmonization and Equivalence in Organic Agriculture, FAO, UNCTAD, and IFOAM, Rome

IFOAM Accreditation Operating Manual, IOAS 2006

IFOAM Norms for Organic Production and Processing, IFOAM, Bonn 2005

IFOAM Smallholder Group Certification Training Curriculum for Producer Organizations + Guidance Manual IFOAM, May 2004

IFOAM Smallholder Group Certification Training Curriculum on the Evaluation of Internal Control Systems + Guidance Manual, IFOAM, October 2004

IFOAM, Participatory Guarantee Systems: Shared Vision, Shared Ideals, Bonn 2005

IFOAM, Recommendations for Inspection of Social Standards, May 2005

IFOAM, Workshop on Alternatives on Certification for Organic Production, April 2004

IFOAM/IOIA International Organic Inspection Manual, IFOAM Bonn 2000

ISEAL Code of Good Practice for Setting Social and Environmental Standards, www.isealalliance.org

ISEAL 2005, Managing Conflict of Interest in Certification, London, www.isealalliance.org

ISO 17011, Conformity Assessment: General Requirements for Accreditation Bodies Accrediting Conformity Assessment Bodies

ISO 9000:2000, Quality management systems: Fundamentals and Vocabulary

ISO 9001 for Small Businesses: What to Do, ITC and ISO 2002

ISO 9001:2000, Quality Management Systems: Requirements

ISO/IEC Directives, Part 1, Procedures for the Technical Work, Geneva 2004

ISO/IEC Directives, Part 2, Rules for the Structure and Drafting of International Standards, Geneva 2004

ISO/IEC Guide 10011-1:1990(E), Guidelines for Auditing Quality Systems: Part 1: Auditing

ISO/IEC Guide 10011-2:1991(E), Guidelines for Auditing Quality Systems: Part 2: Qualification Criteria for Quality System Auditors

ISO/IEC Guide 2:1996, Standardisation and Related Activities: General Vocabulary, ISO

ISO/IEC Guide 53:1988: An Approach to the Utilization of a Supplier's Quality System in Third Party Product Certification

ISO/IEC Guide 65: 1996(E), General Requirements for Bodies Operating Product Certification Systems

ISO/IEC Guide 65:1996, General Requirements for Bodies Operating Product Certification Systems, ISO

ISO/IEC Guide 67:2004, Conformity Assessment: Fundamentals of Product Certification

## *31.2 Websites*

ec.europa.eu/agriculture/qual/organic/index_en.htm
The European Union website for organic farming.

r0.unctad.org/trade_env/itf-organic/welcome1.asp
The website of the International Task Force of Harmonisation and Equivalence in Organic Agriculture. It contains a wealth of information related to regulations for international trade in organic products.

www.ams.usda.gov/nop/
The National Organic Program of the United States. Contains the organic rules, information about how to be NOP accredited, etc.

www.ifoam.org
The IFOAM website, where you will find the IFOAM norms, information about the organic guarantee system, various guidance papers, and the IFOAM training platform.

www.ioas.org
On the website of the International Organic Accreditation Services, you will find information about IFOAM accreditation and ISO 65 accreditation by the IOAS.

www.iaf.nu
You will find information about the International Accreditation Forum and addresses of its members on this website.

www.isealalliance.org
The website of the International Social and Environmental Accreditation and Labelling Alliance has a number of policy papers and guidance papers for environmental and social certification and accreditation.

www.ioia.net
The website of the Independent Organic Inspectors Association has information on forthcoming inspection training programmes.

www.codexalimentarius.net
The website of the *Codex Alimentarius*.

www.fao.org/organicag/
The portal for organic in the FAO. Includes information on relevant legislation in many countries.

## 31.3 Journals

**IOAS e-mail update**
www.ioas.org
The e-mailed bi-monthly news brief is a free service offered by IOAS aimed at public-sector bodies throughout the world who are involved in the regulation of the organic sector.

**ISEAL Gazette**
www.isealalliance.org
Quarterly news from the International Social and Environmental Accreditation and Labelling Alliance.

**The Inspector's Report**
www.ioia.net
The newsletter of the IOIA. Published quarterly.

**The Organic Standard**
www.organicstandard.com
A monthly electronic journal for organic standards, regulations, and certification.

## 31.4 Software

**e-Cert**
Organic Services GmbH
Landsberger Str. 527
81241 Munich
Germany
Tel: +49 89 820 759-04
Fax: +49 89 820 759-19
f.gerriets@organic-services.com
www.e-Cert.net, www.organic-services.com

e-Cert is a centralized certification database solution.

**Intact Consult Lebensmittelsicherheit GmbH**
Parkring 6
8403 Lebring
Austria
Phone: +43 (0) 3182-52403
Fax: +43 (0) 3182-52403-33
mail@intact.cc

Intact supplies traceability software

**Scoringsystem, Inc.**
1800 2nd Street, Suite 760,
Sarasota, Florida 34236
United States of America
Tel: +1 941 330 1140
Info@ScoringAg.com
www.scoringag.com

Scoringsystem Inc has software for traceability.

## 31.5 Testing

### Accredited laboratories

On the web site http://www.ilac.org/members_contact_details.html you find all the members of the International Laboratory Accreditation Cooperation. There you find links to their national members (accreditation bodies). Accredited laboratories are normally listed on the web sites of the accreditation bodies.

**Genetic ID, Inc.**
P.O. Box 1810
Fairfield, Iowa 52556-9030
United States of America
Tel: +1 641 472 9979
Fax: +1 641 472 9198
info@genetic-id.com
www.genetic-id.com

Genetic ID offers a full palette of qualitative and quantitative testing options. IFOAM members and associates are entitled to a 35 per cent discount on Genetic ID PCR (polymerase chain reaction) GMO testing services.

## 31.6 Organizations of Relevance

**International Accreditation Forum, Inc (IAF)**
Mr John R. Owen
Corporate Secretary IAF
53 Manuka Circle
Cherrybrook, NSW 2126
Australia
Tel: +61 2 948 17343
Fax: +61 2 948 17343
secretary@iaf.nu
www.iaf.nu

IAF is a consortium of national accreditation bodies. It has issued guidance on the application of ISO Guide 65. Addresses to IAF members are found on the website.

International Federation of Organic Agriculture Movements (IFOAM)
Charles-de-Gaulle-Str. 5
53113 Bonn
Germany
Tel: +49 228 926 5010
Fax: +49 228 926 5099
headoffice@ifoam.org
www.ifoam.org

International Organic Accreditation Service (IOAS)
40 1st Ave West, Suite 104
Dickinson, North Dakota 58601
United States of America
Tel: +1 701 483 5504
Fax: +1 701 483 5508
info@ioas.org
www.ioas.org

The IOAS operates the IFOAM Accreditation Programme and also offers ISO 65 accreditation as well as training courses for accreditation bodies and governments.

Independent Organic Inspectors Association (IOIA)
IOIA
Box 6
Broadus, Montana
United States of America
Tel: +1 406 436 2031
ioia@ioia.net
www.ioia.net

The Independent Organic Inspectors Association (IOIA) is a professional association of organic inspectors. It offers training programmes for inspectors and accreditation of inspectors.

**International Social and Environmental Accreditation and Labelling Alliance (ISEAL)**
Unit 1, Huguenot Place
17a Heneage Street
London E1 5LJ
United Kingdom
Tel: +44 20 324 60066
Fax: +44 20 324 60066
secretariat@isealalliance.org
www.isealalliance.org

SEAL members are international leaders in voluntary standard-setting and conformity assessment.

**ISO**
Case postale 56
1211 Geneva 20
Switzerland
Tel +41 227 490 111
Fax +41 227 333 430
central@iso.org
www.iso.org

(Note that it is the national standardization organization where you live that will provide you with ISO standards and guides, and not the general secretariat.)

## *31.7 Support in Certification Development Projects*

The addresses below are to organizations that have supported development of certification programmes for organic agriculture or that may be willing to do so in the future. The list is not exhaustive. Many development agencies prefer that you contact their country offices instead of their central office.

**Asian Development Bank**
6 ADB Avenue, Mandaluyong City 1550
P.O. Box 789
0980 Manila
Philippines
Tel: +63 2 632 4444
Fax: +63 2 636 2444
information@adb.org
www.adb.org

**AusAid**
GPO Box 887
Canberra ACT 2601
Australia
Tel: +61 2 620 64000
Fax: +61 2 620 64880
infoausaid@ausaid.gov.au

**Canadian International Development Agency**
200 Promenade du Portage
Gatineau
Quebec K1A 0G4
Canada
Tel: +1 819 997 5006
info@acdi-cida.gc.ca
www.acdi-cida.gc.ca

**Danida**
Ministry of Foreign Affairs
Asiatisk Plads 2
DK1448 Copenhagen K
Denmark
Tel: +45 33 92 00 00
Fax: +45 32 54 05 33
um@um.dk
www.um.dk

**Department for International Development (DFID)**
1 Palace Street
London SW1E 5HE
United Kingdom
Tel: +44 1355 843 132
Fax: +44 1355 843 632
enquiry@dfid.gov.uk
www.dfid.gov.uk

**DGIS**
Ministry of Foreign Affairs
Directoraat Generaal Internationale Samenwerking (DGIS)
PO Box 20061
2500 EB Den Haag
Netherlands
Tel: +31 703 486 486
Fax: +31 703 488 48

**European Union**
DG DEV
1049 Bruxelles
Belgium
Tel: +32 2 299 1111
ec.europa.eu/contact/index_en.htm

**FAO**
Viale delle Terme di Caracalla
00100 Rome
Italy
Tel: +39 065 7051
Fax: +39 065 705 3152
Cable address: FOODAGRI ROME
Telex: 625852/610181 FAO I
fao-hq@fao.org
www.fao.org

**GTZ**
Postfach 5180
65726 Eschborn
Germany
Tel: +49 61 967 93172
Fax: +49 61 967 97414
www.gtz.de

**Hivos**
Raamweg 16
2596 HL Den Haag
Netherlands
Tel: +31 70 363 6907
Fax: +31 70 361 7447
hivos@tool.nl

**Inter-American Development Bank**
1300 New York Avenue, NW
Washington, D.C. 20577
United States of America
Tel: +1 202 623 1000
Fax: +1 202 623 3096
pic@iadb.org
www.iadb.org

**International Cooperation for Development and Solidarity (CIDSE)**
Secretariat: Rue Stévin 16
B-1000, Brussels
Belgium
Tel: +32 2 230 7722
Fax: +32 2 230 7082
postmaster@cidse.org

**International Trade Centre UNCTAD/WTO (ITC)**
Palais des Nations
1211 Geneva 10
Switzerland
Tel: +41 22 730 0111
Fax: +41 22 733 4439
itcreg@intracen.org
www.intracen.org

**Norad**
P.O. Box 8034, Dep.
NO0030 Oslo
Norway
Tel: +47 22 24 20 30
postmottak@norad.no
www.norad.no

**Oxfam Novib**
Mauritskade 9
Postbus 30919
2500 GX Den Haag
Netherlands
Tel: +31 70 342 1621
www.oxfamnovib.nl

**Sida**
105 25 Stockholm
Sweden
Tel: +46 8 698 5000
Fax: +46 8 208 864
info@sida.se

**Sippo**
Stampfenbachstrasse 85
P.O. Box 492
CH 8035 Zurich
Switzerland
info@sippo.ch

**Swiss Agency for Development and Cooperation (DEZA/SDC)**
Freiburgstrasse 130
CH 3003 Bern
Switzerland
Tel: +41 31 322 3475
info@deza.admin.ch
www.deza.ch

**The World Bank**
1818 H Street, NW
Washington, D.C. 20433
United States of America
Tel: +1 202 473 1000
Fax: +1 202 477 6391
pic@worldbank.org
www.worldbank.org

**UNCTAD**
Palais des Nations
8-14, Av. de la Paix
1211 Geneva 10
Switzerland
Tel: +41 22 917 5809
Fax: +41 22 917 0051
info@unctad.org
www.unctad.org

**USAID**
Information Center
U.S. Agency for International Development
Ronald Reagan Building
Washington, D.C. 20523-1000
United States of America
Tel: +1 202 712 4810
pinquiries@usaid.gov
www.usaid.gov

# *PART 6: DEVELOPING DOCUMENTATION*

This section reviews a selection of the key documents of the quality system. Some of the issues that need to be considered when compiling these documents are presented.

Note that many of the documents can be part of a larger document, e.g., the applications procedures are often part of a more comprehensive document such as the certification procedures. The quality policy is often a part of the quality manual. Whether stand-alone policies are preferred over comprehensive integrated manuals is a matter of organization and taste. If stand-alone papers are used, they are normally grouped into a logical order so that all policies and procedures referring directly to one area of work, e.g., finances, certification or inspections, constitute one "manual" (i.e., a file that contains all of them).

## 32 Quality Policy

### *What It Is*

A quality policy expresses the overall approach of the organization to issues related to quality.

### *Why It Is Needed*

The quality policy is the goal of the organization with respect to quality. The quality management system exists to fulfil the quality policy. Without a stated goal, there is no way to judge whether the quality management system is achieving its purpose.

### *What Should Be Included*

To write a quality policy, it is first necessary to consider what is meant by the word *quality* in the context of certification. It is easier to identify quality when it is applied to a product, such as a piece of equipment, than to a service, and in particular, the service of certification.

In general terms, quality may be said to have been achieved when particular attributes are present in the product or service. These attributes fulfil requirements that may be defined in standards or may simply be in the mind of the consumer.

In the case of certification, the purchaser of the service is not the only consumer. The end product of certification is a guarantee or assurance that the product or service has met a certain standard. The "user" of this assurance is both the producer, to whom the value lies in being better able to sell their product, and the consumer of the product, to whom the assurance provides confidence that his or her money is well spent. The consumer is anyone buying that product and may be the end user or another operator being supplied the product.

For the consumer, the quality of the certification service lies in the quality of the assurance. For the client seeking certification, quality may relate more to other attributes of the service. These include efficiency, competency, fairness, transparency, consistency, and cost.

In writing a quality policy, the goals and the general methods to be employed to achieve those goals should be stated. The goal must be to satisfy the expectations of both the clients and the consumers.

For the consumer this may be no more than stating that the goal is to provide reliable assurance that the production process has met the specified standard. The key word here is *reliable*. The policy may include a commitment to operate according to several principles that form the basis of a reliable certification assurance. These include competence, structural independence, objectivity, transparency, and responsibility. Establishing the goals for delivering quality service to the clients requires an assessment of their needs and expectations. In some aspects these may conflict with the goal of satisfying the consumer's expectations; they will, therefore, need to be qualified. For example, clients may desire certification to occur in a time frame that is not possible to achieve without putting at risk the reliability of the assurance. This does not, however, prevent timeliness being included as a quality goal. The goal could be to deliver speedy service commensurate with the need to thoroughly investigate compliance with the standards. A similar qualifier could be attached to the goal of providing a cost-effective service.

The establishment of quality goals provides the organization with a criterion against which performance can be measured.

The quality policy should state the methods that will be used to achieve and monitor these objectives. For certification bodies, this must include the establishment, documentation, and maintenance of a quality management system. A number of related aspects may be included in this section of a quality policy. These include the following:

- Internal audits, where adherence to the documented policies and procedures is ascertained
- Periodic review of the quality management system to determine its effectiveness in meeting the goals
- Commitment to constant improvement and development of methods to measure this
- Commitment to the allocation of sufficient resources to achieve the quality objectives
- Commitment to obtaining and maintaining accreditation from a recognized body
- Commitment to ensuring that both the quality policy and the mechanisms put in place to fulfil the policy are understood by the personnel responsible for implementing them
- Commitment to personnel development and training

In summary, a quality policy should at a minimum include the following elements:
objectives
principles
goals
methods

### *Accreditation Norm References*

IFOAM Criteria (2005): 3.1
ISO 65: 4.5.3:a

### *Sample document*

For a sample quality policy, see the sample quality manual

## 33 Document Control Policy and Procedure

### *What It Is*

The policies and procedures established to ensure that the documentation being used by the personnel is current, accurate, authorized, and distributed appropriately.

### *Why It Is Needed*

With amendments to documents over time, it is necessary establish procedures to ensure that personnel are not using older versions of documents. This requires a system to ensure that new or amended documents are distributed to the appropriate persons. It is also not possible to have a coherent quality management system if all personnel are able to change any document. It is therefore necessary to establish who has authority to make amendments to a document. Without identification of who may have access to a document, the public may be denied access to a document to which they have a rightful claim. Alternatively, confidential or other internal information may be distributed inappropriately.

### *What Should Be Included*

The procedures should include how documents are developed, maintained, amended, and made available to those performing the functions described.

The procedures for maintaining documents should include a number of elements:

- how the documents are organized (e.g., the type of documents in different manuals)
- how the documents are easily located (e.g., the procedure may explain how the document numbering system is set up)
- how to track modifications
- how obsolete documents are made inaccessible
- how persons affected by new, modified, or obsolete documents are notified

Proper implementation of a document ensures that all persons affected are aware of what changes were made, why they were made, and which documents, if any, were superseded.

### *Additional Elements That Could Be Included*

The policy could describe the elements that shall be included in the document register or simply refer to the register as a method by which several of the above elements may be achieved.

### *Accreditation Norm References*

IFOAM Criteria (2005): 5.3.1
ISO 65: 4.5

### *Sample Document*

For a sample document policy, see the sample quality manual

## 34 Document Register

### *What It Is*

A register of all the documents in the quality management system.

The register may take various forms. It could be entered into a database, which would allow more complex sorting to take place. A carefully designed database would enable sorting by any of the document's attributes that have been included. It would enable lists of specific documents to be produced. The register could be entered into a spreadsheet or simple table which enables quick reference and involves less work and skill than creation of a database. If the number of documents is large, division into categories may speed up the process of locating a particular document, although the numbering system itself may incorporate a categorization.

### *Why It Is Needed*

The document register is an important document-management tool. The register enables a quick and easy reference not only to which documents exist but to other attributes of a document, such as the number assigned to it or who has the authority to make changes to it. All documents of the quality management system are useful in bringing new personnel up to speed, but none more so than the document register. It is a quick reference to determine which document version is the current one.

### *What Should Be Included*

The most obvious entries are the documents title and number.

The version number is an important inclusion for document management and should be included in the register unless this has already been incorporated into the numbering system.

### *Additional Elements That Could Be Included*

There are many additional elements that could be included. To some extent, the number of elements included should be related to how central the document register becomes in the day-to-day work of the organization. The more elements included, the more the register can serve as the entrance into the quality management system. These elements can also be included in the preamble to the document.

All or any of the following could be included:

- who has authorization to change the document (if this is not included here, it will have to be included in the document itself)
- distribution: to whom must it be sent if changed? This is an essential part of the document management system, and inclusion in the register makes it easier for personnel to distribute it quickly to the necessary people
- access: who has the right to the document if they request it? Is it a public document?
- to whom does it apply? Not all documents in the quality system are central to the work of all personnel. By including this information in the document register, individuals will be able to identify easily the documents they need to carry out their work. It will make it simple to generate specific manuals for different functions
- linkage: by electronically linking the entry in the register to the document itself, documents can be easily accessed. The register can serve as a "live" index. Against this must be considered the potential computer problems in such a system
- accreditation references: entry of the reference numbers of accreditation requirements against each document will greatly facilitate the task of demonstrating compliance to the accreditation body. On the other hand, this will require some maintenance if accreditation standards are amended

## *Accreditation Norm References*

IFOAM Criteria (2005) 5.3.1
ISO 65:  4.82

## *Sample Document Register*

A document register made in a spreadsheet can look like this:

***Documents Register***

| CODE | NAME OF DOCUMENT (TITLE) | DATE OF LAST REVISION | STATUS | APPROVED BY | COMPUTER FILE NAME (HYPERLINKS) |
|---|---|---|---|---|---|
| **ORGANISATIONAL DOCUMENTS** | | | | | |
| | **ORGANS** | | | | |
| **B-01** | Statutes/articles of incorporation/memorandum of understanding | | | | |
| **B-02** | Organigram | | | | |
| **R-01** | Rules of Prodedures for the Board | | | | |
| **R-02** | Terms of Reference for the Certification Committee | | | | |
| **R-03** | Terms of Reference for the Standards Committee | | | | |
| **R-04** | Terms of Reference for the Appeals Committee | | | | |
| **R-06** | Rules of Prodedures for the Certification Committee | | | | |
| **R-07** | Rules of Procedures for the Standards Committee | | | | |
| **R-07** | Rules of procedures for Appeal Committee | | | | |
| | | | | | |
| | **STAFF** | | | | |
| **JD-01** | Job descriptions for Executive Director | | | | |
| **JD-##** | Job Descriptions (other) | | | | |
| **JD-02** | Job Description Inspectors | | | | |

## 35 Conflict of Interest Policy

### *What It Is*

Provisions that deal with declaring, reviewing, monitoring and managing the interests of all personnel which may cause conflicts in any decision-making process.

### *Why It Is Needed*

It ensures that at all levels of the organization, provisions are taken to ensure that fact gathering and decision making are done objectively and without bias.

### *What Should Be Included*

A conflict-of-interest policy should identify, at all levels, the parties involved with the organization who are subject to the provisions of conflict of interest. This should include all positions in-

volved in the certification process such as personnel, inspectors, committees, and subcontracted parties.

In order to manage potential conflicts, the organization first needs to determine what interests personnel may have that could result in a conflict. This includes all financial and all other relationships with persons or organizations in the organic industry. The policy needs to require that personnel declare these and that these be updated periodically. The policy also needs to establish which person or committee determines which of these interests might constitute a conflict and the exclusion of the persons from work related to that conflict.

The procedure for implementing this policy should also be stated. For example, this could involve sending a declaration-of-interest form to all personnel annually. The completed form would then be reviewed by the designated person or body.

The procedure should describe how the designated person or body reviews declarations and deems them to be, or not to be, potential conflicts. This should recognize that while most conflicts are positive (i.e., the individual may be biased towards granting certification), negative conflicts, in which for competitive or other reasons the individual may be biased against certification, also exist. Once possible conflicts are identified, the procedure should explain how these are managed. This should include provisions regarding assignment of work. For example, the application procedure should include the requirement that before assigning an inspector, the manager will consult the list of identified conflicts.

The above measures place the responsibility for avoiding conflict situations on the organization. In addition, the policy should require that the individual also bear responsibility for declaring a potential conflict, should one arise. This is usually achieved by policy requiring all personnel to sign a conflict-of-interest agreement. The agreement should require the person to declare a conflict if he or she is assigned to work where a conflict of interest could result and should state the consequences of failing to do so.

### *Additional Elements That Could Be Included*

For transparency purposes, the policy could require that minutes of committees making decisions record whether any members have a conflict and that they have left the room if they do.

The procedures for determining whether a conflict constitutes a potential conflict could distinguish between various levels of interest and how these levels are managed. For example, it could make a distinction between interest considered to be “direct interests” from “indirect interests” and those that infer no conceivable conflict.

## *Accreditation Norm References*

IFOAM Criteria (2005): 1.3.16 to 1.3.18
ISO 65: 4.4

### *Sample Document*

A sample conflict-of-interest policy is found in part 7.

## 36 Confidentiality Policy and Procedure

### *What It Is*

The provisions, usually prescribed by law or by an accreditation body, which ensure that all persons keep confidential the information obtained during the course of their involvement with the organization, particularly with respect to a client's proprietary information.

The confidentiality policy may also include the provisions that define and limit access to privileged information. Alternatively, these may be documented separately in a security policy.

### *Why It Is Needed*

Confidentiality policies and procedures are necessary to provide confidence to the operators that information provided for the purposes of obtaining certification is not used or made available for other purposes which might harm their interests.

### *What Should Be Included*

The confidentiality policy should define which information is considered confidential. Most certification documents such as applications, inspection reports, and financial and other information that may disclose proprietary information about an entity or business are often deemed confidential. An alternative approach is to identify which information is not considered confidential and state that all other information is deemed to be confidential. The most important thing is that when information is stated to be confidential it is confidential.

The confidentiality policy should state that all personnel are required to abide by the policy and should state the consequences of not doing so.

The policy should also state when information normally considered confidential may not be kept confidential. For example, by law, the agency may be required to provide a client's proprietary documentation to the appropriate authorities. It should also state that accreditation bodies may have access to the information. Also confidential information is normally released to third parties at the request of the client. For example, the procedure may state, "The organization must obtain written consent from the client before disclosing information to any third person."

The confidentiality procedure should describe how the policy is acknowledged by all those involved in the organization. This usually requires the signing of a confidentiality agreement, which is kept on file. It may be in the best interest of the organization to have a lawyer review the confidentiality agreement.

### *Additional Elements That Could Be Included*

Additional elements of the confidentiality procedure may include how the organization disposes of confidential information. The procedure could explain when and how confidential documents are destroyed, e.g., by shredding or burning.

The confidentiality procedures could also include the provisions for maintaining confidential documents. This would describe how documents are stored and if any security provisions are in place to keep the information safe. Alternatively this could be the subject of a separate document on security (see section 3).

### *Accreditation Norm References*

IFOAM Criteria (2005): 4.1
ISO 65: 4.10

## 37 Terms of Reference for Committees

### *What It Is*

A document that sets out the responsibilities that have been devolved to a committee, and the composition of that committee. It may also include the basic procedures that the committee follows (sometimes these are established in separate rules of procedures).

### *Why It Is Needed*

The committee needs to have its role clearly defined in order effectively to carry out its responsibilities. The composition of the committee needs to be defined in order to demonstrate that requirements related to conflicts of interest and the competence of personnel are being met. It may serve as useful information for individuals interested in becoming a member of the committee.

### *What Should Be Included*

Some of the elements that could be included in the terms of reference may already be stated elsewhere. Some rules of particular significance regarding committees may be in the articles of incorporation, the by-laws, and other legal documents establishing the organization. Obviously the terms of reference should be consistent with these legal documents, since legal documents would take precedence.

A number of the elements concerned with the proceedings of the committee could be included in the terms of reference but could also be well-placed in a general meetings policy. Alternatively, the meeting policy could be restricted to those elements that are the same for all committees, with the terms of reference taking up the elements which differ. An example would be where it was decided to have different quorum requirements for different committees. In this case, these could be included in the respective terms of reference for each committee. The meeting policy would then cross-refer to the terms of reference. These differences could, of course, all be stated

in the meeting policy, but this might make the document hard to follow. A third option is to include some of the requirements in both. This has the disadvantage of having to ensure that any changes in one document are reflected in the other. The advantage is that the terms of reference is a more complete document and therefore more useful to the committee.

The composition of the committee should be included. This includes several elements:

- The number of members should be stated. This is usually expressed as both a minimum and a maximum. If it is a committee where the composition must meet certain requirements, such as a representation of stakeholder interests, then it is especially important that a minimum number be stated.
- The compositional requirements, if any, should be stated. Policies on conflicts of interest in the organization may require that the committee in question be composed of various categories of members. In the case of a certification committee, accreditation requirements are likely to require that it be composed of a balance of interests, with no single interest predominating. An executive committee is likely to be made up of the officers of the organization.
- Qualification requirements, if any, should be included. This is likely to be a requirement for technical committees. Care should be taken not to set these requirements so high that recruitment becomes problematic.

The body or person responsible for the appointment should be stated. This should obviously be the same as that shown in the organizational chart. The period for which he or she is appointed and what happens when that period has expired, should be included.

The responsibilities of the committee should be set out. In particular their decision-making powers should be clearly established. For some committees with wide powers, such as an executive committee, it may be easier to state what decisions they may not take, rather than what they are expected to do.

The basic procedures that the committee must follow should be included unless these are clearly stated in another document.

### *Additional Elements That Could Be Included*

The minimum number of meetings that the committee will hold could be stated.

The issue of whether to allow observers to meetings could be included in either the terms of reference or a general meeting policy. Whether the decision is to allow observers or to bar them, it is better to have this stated in a policy document than to have to decide when they arrive unexpectedly. Such a policy must, of course, be consistent with the confidentiality policy.

Potential future difficulties may be minimized by inclusion of the reasons for which the membership may be terminated. In a similar manner, any rules regarding the frequency of attendance should be stated either in the terms of reference or the meeting policy.
It is worth considering having a standard format for terms of reference for the various com-

mittees. This could for example include the headings mission, composition, selection criteria of members, appointment, termination and procedures.

### *Accreditation Norm References*

IFOAM Criteria (2005): 1.2.6
ISO 65: 4.5.3

### *Sample Document*

A sample ToR for a certification committee is found in part 7.

## 38 Recruitment and Training Policies

### *What It Is*

Recruitment policies establish the qualifications required for carrying out various functions in the organization. Recruitment policies may also establish the means by which the organization shall solicit and process job applications. Training policies establish both the initial training considered necessary for new employees and the ongoing training they will be required to undertake.

### *Why It Is Needed*

One of the goals of a quality policy is establishing and maintaining a high level of organizational competence. Doing so requires employing appropriate staff and ensuring their continued ability to perform their tasks. Recruitment and training policies identify the means by which this shall be achieved.

Recruitment policies establish the standard of qualification considered necessary for a post. This ensures that positions are filled in a consistent and appropriate manner and not simply according to the available candidates.

Recruitment and training policies enable the certification body to demonstrate its commitment to competence on a continuing basis and its adherence to accreditation requirements related thereto.

The policy and procedures for the evaluation of performance of staff and subcontractors could be included in the training section or could be specified in a separate document.

### *What Should Be Included*

The qualification necessary for a particular post may be included in a recruitment policy or in the job descriptions. In either case, the minimum qualifications necessary should be specified. These should be defined in as much detail as possible. The level at which these are set should be matched with the tasks to be performed and should not be set so high that the policy cannot be

consistently implemented. They should, however, be concrete.

The initial training that will be given should be stated. Unless there is a specific training course that the employee will be required to attend, stating these in more general terms will allow variance according to the skills of the person to be employed. For example, "Upon commencement of employment, certification officers shall be required to attend the annual inspector training course and shall receive two weeks of in-house training."

In the case of newly appointed inspectors, training requirements should include observation by a qualified inspector and the carrying out of supervised inspections prior to the person's undertaking his or her full responsibilities. The number of supervised inspections may be specified in accreditation requirements.

The ongoing training requirements should be included. As with the initial training requirements, these may either be specific courses or stated in more general terms. What is essential is that the policy make it clear that training will take place and the frequency of training required. A policy may, for example, state, "Certification officers shall be required to annually attend an internal training course of no less than 3 days." Alternatively, the policy may leave the nature of the training unspecified but still commit the organization to ongoing training: "All personnel shall be required to undergo training on an annual basis. This shall consist of internal courses, external courses, or both."

The policy should include the requirements for recording the training, stating who is responsible for doing the recording.

### *Additional Elements That Could Be Included*

It may be advisable to specify how and where positions will be advertised. By placing this in the policy, it may be possible to avoid a poor response from candidates and the resulting pressure to employ unsuitable persons.

When personnel are contracted and expected to be responsible for their own training, the minimum requirements for ongoing training should still sometimes be stated. This is particularly the case when a person is likely to be contracted over several years, for example, as an inspector. This may, however, be better placed in the contracts with the contracted parties than in the training policy.

## *Accreditation Norm References*

IFOAM Criteria (2005): 1.4.2-1.4.3 and 1.4.9-1.4.10
ISO 65: 4.4, 5.

## 39 Job Descriptions

### *What It Is*

A brief description of what a job position entails. Job descriptions should be available for all levels of personnel, including subcontracted parties.

### *Why It Is Needed*

Job descriptions are necessary tools used to facilitate communication and link all levels of personnel by defining what processes need to be completed and by whom. Job descriptions benefit the hiring process by ensuring that hiring needs are clearly defined and met. It allows the persons performing the job to know whether he or she is meeting the expectations and goals of the position. Additionally, management may use job descriptions to measure the performance of personnel and to help them to develop career paths.

### *What Should Be Included*

Job descriptions may include a combination of the following: job title, classification and/or level of the position, qualifications, general responsibilities, duties, accountability, and the chain of command (line management). At a minimum, include the job position, duties, and chain of command.

Job titles should match those used on the organizational chart and clearly describe the function. Take into consideration what that job title, when in use, will mean to those internal and external to the organization. Aim to use simple job titles that will not only be understood by people within the organization but also by outsiders.

Including qualifications helps management define the types of education and skills needed to perform the job. For example, to be on a certification management committee, one of the qualifications may state, "Expertise in the area of organic production and/or handling practices evidenced by both third-level education and at least a year of practical experience is required." Note, however, that qualifications may instead be placed in the recruitment and training policy.

The general responsibility section provides brief statements that clearly communicate what is expected of the job position. For example, a responsibility of the certification manager may state, "Responsible for the oversight and implementation of the certification procedures."

The duties would state the tasks to be performed in order to meet that responsibility. For example, one of the duties of the certification manager may state, "Assign inspectors for all operators, and approve the inspection reports."

The accountability section is used to state how the performance of the position is measured. For example, the certification manager's position may be measured by the following criteria: "efficient operation of the certification system, cost effectiveness of developing and planning systems, and the development of a professional staff to adequately operate the certification system".
The chain of command (or line management) should be consistent with the organization's organizational chart. Job descriptions should clearly reiterate the persons within the organization to whom the employees should report, in order to keep the lines of communication clear.

### *Accreditation Norm References*

IFOAM Criteria (2005): 1.4.4
ISO 65: 5

## 40 Application for Certification Documentation

### *What It Is*

The processes used to provide and gather information concerning the type or types of certification the applicant requests.

### *Why It Is Needed*

The application process ensures that the applicant knows and understands what is required of him and that the certification body obtains the information it needs. It is an essential step in the certification process and verifies that both parties have exchanged the appropriate information prior to engaging in the certification process.

It helps to ensure that at each step in the process, the appropriate information is provided to the person performing the next task.

### *What Should Be Included*

The essential elements that should be included in the procedures are (1) a clear description of what information is provided to applicants, (2) information the applicant will be required to provide and (3) an explanation of how an application is processed.

The requirement to document what the applicant is given can be met by simply having a procedure that describes the "application packet" contents and by identifying who is responsible for ensuring that the documents in the packet are up-to-date. Note: The information that is publicly available and that which is provided to applicants are separate issues. *Publicly available* means "available on request." Here we are referring to what must be sent to applicants.

Because an applicant needs to understand the certification process and to know his or her rights and duties, the "application packet" should include all standards, policies and procedures relevant to the applicant. A typical "application packet" should include the following:

- The relevant standards
- A certification handbook or operating manual that includes all certification policies and procedures relevant to the applicant
- A description of the fees for services
- Application questionnaires or affidavits
- Any other supporting material that will help the applicant understand the organization and its certification programme

The application form should include questions designed to gather general information, such as the name and contact information as well as questions concerning the operation. These should aim to solicit sufficient information about the operation to enable proper preparation by the inspector. This includes clearly identifying the scope of the certification being sought.

The application should require the applicant to provide information about his previous certification history and give permission to obtain related files from other certification organizations.

Any information the applicant must send in addition to the completed form should be clearly identified. This includes maps and field histories unless these are included in the form itself.

The application may include a list of general requirements that must be sworn to by the applicant's signature. This could include agreement to do the following:

- abide by the standards
- agree to inspections and to making all documentation (including financial records) available for review
- accept that, if his application is successful, his operation will be listed in certification lists. This is necessary in some countries for legal reasons

Some organizations choose not to include these on the actual application form. They list them separately on an affidavit that has been approved by a lawyer.

The documentation sent to the applicant in cases of renewal of certification is likely to be different from that sent to first-time applicants. The difference should be clearly stated in the procedure.

The application procedure should describe the steps the organization takes to acquire the appropriate documents from the applicant, as well as how, and by whom. The procedure should then state how the documents are reviewed for completeness and compliance to the organization's requirements. This could be a brief description with more detailed procedures being specified in a separate work instruction. In the same way the criteria used to determine whether an application is complete could either be stated in the application procedures or included in the work instruction.

### *Accreditation Norm References*

IFOAM Criteria (2005):6.1.1-6.1.5
ISO 65: 8.0

### *Sample Document*

Sample application procedures are part of the sample certification procedures

## 41 Certification Decision Procedures

### *What It Is*

The procedures utilized by a person or committees responsible for performing certification functions.

### *Why It Is Needed*

Certification decision procedures ensure that the organization has thoroughly mapped out how to deal with the various scenarios that may result during the decision-making process. The procedures ensure that each person or body has the appropriate information and mechanisms available to make decisions.

### *What Should Be Included*

Certification decision procedures explain the steps involved in making certification decisions. Depending on the number of steps or bodies involved, there may be several procedures needed to explain each process. For example, some organizations have several bodies, both committees and personnel, responsible for the certification process. Other organizations offer several types of certifications that require separate procedures to explain the different aspects of each process. Either way, persons involved in the certification process need to know and understand the steps involved in reaching final certification decisions.

The procedure needs to ascertain what information is necessary for a review to proceed. It may simply list the required documents or explain how various mechanisms, such as checklists, are used to ensure enough information has been obtained for a decision to be made.

The organization may choose to do pre-assessments, in which personnel extract relevant information from the application and inspection material for presentation to the decision-making committee or person. If this is the case, the procedures should include how this is managed.

The procedures explain how the information is reviewed for compliance with the organization's relevant standards, policies, and procedures. It should explain the mechanisms used to ensure reviews performed by the committee or personnel are conducted in a thorough and consistent manner. Such mechanisms may include explaining the relevant checklists used during the reviews or explaining how the decision makers may refer to precedents.

The certification procedure should detail, based on the compliance review, the various steps or certification decisions made by the committee or personnel. The types of certification decisions should already have been explained to the client in the certification handbook. For example, many certification decisions are neither a yes or no but are qualified by conditions for improvement. The conditions, sometimes called corrective actions, may need to be fulfilled before certification or within a specified time period. The document should detail how these are determined. It should also list the other options available to the certification committee or decision-making personnel, and it should explain the circumstances in which these apply, or it should refer to the document in which they are stated. If appropriate, references to the sanctions policy should be included (such a policy can also be a part of the certification decision procedures).

The procedure should explain what methods, such as notification letters and certificates, are in place for notifying the client of his or her status. In cases in which the client is denied certification, these should include informing the client of his right to appeal and supplying him with the appeals policy.

### *Accreditation Norm References*

IFOAM Criteria (2005): 7.1 - 7.3
ISO 65: 12

### *Sample Document*

Certification decision procedures are part of the sample certification procedures document.

## 42 Appeals Policy and Procedure

### *What It Is*

An appeals policy establishes who may appeal, what decisions may be appealed, and how an appeal is handled. An appeal should be defined as a request for a review of specific certification decisions made by the organization. An appeal can only be made by the person affected by the decision, i.e., the operator. Appeals should be distinguished from complaints. Other people that are not satisfied with certification decisions can file a complaint.

### *Why It Is Needed*

The right to appeal a decision is one of due process. Incorrect decisions may be made, and these have consequences. The process of review of a decision enables the organization to correct mistakes without legal consequences. By means of the policy document, the organization may demonstrate that appeals are treated in a thorough and impartial manner.

### *What Should Be Included*

The policy should establish what objection shall be subject to the appeals process. Objections to details of a decision, such as individual requirements for corrective actions, could be dealt with by certification personnel outside the appeals process, at least initially.

An appeals body needs to be identified. This may be ad hoc, meaning that members are appointed for specific appeals on a case-by-case basis. For example the policy could state that "on receipt of an appeal, the president shall appoint three members of the board to form an appeals committee." Alternatively, the appeals body could be a permanently established committee. The ad hoc committee has the advantage of being more flexible and therefore better able to cope with the need to exclude persons with a conflict.

A principle of appeals is that the persons hearing an appeal should be different from those persons who made the original decision. This should be clearly stated in the policy. The procedure for dealing with appeals may, however, involve those who made the decision at an early stage. The procedure could, for example, require that appeals first be directed to the original decision makers for review. If the original decision is overturned, the appeals body need not be brought into the process. If the original decision is affirmed, the appeal would then be directed to the appeals body.

Appeals should be dealt with in a timely manner. The procedures should therefore include timelines for the various stages. This includes requiring that the appeal be received within a set period from the time of the decision and that the appellant is promptly informed the outcome of his or her appeal.

The policy should specify who pays the costs of an appeal. Normally the certification body will have to cover the costs.

The appeals document should require that an analysis be made when a decision is overturned as a result of a mistake on the part of the organization. This would determine the reason for the mistake and whether anything should be done to prevent reoccurrence. The appeals process forms part of the quality management system.

The record-keeping requirements of the organization concerning appeals should be included in the policy, unless they are clearly specified elsewhere. This should require that appeals records be maintained separately in order to provide full transparency.

#### *Additional Elements That Could Be Included*

The appeals procedure could specify the nature of the hearing of the appeals body. In particular, the rules for how the two parties may present their cases could be established.

### *Accreditation Norm References*

IFOAM Criteria (2005 final draft): 7.8
ISO 65: 7

### *Sample Document*

An appeals policy is part of the sample certification procedures document.

## 43 Sanctions Policy and Procedure

#### *What It Is*

The sanctions policy sets out the measures that will be taken when certified operators fail to meet the standards or other certification requirements. It lists the steps that will be taken to impose the sanctions.

### *Why It Is Needed*

The certification body needs to respond when certified operators fail to meet the requirements for certification. Not all non-conformities warrant immediate removal of certification. It is therefore necessary to establish what other measures will be used. Detailed procedures are needed, as the result of imposing sanctions may be legal action taken either by the organization or the operator.

### *What Should Be Included*

The sanctions policy should establish the list of sanctions that the organization will use in various circumstances. The policy should outline the relationship between particular sanctions and the types of non-conformities where they will apply. Some organizations make detailed links between each type of non-conformity and which sanction will be applied (i.e., they develop a sanctions catalogue). For each classification, an appropriate sanction would be specified.

This method has the advantage of ensuring more consistent application of sanctions. On the other hand, it requires that the type of non-conformity be clearly defined and that there will not be variance within those types, or at least the kind of variance which would suggest that different sanctions would be appropriate.

If detailed lists of non-conformities and resulting sanctions are not compiled, the policy should use broader categories to link sanctions and transgressions. For example a policy may state that "where non-compliance with a standard is found such that the integrity of the product is put at risk, the certification of the product will be withdrawn." The policy would then define which sanctions would apply when the integrity was not put at risk.

The policy should not only include the more severe sanctions used in cases of substantial issues but also the lesser sanctions that will be applied where non-conformities of less significance are detected. Organic standards are detailed and not every detail warrants removal of certification. Nevertheless, certification bodies should either enforce the details or remove them from the standards. Enforcement means having measures available when they are transgressed.

Less severe sanctions may include increasing the frequency of inspections, requiring an unannounced visit, and issuing warning letters. The policy should make it clear that less severe sanctions will be followed by more severe sanctions if corrective actions are not taken. Some organizations include requiring corrective actions as a sanction on the basis that it requires an action from the operator within a specified time and carries with it a warning of the steps that will be taken if the condition is not met.
More severe sanctions include fines, suspension, removal of certification from a lot or particular product, removal of certification from the operator, and legal action.

The motive of the operator should be taken into account when establishing a sanctions policy. If there is evidence of deliberate fraud, whether against the organization or the consumer, the sanctions should be more severe.

The steps taken to impose these sanctions should be set out in procedural documents. For lesser sanctions this could be more generalized procedures dealing with a group of sanctions.
For the more severe sanctions, separate, detailed procedures should be established. This is particularly so for suspension or removal of certification, as legal action may result.

The policy should make clear the difference between suspension and decertification. Usually, suspension means that the operator is not certified or licensed until a corrective action is taken. Once this occurs, it is again certified, although an inspection may be required. Removal of certification as a sanction usually involves a period of time before certification can again be given. The period, or the minimum period, should be stated.

Suspension should carry a maximum time period for fulfilling the requirements before the operator is decertified. During suspension the operator should remain under contract to abide by the standards and certification rules. Both of these conditions of suspension should be stated in the policy.

The policy should include the organization's record-keeping requirements with respect to sanctions. This should include the requirement that for more severe sanctions, separate records are maintained.

### *Accreditation Norm References*

IFOAM Criteria (2005): 7.7
ISO 65: 12

### *Sample Document*

A sanction policy is part of the sample certification procedures document.

## 44 Scope and Use of Certification Status

### *What It Is*

A policy that defines the scope of the certification and how the certification status may be presented by certified parties. These could be drawn up as a single policy or as separate policies. Note that the operators need to know these policies, as they are the ones that should apply to them. Therefore, it has to be made available to all operators. The policy can also form part of the certification contract.

### *Why It Is Needed*

Certification is a public statement. As such, it must be precise about what is certified and according to which standards. At the same time, the organization must take the necessary measures to ensure that the statements made by certified parties regarding the certification are not misleading. The organization itself needs even more precise information about what it is certifying than

would necessarily be included in public declarations. This includes land area (acres or hectares), types of crop, and numbers and type of livestock.

### *What Should Be Included*

The policy on defining the scope of certification should include identifying the range of certification options on offer. This includes the programmes (if more than one) and the categories of production or processing. The policy should define how these will be specified in both public and internal documentation.

Different organic programmes occur when the certification body offers certification according to more than one standard. This may be one or more organic standards, such as a private standard and a regulatory one, or it may be both organic and other certification. If more than one programme is on offer, then the policy should require clear distinctions in the way in which this is depicted, both in words and graphics (certification marks and symbols). The policy should establish how documents verifying the certification to the public, such as certificates and lists of certified operators shall be differentiated in order to avoid confusion.

The policy should establish how documents that require the scope to be stated, such as certificates, will state the categories of production. For example, oranges can be classified as horticulture, pomology, orchard production, oranges, or navel oranges. The scope can be further defined by including acreage/hectarage or quantities. A general rule should be that the certificate will provide as much detail as is practical to prevent fraudulent usage. This is particularly the case for transaction certificates used for verifying the organic status of shipments.

Internal documents may need additional information defining the scope (e.g., "25 acres of navel oranges from field 6"). Whatever the choice of categorization, it is important that it is defined in the policy document.

The use that certified operators may make of their certification status should be included in the policy. What kinds of statements may they make on packaging or in promotional material?

If the promotional material includes mention of products not covered by the certification scope, how will the statement be regulated? The policy should be drafted in a way that limits the potential to mislead the consumer. For example, the policy could require that "promotional material referring to more than the products covered by the certification may only mention the certification if it is accompanied by the clarification that only some of the products are so certified." The same rule would apply to generic materials such as letterhead and business cards.

### *Additional Elements That Could Be Included*

The same document could deal with issues related to the use of a certification mark or symbol, though these, and the consequences of fraudulent use of the certification mark and other similar references, are usually dealt with in separate policy documents.

The policy could include the policies and procedures used when abuse occurs. However, the importance of the issue suggests that this would be better dealt with in a separate document.

### *Accreditation Norm References*

IFOAM Criteria (2005): 7.6
ISO 65: 14

## 45 Policy and Procedures to Combat the Abuse of Certification Status

### *What It Is*

The policy describes what the organization shall do when it becomes aware of an abuse of its name and certification. This may be a third party falsely claiming to be certified by the organization, or it may be certified operators claiming certification for activities for which they are not certified. The procedures set out the steps that will be taken to redress the abuse.

### *Why It Is Needed*

The integrity of all certification carried out by the organization is put at risk if false claims are made and if redress is not pursued vigorously by the certification body. Detailed procedures are needed, as cases may result in legal proceedings. Lack of proper procedures may harm the organization's case.

### *What Should Be Included*

The policy should identify the various types of abuse that may occur. This is necessary, as the organization has different powers of redress in different cases. A certified operator may, for example, be decertified if it fails to stop the abuse. This action is not possible in the case of third-party abuse where, apart from correspondence, the only redress may be a court of law.

Additional differences may occur in what is abused. If a registered trademark is falsely used, it is likely to be easier to pursue a legal course than when the organization's name is used in an ambiguous fashion. It is worth considering whether this distinction warrants separate policies and procedures.
The policy should make a clear statement of the organization's willingness to take legal action if necessary.

In all cases, the procedures should be documented in some detail. This should include the time limits for responses from the perpetrator of the abuse and from the organization. Normally the initial procedures would include a letter in which the person or organization guilty of the abuse is informed of the transgression and invited to correct the false statements quickly. It would be required to respond informing the organization of what action it had undertaken.

The procedure should then indicate how this response is analysed and how the decision is made as to whether the response is acceptable. The subsequent steps taken, both in cases in which it is considered acceptable and those in which it is considered unacceptable, should be included in the procedural document. The action to be taken in cases where no response is received should be included.

The procedure should include the way in which the issue is considered closed and how this is recorded.

Letters sent out should be form letters, even if these need to be adapted to the case in hand. Form letters used in this process should be referenced in the procedural document. It is worth considering whether legal review of the procedures and associated letters should be sought.

### *Accreditation Norm References*

IFOAM Criteria (2005): 7.6
ISO 65: 14

## 46 Complaints Policy and Procedure

### *What It Is*

There are two types of complaints that a certification body may receive: complaints regarding its own operation or complaints against certified operators. These could either be addressed in the same policy document or in separate documents. In either case, the policy establishes how these are dealt with by the certification body.

Complaints should be distinguished from appeals and abuse of the certification status or trademark (see descriptions elsewhere in this guide).

### *Why It Is Needed*

Complaints are valuable feedback on the effectiveness of the quality system. Design and implementation of an appropriate response to complaints is likely to lead to improvement in the performance of the organization.
Dealing with complaints in an appropriate manner engenders confidence in the quality of the certification to consumers and other stakeholders.

### *What Should Be Included*

The complaints policy should identify what is regarded as a complaint. This means not only distinguishing it from appeals but also determining what form the complaint must take in order to be considered pertinent. This includes

- Whether the complaint needs to be in writing
- Whether it needs to be signed
- Whether the complainant needs to provide supporting evidence or may simply make an allegation
- Whether the complaint falls within the scope of the complaints policy

Complaints that have nothing to do with certification may be received against operators, and the scope of the policy should define such complaints as invalid. For example, a certified operator complaining about not receiving payment in a timely manner for a product sold to a buyer is outside the scope of complaints applicable to the certification body, even if that buyer is also certified by the organization.

The procedures should include an initial determination of whether the complaint meets the above criteria and therefore warrants further investigation.

The procedures to be followed when a complaint is considered valid should be specified. These should include both the timelines for the various stages of the process and the form that responses should take. For example: "Following the determination that a complaint is pertinent, the certification manager shall, within 10 days, acknowledge the complaint in writing, informing the complainant that the matter will be investigated."

The procedure should strive to be fair. This includes allowing persons under investigation to be informed and to be given an opportunity to answer the allegations. The point at which they are informed needs to be determined. They could be informed immediately or only after the complaint has been substantiated by some evidence.

The policy should specify who is responsible for handling the complaints. This may differ between complaints against operators and complaints regarding the organization. It should specify who is responsible for determining the complaint to be resolved and should include the requirement that the complainant be informed of the resolution.

The record-keeping requirements of the organization should be included unless they are clearly specified elsewhere. These should require that a register of the steps taken be kept and that the correspondence be maintained on file. A form for logging the progress could be developed.

As the complaints process should be used as a tool for quality improvement, the resolution should include a determination of cause and, if appropriate, specify corrective actions which are then checked during the annual audit. Repeated complaints on the same issue reveal not only a failure of the quality system in general, but of the complaints procedure.

### *Additional Elements That Could Be Included*

The policy could require that cases be reported to senior management or the board so they are aware of the numbers of cases occurring and whether these are being adequately resolved.

## *Accreditation Norm References*

IFOAM Criteria (2005): 3.5
ISO 65: 15

### *Sample Document*

A complaints policy is part of the sample quality manual.

# *PART 7: SAMPLE DOCUMENTS*

The purpose of the sample documents is to show the reader what some required documents can look like. It is also possible to copy these samples and use them when developing your own documentation. However, it is recommended that you carefully analyse all documents and the needs and routines of the organization and adapt them to your realities, keeping in mind that the most important thing is that the documents reflect the actual procedures and vice versa. In most cases, considerable efforts are needed to adjust the samples to the realities on the ground.

The quality manual is written as a combination of an example and a guide for how to write it (i.e., under many sections there are instructions about what kind of documentation is needed rather than just examples). The certification procedures are written in such a way that references to other documents and indications of which position in the organization is responsible for a certain task should be inserted. The others are straightforward examples.

The design of the documents is not streamlined, and they are not necessarily completely consistent. The conflict of interest policy, for example, is not necessarily consistent with the text about conflict of interest in the quality manual, and the steps outlined in the certification procedures are not necessarily identical to the steps mentioned in the quality manual. Obviously, when you design your system, you need to ensure that there is consistency between all documents.

These sample documents contain:

- Quality manual
- Certification procedures, including (1) policy and procedures on non-conformity with organic standards and organic regulations and (2) appeals policy and procedures
- Conflict of interest policy and form
- Terms of reference of a certification committee

For editing reasons they are separate documents and not integrated in the book.

# *Organization and Quality Manual*

## Sample Organization and Quality Manual

The sample manual starts on the next page. The following abbreviations are used in this document. They can easily be changed by the Replace function in any word-processing program to fit the terminology in each project. You may prefer to call them other things.

CB: certification body; should be replaced with the name of your organization
ED: executive director; should be replaced with the title of your top manager
board: the highest governing body, should be replaced with the name of your highest governing body

Text in red is explanatory, and text in black are proposals for actual text. Text in red shall be deleted when drafting the document. Text in brackets ([]) shall be replaced by relevant terms. [REF] means that you should insert the document code for the document being discussed.

The Organization and Quality Manual shall be dated. It shall have a version number and an indication of who has approved the document, following the general policy of the organization for document identification.

It is suggested that you have each chapter start on a new page.

Remember that this is just a sample and that your quality manual can look quite different regarding structure and text. However, most of the topics taken up in the sample manual should be part of your manual.

Some parts of the manual may be a bit overdone for a newly established certification body with few clients and resources. Examples of the more advanced things are the quality policy and the internal audits.

This manual is written for a CB oriented to organic certification and therefore it has frequent references to organic. Should the CB have a more generic scope, those references should be taken out.

This page is to be deleted.

# 1 INTRODUCTION

## 1.1 Preface

A few words about the manual, how it was developed. Explain the structure of the manual and its intended use.

## 1.2 Scope and Application

This quality manual describes policies and procedures that CB has adopted to guarantee a high level of quality in the implementation of its services.

In some cases, this quality manual represents more comprehensive policies which are contained in the CB [policy manual and other manuals]. These are referenced where appropriate.

In principle, all aspects of the operation of the CB are subject to the quality system, in particular the implementation of the certification services, financial administration, and personnel management.

## 1.3 Authority and Revision

The ED shall review the manual annually and present the manual to the board for approval. The board may ask the ED to make certain amendments to the manual without the board's prior approval.

## 1.4 Distribution

This quality manual is distributed to the board, committee members, all personnel, and to [fill in any other body such as the IOAS, government bodies, etc.].

Copies are also available to third parties on request and at the discretion of the ED.

Chapters 3, 4, and 9 and sections 5.1. and 5.2 are publicly available and are posted on the website www.cb.info.

## 1.5 References

### 1.5.1 External References

- IFOAM: 2005, Norms for Organic Production and Processing
- ISO/IEC Guide 65: 1996(E), General requirement for bodies operating product-certification systems
- ISO/IEC Guide 19000,
- ISO/IEC Guide 19000
- ISO 9000:2000, Quality management systems: Fundamentals and vocabulary
- ISO 9001:2000, Quality Management Systems: Requirements
- ISO/IEC Guide 2:1996, Standardization and related activities: General vocabulary
- ISO/[EC Guide 27:1983, Guidelines for corrective action to be taken by a certifica-

tion body in the event of misuse of its mark of conformity
- ISO/IEC Guide 53:1988, An approach to the utilization of a supplier's quality system in third-party product certification

List any other relevant external references, such as applicable regulations.

### *1.5.2 Internal References*

List the internal documents that are relevant, e.g., the statutes of the organization or a production standard.

## 2 DEFINITIONS AND ABBREVIATIONS

### *2.1 Definitions*

The following definitions apply in the context of this manual and for all the documentation of CB, unless other definitions have been introduced in a particular document:
Note: It is good to define typical terms in the certification programme in the quality manual. In this way you can make reference to this unique set of definitions in your other policies and procedures. Some of the terms may be defined in the organic standards instead (e.g., conversion period and parallel production, in which case you should not repeat them here but refer to the standards.)

**acceptance of prior certification**: the procedure by which a certification body accepts the certification of a product by another certification body, thereby enabling the use of the product or further processing by the certification body's own operators

**accreditation**: the procedure by which an authoritative body formally recognizes that a body or person is competent to carry out certain tasks

**appeal**: a request by an operator for reconsideration of any adverse decisions made by the certification body related to the desired certification status

**applicant**: an operator that has applied to the CB for certification

**certificate of conformity**: a document issued by the CB declaring that an operation is in conformity with the organic production or processing standards. Normally referred to as "the certificate"

**certification**: the procedure by which CB gives written assurance that a clearly identified process has been methodically assessed and that adequate assurance has been provided that the products conform to the specified requirements

**certification mark**: CB's mark, which identifies a product as being certified to the requirements of a programme operated by that certification body

**certification programme**: system operated by CB with its own requirements and procedures and management for carrying out certification of conformity. CB may run several certification

programmes

**certification scope**: the parameters defining the certification granted, including the product or product types certified, the acreage (where applicable) and the applicable standards and certification programme

**chain of custody**: the concept that all relevant steps in the production chain, including the growing, handling, processing and other processes

**complaint**: an objection to the policies, procedures, or performance of the certification body. A complaint may also be an objection to the performance or activities of a certified party lodged with the certification body by a third party

**conflict of interest**: a situation in which an individual's capacity for objectivity is put at risk by financial or personal interests in conflict with his interest in conducting fair and impartial inspection or certification

**contracted production or processing**: the utilization of third parties by the operator for performing specific production or processing tasks

**conversion period**: the time between the start of the organic management and the certification of crops or animal husbandry as organic

**declaration of interest**: a declaration of personal or commercial interests in the organic industry made by those involved in the certification process to enable the determination of an individual's objectivity

**evaluation**: systematic assessment based on all relevant information obtained in order to make a decision. With reference to a certification decision, this includes, but is not limited to, the inspection

**exemption**: immunity granted to an operator by a certification body regarding compliance with the standards. Exemptions are granted on the basis of clear criteria, with clear justification, and for a limited period only

**genetic engineering**: a set of techniques from molecular biology (such as recombinant DNA) by which the genetic material of plants, animals, micro-organisms, cells, and other biological units may be altered in ways or with results that could not be obtained by methods of natural reproduction or natural recombination

**IFOAM accreditation**: recognition by the IOAS that a certification programme is in compliance with the IFOAM standards and IFOAM accreditation criteria

**IFOAM basic standards**: international standards for organic production and processing, established by the International Federation of Organic Agriculture Movements

**input/output reconciliation**: an audit that assesses the output of organic product against the supply of ingredients, or in the case of trading operations, the volume of sales against the volume of purchases

**inspection**: a visit to a site to verify that the performance of an operation is in accordance with the production or processing standards

**inspector**: a person appointed by the CB to undertake the inspection of an operator
**internal audit**: a systematic assessment (undertaken by the certification body itself) of the performance of a programme and its adherence to the set policies and procedures

**licence**: an agreement or contract that grants a certified operator the right to use certificates or certification marks in accordance with the requirements of that programme

**non-conformity**: a situation or action that leads to the operator's or production's not fulfilling in some way the standards or the requirements set by CB. Non-conformities are sub-divided into non-compliances, deficiencies, and violations

> **deficiency**: non-conformity that is unserious but which should be corrected by the operator
> **non-compliance:** a more serious non-conformity that could threaten the integrity of organic products; also, a deficiency that has not been corrected by the operator according to the set timeline
> **violation:** a serious non-conformity that threatens the integrity of organic products. An intentional violation can also be referred to as **fraud**

**operator**: an individual or business responsible for ensuring that production meets (and, if applicable, continues to meet) the requirements on which the certification is based

**parallel production**: any production in which the same unit is growing, breeding, handling, or processing the same products both in a certified organic quality and a non-certified or non-organic quality. Organic and in-conversion production of the same product also constitutes parallel production

**pre-assessment**: an inspection for the purpose of assessment that is not intended to result in a certification decision

**precedent**: a certification decision concerning a new situation or set of circumstances that may serve to guide future decisions

**sanctions**: measures taken against operators that have failed to comply with the standards or other requirements of the certification body

**grower group**: an organized group of small-scale producers with similar farming and production systems

**split production**: Production, breeding, handling, or processing of conventional, in-conversion, or organic in the same unit

**surveillance**: the measures undertaken to provide ongoing monitoring of an operator's compliance with standards and certification requirements

**trace-back audits**: an audit to verify that a product or its ingredients may be traced back to the original suppliers
**transaction certificate**: a document issued by CB declaring that the specified lot or consignment of goods is derived from production that has been certified

### *2.2 Abbreviations*

CC: certification committee
ED: executive director

## 3 ORGANIZATION

### *3.1 Legal Form and Registration*

CB is [insert legal form], registered [insert where it is registered] under number [insert registration number], under the [insert the relevant legislation under which the registration has occurred].

### *3.2 Articles of Incorporation/Statutes/By-laws*

Describe briefly the basic documents of the organization. Refer to the documents. You may choose to have them as annexes to the QM for information purposes.

### *3.3 Organs*

Describe the various organs. Refer to the terms of reference or rules of procedure for each organ. Be clear about their mandates. First the organs as defined in the statutes, e.g.

#### *3.3.1 General Assembly/Annual General Meeting*

#### *3.3.2 Board*

The board is appointed by the general assembly and is the body responsible for the operation of the CB. The terms of reference of the board are included in the statutes. The board has approved more detailed rules of procedures [REF].

Afterwards the organs that have been established by the board e.g.

### 3.3.3 Certification Committee

### 3.3.4 Standards Committee

### 3.3.5 Finance Committee

## 3.4 Management

Describe the management structure. The job description of the executive director can be an integral part of or an annex to the QM. Below is an example of an integrated description. Do not indicate the name of the persons having the various positions, as this easily makes the manual out of date. Instead, you should have a list of all the staff kept up to date.

### 3.4.1 Executive Director

The executive director (ED) is the top staff of CB with overall responsibility for managing the business of the company on behalf of the board and as may be directed by the board from time to time. The ED is accountable to the board. The tasks and responsibilities of the ED are the following:

1. Implementing the strategic business plan of the company
2. Ensuring that the decisions of the board are implemented as directed by the board of the company
3. Developing a budget to be approved by the board
4. Installing appropriate financial accounting and reporting systems
5. Ensuring that the company offers quality services to its clients and partners
6. Advising the board on matters that are pertinent to the business of the company
7. Ensuring that the board and its committees are properly facilitated in their functions
8. Recruiting, assigning responsibility to, managing, and supervising and disciplining the staff of the company
9. Ensuring that the company's property and resources are well-maintained and secured
10. Ensuring that the operations comply with applicable laws and regulations and the norms identified by the board
11. Representing CB
12. Any other duties assigned by the board

### 3.4.2 Other Senior Managers

Define the other senior managers, giving a clear description of their responsibilities and whom they report to. Reference their job descriptions.

### 3.4.3 Inspectors

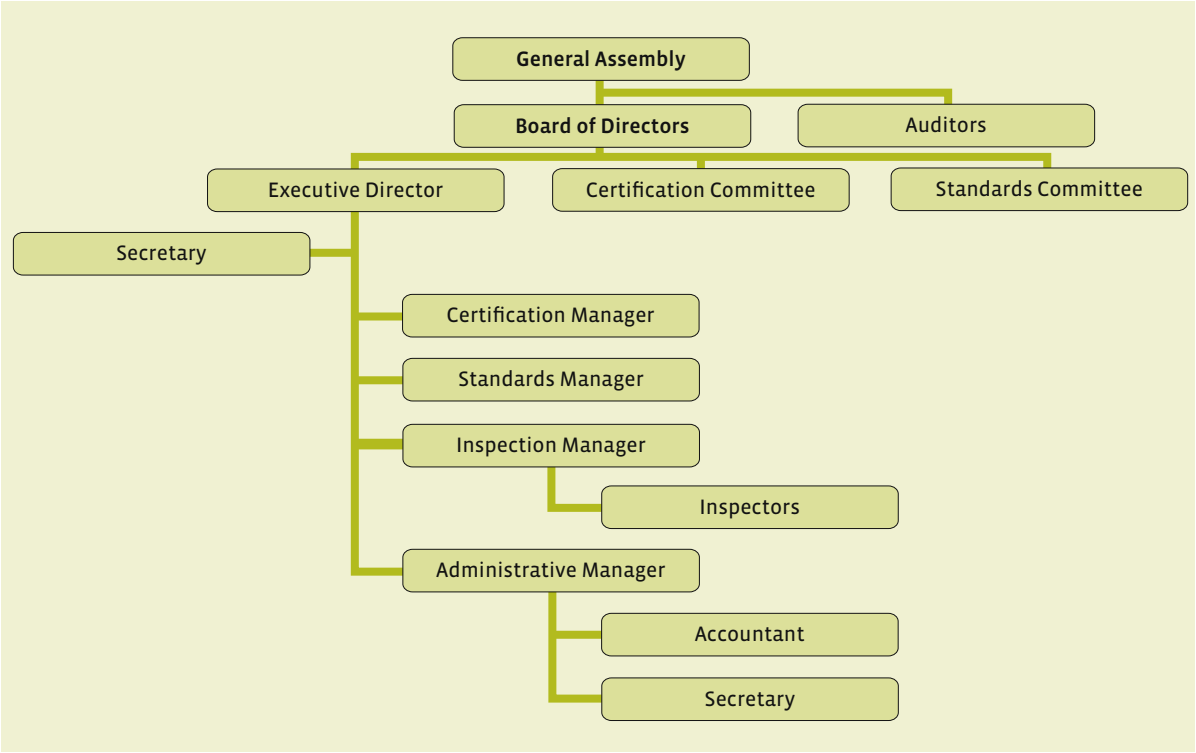
### 3.4.4 Other Staff

## 3.5 Conflicts of Interest

The CB has three levels of regulation to avoid conflicts of interest.

1. At the organizational level, the board and respective committees within the CB have been constituted to ensure a well-balanced representation of the various sectors within the industry without any one sector being dominant.
2. At the operational level, the organization doesn't involve itself in any activities that could compromise its independence. It means that it doesn't get involved in
   - Consultancy to clients
   - The marketing of products from certified operators
   - Facilitation of direct business between certified operators
   - Any other activity that may compromise the independence of the organization and its certification process
3. Also on the operational level, there will be efforts to ensure that the income from one operator does not represent such a big share of the income that there is a de facto dependence on that operator.
4. On the level of persons, each person must declare any activity that could lead to a conflict of interest and refrain from participation in the dealings with any certification process in which such conflicts could occur. This is further regulated in the conflict of interest policy and procedure [REF].

## 3.6 Organizational Chart



### *3.7 Planning*

The board of the CB has a strategic plan [REF] that is revised from time to time. It also has a business plan [REF]. According to it, an annual work plan [REF] is developed by the ED. These plans guide the board, the management, and the staff.

## 4 QUALITY POLICY AND QUALITY MANAGEMENT

### *4.1 Quality Statement*

The CB offers voluntary certification to operators.

The CB is committed to the following:

1. Implementing its certification services to the full satisfaction of the clients (i.e., the certified operators)
2. Maintaining a timely, courteous, accurate, transparent, and consistent approach throughout the programme and on a day-to-day basis
3. Communicating with the users of certified products and actively informing them
4. Fulfilling the requirements for a reliable certification body as expressed in the ISO Guide 65 and the IFOAM norms (and other relevant regulations), or as requested by the clients for special markets

### *4.2 Quality System*

To fulfil its quality commitment the CB operates according to the following:

1. The executive director is responsible for ensuring that the CB quality statement is fulfilled.
2. The client is the focus of the service and his satisfaction is the most important objective.
3. Feedback from clients is actively sought and their suggestions are considered.
4. The CB works in a transparent way, and the public shall have access to as much information as possible.
5. A quality system is in place and all personnel understand its requirements and their responsibilities.
6. The certification services follow clearly established standard operating procedures to ensure that applicable norms are followed, that clients are treated consistently, and that staff are guided in their service delivery.
7. Internal audits and management reviews are regularly performed.
8. Reviews of staff and their training needs are regularly performed.
9. The CB has adequate human and financial resources.
10. The CB is so structured as to enable it to operate without undue influence from vested interests.
11. Descriptions of the organization, financial sources, polices and procedures, etc. are publicly available to interested parties upon request.
12. Proprietary information from the clients is kept in confidence.
13. Recruitment and training are aimed at ensuring the highest possible performance.

14. Application is open to all operators engaged in organic production without regard to membership or any other extraneous factors.
15. The CB maintains a record system that is able to demonstrate the way in which each certification process is applied.
16. The CB has procedures for the consideration of complaints and appeals.
17. The CB assumes full responsibility for any activities or tasks related to the certification system which are subcontracted or in any other way are carried out by another body, agency, or individual.
18. The CB recognizes a dynamic development in the organic industry, the field of certification, and the regulatory environment in which its clients operate and strives for continuous innovation in its delivery of services.

### *4.3 Quality Objectives*

In the annual work plans, the executive director sets objectives related to quality.

### *4.4 Design of the Quality System*

The quality system is designed with this quality manual as the leading document. Based on it, comprehensive documentation for all aspects of the organization is developed, including necessary policies, standard operating procedures, work instructions, forms, and record-keeping systems. The design is made according to the realities in the field and with the full participation of the people involved in the implementation.

### *4.5 Implementation of the Quality System*

The quality system is only good if it is implemented. Staff are regularly trained to understand and master the system. The proper implementation is monitored by reporting functions and the active monitoring by the responsible staff and the ED.

### *4.6 Further Development of and Improvements to the System*

The CB recognizes the following processes to be of special value in the further development of the system:

- internal audits
- feedback from staff
- feedback from clients
- resolutions and issues arising from appeals and complaints
- assessments and evaluations made by other parties
- management reviews

#### *4.6.1 Internal Audit*

The internal audit is the responsibility of the executive director. The executive director shall assign himself, a staff member, or a hired expert to carry out all or parts of the audit.

The internal audit is a detailed examination of how the CB has followed its systems and the applicable norms or regulations. Non-conformities are listed. On the basis of the internal audit decisions on corrective actions are taken by the executive director or by the board. The audit shall follow the guidelines in the ISO/IEC Guide 19000.

### 4.6.2 Audit Plan

For each audit a plan shall be set. It shall contain the following:

1. An inspection of 20 per cent of files for operators, selected partly by random and partly by a risk assessment
2. An assessment to determine whether decisions are made by authorized bodies and persons
3. An assessment to determine whether processes follow written procedures
4. An evaluation of the quality manual and other written documentation to ensure that they are correct, up to date and not contradictory
5. A check of the document register to ensure that it is complete and up to date
6. An inspection of all registered complaints and at least a third of the registered violations of the standards
7. Actions taken in relation to weaknesses found in earlier audits
8. Actions taken in relation to demands from external parties (accreditation, supervision, etc.)

Additionally, and at regular intervals or whenever the ED or board so demands, the following areas shall be included in the audit:

1. The training and competence of the staff
2. The financial management
3. The fieldwork of the inspectors (witness audit)
4. The computer and recording system
5. Other administrative services
6. Internal information (to the operators and staff)
7. External information (to the public and third parties)

### 4.6.3 Complaints

CB sees the handling of complaints as an important mechanism for improving quality. CB has a comprehensive procedure for complaints. See the section for complaints.

### 4.6.4 Appeals

The resolution of appeals may also indicate shortcomings in the system. Reference is made to the appeals policy and procedures [REF].

### 4.6.5 Feedback from Customers

CB actively seeks feedback from the customers. This is done in the daily operations and by targeted surveys. All feedback from clients shall be reported to the responsible person to see how it can lead to improved service. To obtain feedback, the executive director shall regularly make surveys of all or some customers.

### 4.6.6 Feedback from Staff

There will be observations by the staff of possible gaps in the quality system, opportunities for improvement, or procedures that are impractical or impossible to follow. The staff is encouraged to report this to the ED for consideration. In annual workshops, the staff feedback is sought in a more systematic way.

### *4.6.7 Input from Third Parties*

The CB values the input to its quality system emerging from assessments made by peers, representatives of accrediting agencies, or other outside persons. The CB also actively seeks the opinion of the end users of certified products.

### *4.6.8 Management Review*

The ED shall perform an annual management review of the quality system to assess whether policies, procedures, and record-keeping systems are achieving the aims and objectives of the CB and to determine whether it is in compliance with documents such as ISO65 and the IFOAM norms.

In a systematic review of the effectiveness of the quality system and its adherence to international norms, the management review should take into consideration the following:

- the internal audit
- client feedback
- staff feedback
- complaints
- appeals
- other third-party input

The review shall be based on the quality policy and the formulated quality objectives.

The output of the review can be improvement of the service delivery, improvement of the quality system, investment in technology, training initiatives, etc. The review shall be presented to the board for possible further actions.

## 5 PERSONNEL

### *5.1 Personnel Policies*

CB is committed to being a good employer. It encourages personal development and adheres to the applicable regulations.

The CB is an equal-opportunity employer. In hiring or promoting employees or in determining compensation, the CB does not discriminate on the basis of race, national origin, sex, marital status, sexual orientation, disability, HIV/AIDS status, religious affiliation, [or other legally-protected category].

The CB is a drug-free workplace.

The executive director is responsible for developing, in consultation with the staff, all applicable policies and rules for the staff, including, but not limited to, the following:

| | |
|---|---|
| leave | termination of employment |
| HIV/AIDS workplace policy | grievance procedures |
| health insurance | carrier paths |
| pension | basis for setting salaries |
| holidays | |

The relevant personnel policies are collected in the personnel manual [REF].

### 5.1.1 Contracts and Job Descriptions

All permanent staff have contracts and job descriptions.

## 5.2 Recruitment

Staff are selected to ensure adequate qualifications for the designated tasks. Recruitments for permanent staff positions are done through open advertising and competition. A smaller group of applicants should be called for interviews by a team designated by the executive director. For each position there is a qualification profile formulated as part of the job description. Staff are normally employed on a probation period of six months, after which a comprehensive evaluation is made before a permanent contract is signed.

## 5.3 Training

The work of CB is very specific. For the aspects for certification and inspection there are few training opportunities outside the CB. However, if they appear, and there is enough space in the budget for them, staff will be provided with opportunities to take international courses.

A training plan is established and implemented annually. CB organizes annual general training for board members and committee members to keep them up to date with the developments. For the ED, the board and the ED agree annually on training needs and plans. For other staff members, the ED and the staff member agree annually on training needs and plans.

### 5.3.1 Annual Certification Workshop

There is an annual workshop of two or three days for all staff involved in certification and inspection. During the workshop the following are discussed:

1. The interpretation of standards
2. Changes in standards and how they can be handled
3. New areas of inspection and certification
4. Methodology in inspection
5. Difficult inspection and certification cases and outcomes of appeals and complaints
6. The quality management system, design, implementation, and feedback
7. Developments in the organic scene
8. The IFOAM criteria for organic certification
9. ISO Guide 65
10. The debriefing of inspectors (regarding cases and problems)
11. The design and update of forms, checklists, and report formats

### 5.3.2 Introduction of New Certification Staff

The ED is responsible for the introduction of new staff in the certification office. Any such staff member should get thorough training in the quality system and the certification procedures.

### 5.3.3 Inspectors

New inspectors will follow a training programme as defined in the training programme for inspectors [REF]. They will be recognized as qualified inspectors only after the satisfactory completion of the initial training programme.

In addition, inspectors participate in the annual training workshop. Certain inspectors may get special training in a particular area to improve their skills. A special inspectors' training programme is organized each year for all active inspectors (it is linked to the annual workshop).

## 5.4 Staff Review

### 5.4.1 Executive Director

The board shall review the performance of the executive director at least once a year. The basis for the performance review will be a comparison of the job description and the directives from the board with the implementation of those directives. The performance review of the executive director assesses the continued competence of the individual to perform the tasks in the job description. Aspects taken into consideration include the following:

- the ED's reputable representation of the organization
- relations with clients and stakeholders
- effectiveness of communication with the board and committees
- following of the directives of the board
- initiative
- personnel management
- fiscal management

The review process shall be conducted in an interview style, allowing input from both parties. The results of the review shall be discussed in a full board meeting, during at least part of which the executive director shall not be present.

### 5.4.2 Other Staff

All other employed personnel working at least 10 hours per week will have a performance review each year by the executive director. The performance review of the staff shall take the form of an interview and will be based on the comparison of the employee's job description with the quantity and quality of work performed. The performance review shall also assess the following:

| | |
|---|---|
| completion of set targets | efficient execution of assigned tasks |
| handling of clients | work ethic |
| effective communication | cooperation with other staff members |
| adherence to set procedures | training needs |
| initiative | |

Performance reviews may be conducted more frequently than once a year, on the request of the ED or the staff member.

### *5.5 Contracting Work*

Work carried out by contracted individuals or companies (e.g., inspectors) shall fulfil the same requirements, when applicable, as employees.

## 6 FINANCIAL MANAGEMENT

The executive director is responsible for the financial management.

Every year before the end of October, The ED shall submit the following to the board:

a budget for the coming calendar year
a proposal for a fee schedule for services

The bookkeeping system is organized with the same headings as the budget, to ensure close follow-up.

The executive director should present to the board quarterly reports fully reconciled and taking into account accruals and depreciation and other balance posts with an effect on the results.

The annual financial statement shall be completed no later than 20 February and shall be submitted to the board and the auditor. The audit is performed by a certified auditor who is selected by the general assembly annually. The audit report shall be made available to the full board.

All transactions shall be covered by the correct authorization as defined by the board.

All financial records shall be kept for five years.

The financial management is subject to the quality system, and the appropriate regulations and standard operating procedures are found in the financial procedures manual [REF] which is developed under the responsibility of the ED.

## 7 DOCUMENTATION MANAGEMENT

The purpose of the document policy is to ensure that CB has complete control over its guiding documentation. The policy shall also ensure that the documents are handled in conformity with international norms. Here you can insert your document policy as a whole or make reference to it. The example below is a proposal for an entire policy:

## 7.1 Policy

The following policies apply to the guiding documentation:

1. The current issues of the appropriate documentation shall be available at relevant locations.
2. All changes of documents shall be covered by the correct authorization.
3. All changes shall be processed in a manner that will ensure direct and speedy action.
4. Superseded documents shall be removed from use throughout the organization.
5. All affected parties shall be notified of changes.
6. Documents shall be reissued when substantial amendments are made.
7. There shall be a register of all appropriate documents with the respective issue identified.

## 7.2 Procedures

In order to fulfil the policy, the following is instituted:

### 7.2.1 Proper Identification of Documents and Parts of Documents

All documents, except forms and standard letters, shall have the following information in the footer of the document:

1. Name, usually the same as the title
2. Code
3. File name
4. Date of last revision
5. Identity of the person responsible for writing or revising the paper (the owner)
6. Identity of the body or person that has approved by the document (if the document is a draft, that shall be indicated)
7. Distribution
8. Page number and number of pages

The design shall be like this:

***Name of document***

| **FILE NAME OF DOCUMENT: FILE NAME** | **CODE: AA-###-(YYYY)** | **PAGE 23 OF 39** |
|---|---|---|

| Responsible: | Approved by: | Version date: | Distribution: |
|---|---|---|---|
| NN | NN / DRAFT | 2002-05-06 | Public |

For printed publications, this information may appear in a less noticeable place than in the footer of the document (preferably on the front or back inside cover).

For forms and standard letters the following shall be indicated in a suitable location:

- the code
- date of last revision
- page number and number of pages

### 7.2.2 Document Authorization and Responsibility

Only persons who have been authorized may approve documents. The following rules apply:

| TYPE OF DOCUMENT | RESPONSIBLE FOR MAKING DRAFT (DOCUMENT OWNER) | RESPONSIBLE FOR APPROVAL |
|---|---|---|
| Standards and quality manual | ED | board |
| Other policies and standard operating procedures | Any person assigned by the ED | ED, as delegated by the board |
| Job descriptions and contracts | Any person assigned by the ED | ED, for the ED the board approves |
| Inspection manual and other department manuals | Any person assigned by the ED | ED |
| Forms and standard letters | Any assigned person | The relevant manager |
| Informational materials | Any assigned person | ED |
| Work instructions | Any assigned person | The relevant manager |

The table also indicates the hierarchy of documents. The documents on the higher level provide the basis for documents on the lower level. Should there be any contradictions, what is expressed in the higher level always obtains.

### 7.2.3 Distribution of Documents

All persons affected by a revised document shall get it as soon as possible. The ED is responsible for ensuring that each person affected by a document gets copies. There is a file where the mailing lists for revised documents are kept in order to establish the actual circulation. The staff shall regularly get a printout of the register of the valid documents in order for them to revise their own files. The access to the document is codified as follows:

*public:* no restrictions on distribution
*internal:* a document that is for internal use and is not publicly available
*restricted:* there are restrictions on access to the document (e.g., only to certain groups of staff, only to the board etc.; for each document that is classified as restricted, there should be an indication, preferably in the introductory section, of who will have access)

### 7.2.4 Register of Documents

All documents shall be registered in a register with the following information.

1. Name/title of document
2. Date of last revision
3. Body or person who approved the document or draft if not yet approved or withdrawn if the complete document has been taken out of use. The indication “withdrawn” shall be kept for two years, after which the entry in the register can be deleted. For forms and other information that is routinely revised every year, the indication “withdrawn” is not necessary

4. Code
5. Computer filename, as a hyperlink

### 7.2.5 Archive of Documents

An original copy of each document in force shall be stored in an archive of documents. These original copies shall be signed by the persons responsible for approving them, or in the case of documents approved by the board with a reference to the actual board meeting when they were approved.

#### 7.5.2.1 Intranet

The valid versions of the guiding documents are available on the intranet.

#### 7.5.2.2 Documents Taken Out of Use (Withdrawn)

Documents that are no longer in use shall be stored in a file, with an indication of when they were taken out of use and of the documents that replaced them, if any. Important documents shall be kept for five years. Less important documents (forms, etc.) can be sorted out after two years.

### 7.2.6 Document Revision

All documents shall be revised regularly, no less than once every second year, by the person in charge. If a document has been amended by separate documents (supplement, etc.), these should be incorporated into the revised document.

### 7.2.7 Document Codes

The various documents shall be categorized and assigned document codes with serial numbers for each category. The document codes are assigned like this: A-###-(YYYY).

A: the manual or category where the document belongs
O: organizational matters, including general policies
F: financial administration
P: personnel
C: certification
D: database and other software instructions
I: inspection
N: information and promotion
X: miscellaneous
**###**: a three digit (running) serial number
(YYYY): the year; used for forms and other kind of information that is normally changed every year. In this case the two other parts of the code remain the same over the years

### 7.2.8 Standardized Templates

Standardized templates are to be developed for standard operating procedures, job descriptions, work instructions, forms, letters, and reports. Standardized templates help staff draft properly designed documents.

# 8 CERTIFICATION SERVICES

Here you give an overview of the certification services you provide. If you operate several programmes (e.g., a domestic certification programme, an export programme, and an NOP programme) they should be described separately. You may want to state some general policies for your certification service, e.g:

## *8.1 Policies*

- The certification process of CB shall be reliable and follow relevant international norms. Through well-documented, standardized procedures it is ensured that each certification process is performed in a fair, professional, and objective way.
- The purpose of organic certification is to ensure that the products produced in organic agricultural systems are being practiced not only by growers, but also by all the people who handle and process organic food on its journey to the consumer. To accomplish this, CB provides a system which combines on-site inspections of all steps in the organic production to protect the producers and buyers of organic products.
- CB has a consistent application of sanctions by defining non-conformities with organic standards and organic regulations and sets out the measures that will be taken when certified operators knowingly or unknowingly fail to meet certain specified requirements.
- The CB's clients, the certified operators, should be assured of correct and respectful treatment throughout the process. Timeliness is important and the stated time frames for our work should be respected. If there are delays, the client shall be contacted and the delay explained.

## *8.2 General Flow of the Certification Process*

The general flow of the process is related below. The procedures followed are collected in the certification procedures [REF]. The certification manager has the overall responsibility for the certification procedures. The procedures apply to all certification programmes and scopes unless there are special provisions made for a particular programme or scope.

Describe very briefly all the steps in the process and refer to the documents developed for each step.

### *8.2.1 Application*

- Operators interested in application get a full application pack.
- The operator shall submit the application on the appropriate form.
- The applications are screened for completeness.

### *8.2.2 Assignment of Inspector*

The certification manager assigns an inspector, taking into account the scope, the qualifications of the inspector, and any possible conflicts of interest. An instruction for the specific inspection is formulated.

#### 8.2.3 Inspection Visit and Report

- The Inspection methods are elaborated in the inspection manual [REF].
- The inspection frequency is defined in the certification procedures [REF].
- The inspector carries out inspections and submits a report.
- The report is approved by the certification manager.
- Any further clarification is sought.

#### 8.2.4 Certification

The certification manager is responsible for the certification process. The decision-making authority rests with the certification committee but is delegated according to the certification procedures.

- A certification decision is taken, with any requests for corrective actions. The possible outcome of certification decisions are described in the certification procedures.
- A certificate of conformity is issued.
- The operator is introduced in the register of certified operators.

#### 8.2.5 Appeals

All decisions on certification are subject to appeals, as outlined in the appeals policy [REF].

### 8.3 Other Processes

Apart from the main flow the CB also have procedures for the following:

- spot-check inspections
- extra inspections
- sanctions
- market surveillance
- extension or reduction of certification scope
- issuing of transaction certificate
- certified products from an operator that wants to leave the certification programme

They are elaborated in the certification procedures [REF].

### 8.4 Certification Contract

All certified operators sign a certification contract [REF]. The contract lays down the responsibilities of the operator and the CB.

### 8.5 CB Mark

#### 9.5.1 Rules

The CB mark is a registered trademark and acts as an indication that a certain product is produced under a system that is certified by CB. It should always be used with an indication to which standard the product has been produced.

1. Only operators that are holders of a valid certificate of conformity may use the mark.
2. The mark may only be used for products that have been identified in the certificate.
3. Usage of the CB mark on the package/labelling of certified products must be approved by CB prior to use. Operators that have been in the system for two years without any problems related to labelling can design new labels without approval beforehand by CB, but they shall submit label designs to the CB, which reserves its right to act on wrong use.
4. The mark shall always be used along with the following:

a. name of product
b. producer's name
c. indications that the producer is certified by CB
d. indication of the applicable standard or scope

i. If the product is certified to the CB organic standards, the statement of organic is sufficient.
ii. For other standards, the labelling rules relating to those standards apply.

5. The mark can be used along with other certifications, logos or trademarks.
6. The mark shall not be used for marketing in such a way as to give the impression that products that are not certified seem to be.
7. There should be no misleading claims regarding the meaning of the mark.

These rules form an integral part of the [certification contract, REF]. Detailed instructions on how to use the mark are in the [certification requirements, REF].

### *8.5.2 Inspection and Market Surveillance of CB Mark Use*

Through inspection and market surveillance, the CB monitors the proper usage of the mark. The procedures for this are elaborated in the [certification procedures, REF].

- The CB will take action (if necessary, legal action) against any use of the CB mark by non-licensed operators. If this happens repeatedly, standard procedures for the process shall be developed.

Incorrect use by any certified operator falls under the [policies and procedures for non-conformities, REF] and is makes the owner subject to the associated sanctions.

## *8.6 Acceptance of Prior Certification*

### *8.6.1 Acceptance of Products Entering into the Process of a Certified Operator*

CB can accept that operators use organic raw materials certified by other certification bodies, with the following stipulations:

1. There shall be a written agreement [REF] on cooperation with the other CB. This can also be in the form of a multi-lateral agreement among several CBs, provided that it has the necessary clauses.
2. The examination by the CB shall show that the other CB has an equivalent conformity-assessment system. This can be established by its being at least one of the following:

a. IFOAM-accredited
b. ISO 65-accredited
c. Approved by any other system that the CB deems to be equivalent (the ED shall maintain a list of such systems)
d. Evaluated by the CB itself (for minor flows of product this can be done as a desk evaluation, studying the system of the other CBs)
e. A cooperation partner of the CB, which gives the CB constant insight into the work of the other CB

3. The examinations by the CB shall show that the products are certified to an equivalent standard. This can be established by their being at least one of the following:
a. Equivalent to IFOAM's basic standards
b. Equivalent to Codex Alimentarius
c. Evaluated by the CB itself

The procedures for this are detailed in the re-certification procedures [REF].

### *8.6.2 Acceptance of Operators Certified by Other Certification Bodies*

The procedures for this are detailed in the re-certification procedures [REF].

#### *8.6.2.1 Acceptance of Operators Wanting to Shift Certification*

Any new operator that has been certified by another CB shall submit the following:

- a signed application to the CB
- the last certificate of conformity from the other CB
- a request to the former CB that they release all relevant information (the form [REF] should be used)

Assuming that the relevant documents from the former CB are released and that they do not show any hindrance (e.g., they do not show that the operator was expelled from the other CB due to non-payment or violations, or that the certification scope was substantially different from the scope applied for), the operator will be accepted, and a certificate of conformity will be issued as soon as the operator's application has been accepted.

#### *8.6.2.2 Acceptance of Operators Wanting to Maintain Double Certification*

CB can accept an operator's being certified by another CB, according to the conditions above (product acceptance). In this case, a co-certification agreement [REF] is signed outlining the responsibilities of the CB, the other CB, and the operator. In this case, the CB will accept the certification decisions by the other CB but always maintain its right to deny certification should conditions so warrant.

## *8.7 Certification Programmes*

### *8.7.1 CB Certification*

CB certification is a programme for verifying compliance to the CB standards. Operators certified under this programme are entitled to use the CB mark on certain products. The programme is open to any applicant that fulfils the requirements in the standards.

#### 8.7.2 NOP Certification

If you run an NOP programme, you should describe it. If you use the same procedures as those already described above, just refer to them.

#### 8.7.3 EU Certification

If you run an EU certification programme, you should describe it. If you use the same procedures as those already described above, just refer to them.

#### 8.7.4 Any Other Certification Programme

### 8.8 Other Inspection and Certification Services

#### 8.8.1 Pre-assessment

A pre-assessment is an inspection for the purpose of assessment that is not intended to result in a decision about certification. CB makes pre-assessments at the request of interested operators. The pre-assessment results in an inspection report but is not moved further in the certification process. The results of the pre-assessment will not affect future inspections and certification processes. However, the pre-assessment report can form the basis for establishing that the conversion period has been initiated.

#### 8.8.2 Inspection Services

CB offers inspection services to other certification bodies. Those services will follow the specifications of the client. They will be delivered within the framework of the CB quality system. Unless otherwise agreed with the client, all relevant policies and procedures apply. Special standard operating procedures may be developed in cooperation with the client, if needed.

### 8.9 Fees

The fees charged reflect the cost of the implementation of the certification programme, including the overhead costs. The fees for the services are determined annually by the board.

## 9 RECORD KEEPING

### 9.1 Operators' Files

All records of a single operator are collected in one file, located in steel cabinets which can be locked. Only authorized persons have access to the operator's files.

There are instructions for the organization of the operator's files [REF]. The administrative assistant is responsible for this.

Similarly, all digital records are stored in one folder on the hard drive on the server, named by the code of the operator.

Basic data about the operators are registered in a database. The database system is further described in the database manual [REF].

Operators' records, including digital files, are permanently destroyed after five years, in a manner prescribed by the executive director.

### *9.1.1 Operators' Codes*

All operators are assigned codes constructed YYYY-A-####, in which the following holds true:

1. "YYYY" expresses the year of entrance in the certification programme.
2. "A" represents the category of operator, where
    F stands for "farm"
    P stands for "processor" or "handler"
    I stands for "importer"
    W stands for "wild collection"
    B stands for "bee-keeping"
    O stands for "other categories"
3. #### represents a four-digit serial number starting with 0001 each year.

Operators can have several codes if they are certified for several categories of production. Operators' codes follow the operation year by year. They follow the business, not the person (i.e., if a company is sold, the new operator takes over the old code; if a certified operator starts a new operation, it gets a new code).

## *9.2 Minutes*

Minutes from meetings are kept chronologically in files for each organ. The secretary of each organ is in charge of the storage of records.

## *9.3 Special Records*

There are separate registers for the following:

appeals
complaints
violations

The register contains an entry for each case and a reference to where the relevant records can be found.

## *9.4 Staff Files*

For each staff member there is a file where the following are stored:

- the staff member's employment contract
- his or her job description
- his or her CV
- copies of certificates from training programmes
- results of annual staff reviews
- confidentiality agreements
- any important communication between the ED and the staff member

The administrative assistant is responsible for this.

## 9.5 Confidentiality

You may either include your confidentiality policy here or make a short description and refer to the policy. Below is an example of a complete policy.

### 9.5.1 Policy

All proprietary information about the operators is kept in confidence. Such information includes the following:

- details of the operation
- inspection reports and correspondence
- certification decisions
- recipes for product formulation

The information will, however, be available for representatives of accrediting agencies and others with legal rights to view the certification records.
Confidential information regarding a certified operator can further be released to a third party at the request of the operator concerned.

Data can also be made available to reputable research institutions, provided that they sign confidentiality agreements and do not disclose any data about a particular operation.

The following information is not confidential:

- Information about the operator's certified production, as registered in the certification decisions and certificates
- Information regarding an operator's violation of the standards
- Information regarding an investigation into a complaint and solutions to the problem

However, the information shall only be communicated by public notices from the office and not by inspectors or other staff not responsible for this.

For information and situations not covered by this policy, the chief executive officer will make a decision regarding the release of information and propose amendments to this policy.

### 9.5.2 Procedures

- The policy is available to all interested persons and is sent to all operators and staff, committee members, and inspectors.
- All persons working for the certification programme or who in other ways come into contact with confidential information shall sign the confidentiality agreement (REF). The clauses of the confidentiality agreement are incorporated into the contracts with employees and freelance inspectors.
- Within the CB, the various persons' access to information shall be limited to the files they need for performing their duties.

- Requests for data on a certain producer should be directed to [title of responsible person].
- An operator who wants the certification programme to forward confidential information to a third party must so request in writing, indicating exactly what information it wants and where to send it.

### *9.6 Backup*

The executive director is responsible for ensuring that the CB has a backup system for all relevant digital files, including, but not limited to, the following:

- the database
- book-keeping
- operators' files
- minutes
- guiding documents
- intranet
- e-mail correspondence of all staff and other correspondence which is also not stored as paper copies

The backup procedures [REF] describe this in more detail.

## 10 COMPLAINTS

This policy includes procedures for dealing with complaints against CB operation or individual personnel as well as complaints regarding actions of certified operators with respect to compliance with standards. This section does not deal with appeals against CB certification decisions when they are made by the concerned operator, which are covered by the appeals policy [REF].

### *10.1 Validity of Complaints*

In order for complaints to be valid, they must relate to issues under the authority of the CB, including arbitrary judgements, unprofessional behaviour, financial mismanagement, unethical behaviour, discrimination, untimeliness, violations of conflict of interest and breaches of confidentiality.

Complaints regarding certified operators will only be accepted if they relate directly to the conformity with the applicable standards and certification requirements.

### *10.2 Submission*

All complaints shall be submitted in writing and signed for this policy to fully apply. A complaint shall be considered a complaint as long as it has the spirit of a complaint, regardless of whether the complainant has stated it to be a complaint or not. Written complaints should be accompanied by documentation of evidence. At the discretion of the ED, unsigned or oral complaints may be investigated following these procedures.

### *10.3 Confidentiality*

The privacy and identity of the complainant shall be protected to the maximum extent possible, with recognition that the complainant's identity may be indirectly revealed during the investigation. No parties involved in the investigation shall comment on the complaint until the problem has been solved. However if one of the parties makes public comments, the other parties are entitled to present their views.

### *10.4 General Procedures*

Complaints regarding the operations of the CB shall be dealt with by the ED. Complaints regarding actions by certified clients shall be dealt with by the certification manager or certification committee. Complaints against the ED shall be dealt with by the board. (They are, in this case, the resolution authority.) The resolution authority shall appoint an investigator, which may be the same person.

1. The receipt of a complaint shall be acknowledged within two weeks. The acknowledgement shall include a statement saying whether the complaint will be investigated, and a copy of this policy.
2. If a complaint is considered to be completely invalid or irrelevant, this will be stated to the complainant, accompanied by the reasons. The complainant will be given a month to substantiate the validity of the complaint.
3. The investigator shall determine whether more information is necessary to investigate the complaint and shall request this from the complainant or other sources.
4. The progress of the complaint process shall be recorded in the complaints processing form [REF].
5. A summary of the complaints and their resolutions shall be presented to the board annually.
6. Complete files containing all information related to the investigation of complaints (including corrective actions) shall be maintained by CB for five years.
7. CB reserves the right to inform IFOAM, partner certification bodies, regulatory authorities and the public of the outcome of complaints investigated. This is decided by the resolution authority.

### *10.5 Complaints against CB*

The executive director shall review the complaint. More information may be requested of the complainant, third parties named as sources of information in the complaint, or other parties likely to have information relevant to the investigation. The ED can appoint a staff member as investigator or make the investigation himself.

1. When sufficient information has been compiled, and the complaint has been determined to be valid, the ED shall contact the subject of the complaint and present all substantiated information which has been found to be the basis for the complaint. The ED shall request a full explanation of actions taken by the subject relevant to the complaint.
2. The subject shall be given a week to respond.

3. The investigator shall review all information obtained and formulate a recommendation. The recommendation may contain corrective actions, disciplinary measures, or both.
4. The recommendation and all supporting information will be submitted by the investigator to the ED at the conclusion of the investigation. A copy will also be sent to the complainant and the subject of complaint, with a time limit for response of one week.
5. The ED shall decide on any corrective actions or disciplinary measures within two weeks of receipt of the final report from the investigator.

For complaints against the ED similar procedures are followed, but implemented by the board instead of the ED.

### *10.6 Complaints about Certified Operators*

The certification manager shall review the complaint. More information may be requested from the complainant, third parties named as sources of information in the complaint, and other parties likely to have information relevant to the investigation.

When sufficient information has been compiled, and the complaint has been determined to be valid by the investigator, the investigator shall determine a course of action based on the nature of the complaint and amount of evidence, which may include one or more of the following:

1. Contacting the subject of the complaint and presenting all substantiated information which forms the basis for the complaint (the investigator shall request a full explanation of actions taken by the subject relevant to the complaint; the subject will be given two weeks to respond)
2. An visit to the premises
3. An unannounced visit (where there is sufficient evidence of a serious violation, this shall be done immediately)

If, during the investigation into the complaint, there is sufficient evidence that serious violations have occurred, then the certification manager shall take immediate actions regarding the certification status of the operator. The investigation into the complaint shall, however, proceed according to the procedure.

The investigator shall review all information obtained and formulate a recommendation. The recommendation may contain corrective actions or other sanctions. If the further investigation has revealed new information, the subject of the complaint will again be presented the results and given two weeks for a response.

The recommendation and necessary supporting information will be submitted to the resolution authority at the conclusion of the investigation.

The resolution authority shall decide on any corrective actions or sanctions within two weeks. The timeline for implementation of corrective actions shall be set, as well as the method for checking implementation (e.g., annual inspection, document submission, unannounced visit).

## Annexes

You should define which annexes (if any) are an integral part of the quality manual.

# *Certification procedures*

This sample certification procedures is an example of a comprehensive document collecting all procedures related to the certification process. Another possibility is to have stand-alone standard operating procedures made for all steps. If that is the solution chosen, then the quality manual should more clearly show how they fit together. With a comprehensive document like this example, the quality manual can to a large extent just refer to the certification procedures.

Two annexes, regarding sanctions and appeals, are written as separate policies, as it is envisioned that they are approved by the board of the certification body.

In the sample certification procedures,

- REF indicates that you should reference a document by its correct name and/or code. WHO indicates that you should indicate the position (not the person) that is responsible for a certain action. In some cases, the action may still be delegated to somebody else by the position in charge. In the overview table and in some other places, reference has been made to actual positions just to make it easier to understand. However, these positions are just indicative and should be replaced with actual positions in your organization.
- CB is the name of the certification body and shall be replaced by the name of your organization.

If you want to use the sample, you need to put it into the prescribed template of your organization.

On the next page the sample procedures start. Delete this page.

## 1 Introduction

### *1.1 Purpose*

The purpose of this document is to set the rules for how CB implements its certification programmes.

### *1.2 Scope*

The policy applies to all certification processes implemented by CB, unless specifically stated otherwise. Relevant aspects also apply to the implementation of inspection services for other certification bodies. In these procedures, there are sections on

| | |
|---|---|
| general provisions<br>application<br>inspection<br>certification | special cases<br>handling of non-conformities and sanctions<br>appeals |

Overall management aspects, protection of data, confidentiality, etc. are regulated in the quality manual (REF).

Details for which documents and records the operator needs to make available, and what kind of internal control systems that needs to be in place as well as other rules for the operators are found in the organic certification requirements (REF).

For some of the processes, detailed work instructions are developed. Reference is made to them.

#### *1.2.1 Revision and Authority*

The certification procedures are developed by WHO and approved by WHO.

### *1.3 Policies*

The relevant policies guiding the certification procedures are set in the quality manual.

### *1.4 Certification Scope*

CB inspections and certifications are conducted in accordance with the CB organic standards. CB can also offer certification to other standards, e.g., the EU 2092/91, the NOP, or private-sector standards. These procedures apply also to those certifications, unless special notes are made.

## 2 Cost for Services

For fee levels, refer to the fee schedule (REF) as annually determined by the executive director.

The following guides the determination of the fees:

1. All expenses necessary to conduct the inspections, evaluations, and certification will be charged to the operator.
2. CB seeks to minimize the costs and offers combined assignments for different customers if possible.
3. All invoicing is done on the basis of the actual fees.
4. Additional inspections may be necessary if the applicant does not have all the necessary information available for the inspector to review or if a conditional certification is granted by CB. The applicant will be billed for the actual costs of such additional visits.
5. Random inspections are not charged for.

6. Routine analysis is not charged for, but any analysis made caused by a non-conformity by the client, or when analysis shows that a non-conformity has occurred, will be billed to the client.

The fee determination work instruction, REF, contains instructions for the determination of fees, how to prepare offers, and the invoicing procedures.

## 3 Overview of Main Flow and Responsibilities

The table below contains the main steps in the certification flow. In some steps there can be loops, e.g., if the application is not complete there will be a request to the operator to complete the application. For some steps more elaborated work instructions are developed. They are identified in the table. The timelines indicated should be kept, unless there are special reasons. During vacation time, or when the responsible person is on leave, a delay of not more than a week is permissible, i.e., there must be stand-ins for all steps in the process.

| FORMS (CODE) | WORK INSTRUCTION (code) | TIME (weeks) | ACTIVITY | BY |
|---|---|---|---|---|
| | | | Interest | Operator |
| REF | | | Noting Interest | Cert Admin |
| | REF | | Register interest in database | Cert. Admin |
| REF | REF | | Send out application | Cert Admin |
| | | | File application | Operator |
| | | | Paying application fee | Operator |
| | REF | | Registration of application fee | Cert Admin |
| | | 2w | Consideration of application | Cert Off |
| | REF | | Registration of application | Cert Admin |
| REF | | | Certification contract | Cert Off , Operator |
| REF | REF | | Cost estimate and first invoice | Cert Off |
| REF | | 1w | Assignment of inspector | Cert Off |
| | REF | | Registration of assigned inspector | Cert Admin |
| REF | | 1w | Instructions to inspector | Cert Off |
| | REF | 4w | Inspection | Inspector |
| REF | REF | 2w | Inspection report | Inspector |
| REF | | 1w | Review and approval of report | Cert Off, Operator |
| | | 3w | Further information (if needed) | Cert Off, Inspector |
| REF | | 2w | Certification decision | Cert Off / Cert Comm |
| | REF | 1w | Registration of operator data | Cert Admin |
| REF | REF | | Issuing certificate (of conversion) | Cert Off |
| REF | REF | 1w | Final invoice | Cert Off |
| | | | Annual cycle | |

# 4 Application

All applicants for certification and certified operators must agree that they will comply with the CB organic certification requirements and CB organic standards. A statement to this is part of the application form as well as the certification contract.

## *4.1 Operators*

Any legal entity can apply for certification of activities under its direct control.

Under certain conditions different operators (e.g., wild harvested operation, collection areas plus processing site) may be combined into a "certification project". The guiding principle is that one operator controls all the activities and assumes full responsibilities within the project. There are special guidance papers developed for the following project situations:

wild production, REF
group certification, REF

The conditions for subcontracting production are laid down in the organic certification requirements, REF.

WHO can determine more detailed rules for other project settings.

### *4.1.1 Commissioner*

In some cases someone other than the operator is commissioning the work. In those cases the responsibility for the finances remains with that commissioner, while all other responsibilities are with the operator. Failure to pay by the commissioner will result in a loss of certification for the operator. The commissioner has the right to get copies of all communication between the certification body and the operator, unless otherwise agreed by the parties.

## *4.2 Application Date*

CB receives applications throughout year. The ED can determine special application dates for certain certification scopes as appropriate.

## *4.3 Application Procedure for New Clients*

### *4.3.1 Inquiries*

The operator contacts the CB to announce interest. That can be done in writing, by telephone, or by personal contact. There is a special form for inquiries, REF, which can be filled in by the person noting the inquiry. WHO should go to great lengths to clarify the scope of certification sought, so that the right application information will be sent out.

All persons who contact CB for application information are registered with name and address in the database, coded INTERESTED OPERATOR. Instructions for registration are found in REF. Registration is done by WHO.

### 4.3.2 Application Pack

WHO sends the application pack to the applicant. No fee is charged for it. The application pack includes

- A standard application letter, REF, including instructions for the payment of the application fee
- Relevant standards (CB standards or NN standards, depending on which certification is ask for)
- Fee schedule, REF
- Application forms for the relevant production
- Any special regulations or information relating to the scope of certification (e.g., the format for an organic farm plan for NOP) or the organization of production (e.g., requirements for group certification). There is a special work instruction and checklist for information to be included in the application pack, REF, that outlines this in detail.
- Organic certification requirements, REF

Application can be sent by mail or email. The date of sending out the application pack is noted in the form for inquiries, REF.

### 4.3.3 Registration of Application Fee

Upon receipt of the application fee, WHO makes a note on the application form. Applications should not be further processed until the application fee is paid. If no application fee has been registered within two weeks after the receipt of the application, WHO shall contact the operators and clarify the situation. A standard letter, REF, has been designed for this situation.

### 4.3.4 Review of Application

Upon receipt of the appropriate paperwork, WHO will review the contents for completeness. If any documents are missing, the applicant will be requested to submit information within two weeks. For this the standard letter, REF, is used.

Once information is complete, a review by WHO is performed to clarify the scope and to address any concerns prior to the assignment of an inspector. Special notes for the inspector can be made. If it is obvious from the application that the production will not be in compliance, the application is rejected. A standard letter, REF, exists for this situation.

### 4.3.5 Assignment of Code

WHO assigns the code to the operator. The code consists of eight digits and a letter, in the format ####A####. The first four digits present application year and the next four digits represent chronological number, from 0001, restarted every calendar year. The letter represents the district. The code is entered in the application form.

### 4.3.6 Certification Contract

Along with the invoice, the certification contract, REF, is sent out in two copies. The operator is asked to return them. If the contracts have not yet come back before the inspection, the inspec-

tor shall be instructed to ensure that they are collected. The certification contract is signed by the executive director, after which one copy is returned to the operator.

#### *4.3.7 Completion of Application Stage*

Once the application is considered to be complete and the fee is paid, the file is passed to WHOM for assignment of inspector.

#### *4.3.8 Registration*

When the application stage is completed, WHO changes the code of the operator to APPLICANT, and feeds in the other data as described in REF.

### *4.4 Application Procedure for Currently Certified Clients*

Six months before the annual renewal date of the certificate, WHO shall send to each certified client the following:

- The renewal of certification standard letter, REF
- Application or renewal forms. If CB for certain certification type doesn't use the renewal form, then the operator will be provided with the relevant application form (WHO shall check in document register which documents are available)
- Current fee schedule
- Invoice of 75 per cent of the estimated fees, based on last year's final fee
- Standards and certification requirements, if changed from last year

The operator shall submit its renewal form and pay the fee within one month. If the client has not renewed its application within that time, it will be contacted by WHOM, normally by phone.

If the renewal form or the fee has not been received four months before the annual renewal date, a notice of termination, REF, is sent out by WHO.

The executive director can, on a case-by-case basis, accept applications after the deadline, keeping in mind the critical periods for inspection and the risk that non-conformities could occur.

The relevant part of the procedures above applies.

## 5 Inspection

### *5.1 Assignment of Inspector*

WHO will assign the inspector, and ensure that the inspector gets all the needed documents:

Application and background information
Special instructions for inspection
Copies of earlier reports and certification decision (if applicable)
Appropriate forms and questionnaires for report

WHO shall use the form for assignment of inspectors, REF. The assignment is copied and stored. A record of which inspector is used for which operator is entered in the database by WHO.

In the assignment of inspectors, WHO shall consider the following:

- The same inspector shall not be assigned to the same operators for more than four consecutive years
- any possible conflict of interests
- the qualification for the type of inspection at hand
- logistical considerations

WHO sends out the notification of the assigned inspector and a confirmation that the application is accepted to the operator by the acceptance of application standard letter, REF. The operator has the right to make an objection to the assigned inspector based on potential conflict-of-interest or qualification grounds. If that happens, WHO will judge the merit of the objection and either shift inspector or insist that the original inspector carry out the assignments.

The inspector should confirm the receipt of the inspection assignments and his or her ability to conduct the inspection.

## *5.2 Inspection*

The inspector shall follow the specific instructions as well as the general instructions for inspection as laid down in the inspection manual, REF, and other guiding documents as relevant for the kind of production. Apart from the inspection manual, CB recognizes the following documents as being relevant for organic inspections. All inspectors are provided with them:

- IFOAM/IOIA international organic inspection manual
- SMALLHOLDER GROUP CERTIFICATION guiding documents for organic inspectors and certification personnel on the evaluation of internal control systems

### *5.2.1 Exit Talk*

During the exit talk, inspector will summarize the results of the inspection and fill in the appropriate questionnaires. The operator signs this questionnaire and thereby confirms that he agrees with the inspection findings. If the operator refuses to sign, this is noted and the reason for his refusal stated.

### *5.2.2 Sampling*

In cases where use of a prohibited material is suspected, a sample of the soil, water, or product shall be collected. The inspection assignment can also include specific instructions for sampling. If sampling is required, the inspector must follow the sampling procedure according to the inspection manual. NB: It is WHO that decides whether the samples will be sent for analysis. Sample analysis shall be done by an accredited laboratory, qualified for the kind of analysis required.

### *5.2.3 Refusal of Inspection by Operator*

If an operator refuses the inspection, the inspector informs the CB office immediately (maxi-

mum two days). The refusal itself induces a notice of termination of the certificate. The operator is informed about this by WHO in writing. If the operator forwards a convincing explanation for his refusal within seven days, another inspection can be scheduled within two weeks. In some cases, CB can decide not to carry out the inspection at all, and reject the certification based on that, especially if it has been repeated by the same operator.

#### *5.2.4 Inappropriate Behaviour by the Operator*

If an operator behaves inappropriately towards the inspector, e.g., by threatening or by offering bribes, the inspector shall immediately cancel the inspection, inform the operator of the reason and tell him that it will be reported to the CB. A report shall be filed without delay.

### *5.3 Inspection of New Applicants*

The inspection shall take place no later than four weeks after the assignment for new applicants.

#### *5.3.1 Initial Inspection*

During the initial inspection, extra efforts are made to inform the operator and to get all basic information correct. All production sites are visited.

### *5.4 Inspection of Existing Clients*

For those already certified, WHO, in consultation with the inspector, makes an inspection plan for all the inspections of one inspector per year, including an approximate time for each inspection. The plan includes a classification of operators according to risk. For some operators, special instructions may be issued, e.g., regarding sampling or special attention to a certain issue. Also those subject to random inspections (see below) are identified in the plan. The inspector shall carry out the inspections as per agreed dates.

#### *5.4.1 Inspection Frequency*

As a normal procedure, a full inspection of each operational unit will take place once per calendar year.

#### *5.4.2 Spot Check Inspections*

CB conducts a spot check in order to ensure a high product security and the integrity of organic produce. It also works as an extra safeguard against corruption. Therefore at least half the spot-check inspections should be carried out by another inspector than the one inspecting the operator the last time.

Spot checks are selected according to a risk analysis and at random, half of each. The executive director annually determines the rate of spot-check inspections, currently 5 per cent.

Spot-check inspections are normally unannounced, but can be announced on short notice at the discretion of the inspector.

Spot-check inspections can be directed only to parts of the operations as per instructions by WHO. Random inspections may also include sampling or consist only of sampling.

WHO shall have a register of all spot-check inspections performed.

#### *5.4.3 The Routine Inspection Visit*

The assigned inspector will contact the operator and arrange an on-site inspection. The routine inspection shall cover all important aspects and sites of the production. The inspector is allowed to skip certain aspects, depending on the assessment of risk in the operation and the time available for inspection. The report shall make clear what was inspected and what was not. Aspects not covered at one inspection shall be covered at the next one.

For 20 per cent of the inspected handlers and processors an input/output reconciliation and a trace-back audit shall be made for one or more selected products. Half of these are determined in the inspection plan, the other half by the inspector.

#### *5.4.4 Extra Inspections*

As a result of non-conformities, a complaint, or failure at earlier inspections, extra inspections can be conducted at any time. The decision to perform an extra inspection rests with WHO.

### *5.5 Submission of the Report*

A written inspection report shall be made that presents the inspector's observations and assessments concerning the operation's compliance and ability to comply, with all applicable requirements of the CB. The report follows predefined templates, different for different kinds of production. The inspector has 14 days to hand in his report to CB.

The report is stamped with a date at the submission. This date is also entered into the database by WHO.

### *5.6 Review and Approval of the Inspection Report*

On receipt of the inspection report, it will be screened to check the completeness of the report. If the inspection report is incomplete, WHO may take any of the following actions:

- Return the report to the inspector to complete the report
- Ask the operator for more information, if the incompleteness is related to lack of information from the operator
- Send the inspector to redo the visit to complete the investigation
- Assign another inspector to complete the investigation

The applicant shall not be charged for any additional visit required due to the fault of the inspector.

The report is also reviewed for the quality of the inspection work and the reporting. The inspector shall get feedback on the inspection. This is recorded on the report approval form, REF.

The review of the report shall be concluded within one week after receipt of the report.

If non-conformities are identified in the report, the report will also be sent by CB to the operator so he or she can confirm that information given by the inspector is correct or refute the conclusions by the inspector.

The approval of the report and the recommendations for certification are recorded on the certification decision form, REF.

# 6 Certification

## *6 .1 Authority*

The authority for certification decisions rests with the certification committee.[1] It has delegated the authority to WHO, who acts under its supervision. It can define more exactly the conditions for the delegation. WHO shall always refer the following cases to the certification committee:

- Cases of interpretation of the standards
- The setting of sanctions, for non-conformities, above a written warning. Once the CC has established precedence, WHO can continue according to that practice, but each case shall be reported to the CC
- The withdrawal of certification from a previously certified operator, unless caused by non-payment of fees

### *6.1.1 Review*

The internal audit reviews the implementation of the certification system and the decisions taken. The results of the review shall be submitted to the certification committee, which may take any action needed to exercise its responsibilities.

## *6.2 Timing and Period for Certification Decisions*

Initial certification of a new operator takes place after the initial inspection. At the time of the first certification an annual renewal date is determined, which will be maintained over the years. For seasonal production, this date should be set to reflect the nature of the business, i.e., the annual renewal date should normally be a month before the new production will be marketed. This means that there will be different annual renewal dates for different operators.

For already certified operators, the certification must be renewed, or terminated, no later than the annual renewal date. The normal renewal time is in conjunction with an annual routine inspection, but for operators that receive more than one inspection per year, assuming that the first inspection doesn't reveal any non-conformities, the renewal can wait until another inspection has been made, closer to the annual renewal.

A new certification decision can be made at any time, resulting from a random inspection, market surveillance, the resolution of a complaint, etc. A new decision always supersedes an earlier decision.

1 Note that as the board determines any appeals, it has the ultimate responsibility.

## *6.3 Certification Checklist*

The following checklist shall guide the certification decision and the registration of certification. The data forms part of the certification decision form.

### *6.3.1 Data*

1. Name of operator
2. Code
3. Identity of person or body making decision
4. Annual renewal date for certification
5. Considered information
6. Earlier certification decision
7. Last inspection report, date
8. Earlier inspection reports, dates
9. Other inputs, such as a complaint, market surveillance report, results from analysis
10. Application by operator, date
11. Annual update from operator, date
12. Other, list

### *6.3.2 Category of Certification*

The exact identity of what is certified must be specified. Observe that in complex cases separate decisions may have to be taken for different products, production lines, etc.

- Farm (the land and the system of production, record-keeping etc.); identify individual plots and their area if they have different status; if the status is the same, identify the total area
- Processor (the system of production, the processing sites)
- Products (list certified products or refer to annex; also applies to farms, but it is standard practice for fully converted farm with intensive horticulture to list groups like “root crops”, “leafy vegetables”, etc.)

The applicable categories are defined in the categories for certification, REF.

### *6.3.3 Decision regarding Data*

1. Information provided by the operator is or is not satisfactory for making a certification decision (if not satisfactory, list what information is needed to be submitted before any decision will be made).
2. The inspections carried out since last decision are or are not satisfactory for making a certification decision (if not list the reasons for this and what remedies are to be taken).

If any of these two apply, the further assessment cannot take place.

### *6.3.4 Assessment*

1. The production is in full compliance with the relevant standards and regulation.
2. The following non-conformities have been identified (list).

### *6.3.5 Decision*

The following types of certification decisions can be made (in brackets is indicated what type of operator the types are applicable to):

1. Certification is granted (for all categories of operators).
2. Certification granted if the following corrective actions are taken before the certification becomes effective. List each corrective action request and how the fulfilment can be demonstrated (for new operators).
3. Certification is granted with the following corrective actions requested. List each corrective action request, when it should be fulfilled, and, when relevant, how this should be demonstrated (for all categories of operators).
4. Certification is granted but the following sanctions (see sanctions policy, REF) shall apply. (Would normally only apply to previously certified operators.)
5. Certification is suspended, until certain defined corrective actions are taken. List each corrective action request and how the fulfilment can be demonstrated (for previously certified operators).
6. Certification is rejected (for new operators).
7. Certification is withdrawn (for previously certified operators).

### *6.3.6 Other Outputs from the Certification Process*

- Instructions for future inspections.
- Feedback to standards, management etc.

### *6.3.7 Suspended Certification*

An operator whose certification has been suspended may not make any claims with regard to the certified organic quality of his produce and his produce may not be labelled as CB certified. A suspension of certification shall never be longer than two months, after which the certification should be reinstated or withdrawn.

### *6.3.8 Withdrawal of Certification*

The withdrawal will include a decision for how long the period shall be before the operator can reapply. This period is determined by the reasons for withdrawal. The maximum period is five years. A withdrawal resulting from the operator's own request will not have any such period, unless the request was made in conjunction with disclosed non-conformities. All withdrawals of certification are posted on the CB website. An operator whose certification has been withdrawn may not make any claims with regard to the certified organic quality of its produce and its produce may not be labelled as CB certified. In cases in which the CB has reason to suspect that the operator is deceiving clients about its certification status, the CB shall actively inform the clients.

## *6.4 Notification of Certification*

Any new or changed certification is communicated to the operator by a standard letter, REF, and the issuing of a certificate of conformity. The letter contains any corrective action requests, information about the right to appeal, and other essential information.

### *6.4.1 Certificate of Conformity*

The certificate of conformity (REF) specifies the following:

- Name and address of the certified operator
- Effective date of certification and the validity of the certificate
- Categories of organic production, as defined in categories of certification, REF
- Reference to the relevant standard (e.g., CB, NOP, EU 2092/91)
- Name and address of the CB

The certificate is signed by WHO, who can delegate the signing to WHO in his or her absence.

## *6.5 Registration of the Certified Operator*

The outcome of the certification decision shall be entered into the database according to the instructions for the database, REF. The operator's status is now CERTIFIED OPERATOR.

## *6.6 Changes in Certification Scope*

The operator is required to notify CB of any major changes in the certified production, which may result in revision of certification status. Subject to the judgement by WHO, an additional inspection may be required before certification status is changed. Minor changes should be reported to CB by submitting the updated information when completing the relevant renewal forms. The certification requirements, REF, define the changes that have to be reported separately and those that can be covered in the annual renewal process.

## *6.7 Market Surveillance*

In addition to the inspections carried out at the premises of the operators, WHO determines annually a number of visits to wholesalers, marketplaces, and retailers. The purpose is the following:

- check that the certification mark is being used in the right way and only by certified operators and on certified products
- check that quantities and types of products marketed with the mark correspond to the certified production

There are special guidelines and forms for this as outlined in the market surveillance procedures, REF.

The result of market surveillance feeds into the procedures for the annual renewal of certification and the procedures for handling of non-conformities, when applicable.

## *6.8 Appeals*

All decisions on certification, sanctions, and possible corrective actions are subject to the appeals procedure as described by the appeal procedures. See annex 3.

# 7 Procedures for Special Cases and Processes

## *7.1 Handling of Non-conformities and Sanctions*

The CB certification committee is responsible for levying sanctions above the level of warnings. Depending on the urgency of the matter, the decision to suspend or to withdraw certification may be taken by WHO. Such decisions shall be reported to the following certification committee meeting. All sanctions levied shall be documented and communicated to the operator by the CB on the standard letter, REF. Copies of written notification and reports shall be kept in the operator's file. A separate register of sanctions shall be maintained.

For the policy and procedure for application of sanctions, refer to annex 2.

### *7.1.1 Non-conformities Revealed outside the Normal Inspection Procedure*

Any non-conformities that are revealed outside the normal inspection procedure (e.g., during market surveillance), as a result of a complaints process, or any other process, will be recorded in a non-conformity report, REF. The non-conformity is clearly stated in relation to the applicable standards. The report shall be submitted to the operator for comments, with two weeks' notice. The non-conformity cover letter, REF, is used for this communication. WHO is responsible for this procedure.

## *7.2 De-registration*

CB reserves the right to de-register an operator under the following conditions:

1. The operator operates businesses which violate the objectives of organic agriculture or regulations on workers' rights, conservation, health protection, or environmental protection.
2. The unexplained and persistently high presence of residues of undesirable substances, e.g., pesticide and herbicide residues or heavy metals, in the operator's fields or products. A persistent high presence will be counted levels above legal limits or above recommendations by international organizations such as WHO, FAO, or IFOAM, tested on several occasions.
3. If the operator goes bankrupt or fails in payments related to the certification process.

Decisions to de-register an operator on the grounds of condition 1 and condition 2 shall be taken by the board. Decisions to de-register an operator on the grounds of condition 3 are taken by the executive director.

# 8 Procedures for Special Cases and Processes

## *8.1 Certification of (New) Products for an Already Certified Company*

An application for product approval, REF, shall be submitted for each processed product produced by a certified operator. As long as this product is produced in the same processing lines and with the same technologies that were the subject of inspection and certification, the inclusion of new products in the certification scope depends only on the product formulation's following the standards. In all normal cases, this can be assessed based on the documentation submitted by the operator. However, the CB reserves the right to make an additional inspection if called for.

The product approvals can be for groups of products, e.g., for jams made with organic fruits, organic sugar, and pectin. Nevertheless, the operator must send in a product notification, REF, for each product under such approval, so that the list of certified products can be updated.

#### *8.1.1 Procedures*

The following procedures apply. For product notifications, only the steps marked with an asterisk apply.

1. The operator submits an application for product approval/product notification, REF.*
2. The product approval fee is paid for by the operator.
3. WHO stamps the date of receipt and register the application.
4. WHO records that the fee has been paid.
5. WHO assess whether the products conform to the standards and what conditions, if any, should apply for the approval.
6. The approval or non-approval is communicated by a product approval standard letter, REF.*
7. The list of approved products is updated.*
8. The approval is registered in the database.*

### *8.2 The Results of a Random Inspection*

Random inspections are reported in the normal inspection reports. WHO will review the reports and approve them. Unless there are indications of non-conformities, no further action is taken based on the report. The reports will be available at the next renewal of certification.

### *8.3 Decisions regarding the Fulfilment of a Corrective Action Request*

WHO is in charge of monitoring that corrective actions are made according to the determined conditions and should put in place a system for this (once the system is developed, it should be described in these procedures). If there are delays, reminders shall be sent out one week after the deadline. If the corrective actions still have not been taken three weeks after the deadline, a notification of sanction, or if the cases are deemed serious, a notification of suspension is sent out, with two weeks' notice. The issue, if still not resolved, should be brought to the certification committee for a final decision.

### *8.4 Acceptance of Previous Certifications*

Refer to the special policies and procedures developed for this, REF.

### *8.5 Status of Certified Products of an Operator Leaving the Programme*

If an operator wishes to withdraw from certification but still has products in storage produced while they were certified, a phasing-out certification status will apply. A special agreement is signed that regulates the conditions, REF. In essence, it means that the certification status of the operator remains, that the operator has to report how many products there are still in inventory, and that a report has to be filed every six months informing CB about the progress in sales. The CB will decide on a case-by-case basis if there is a need to perform inspections or not during the phase-out period. The phase-out period will never be longer than two years.

This procedure doesn't apply to operators that leave the certification program as a result of a non-conformity leading to suspension or termination. For products from such operators, under the condition that their status in no way was affected by the non-conformity, the CB may accept the transfer of such products to a certified operator as a one-time transaction.

## *8.6 Transaction Certificates*

### *8.6.1 Background*

For sales going out of the certification system, CB, on the request of the supplier, mostly issues a transactions certificate. Transaction certificates are also sometimes called trade certificates, or in the EU, certificates of inspection. They shall not be confused with certificates of conformity.

### *8.6.2 The Transaction Certificate*

CB uses the following standard information in a transaction certificate (based on the EU's format):
Note: If there are requests for other formats and other information, CB can also do that, based on the wish of the client, and provided that the CB is still certifying things within its area of competence and within the scope of the certification provided.

**1. Body issuing the certificate**
Normally the certification body itself

**2. Reference number of the certificate**
A serial number for the certificate

**3. Supplier/exporter**
The company selling the products

**4. Control body**
The CB

**5. Producer of the products**
This can be filled in to give a clearer indication of producers if the supplier/exporter is just an agent.

**6. Country of dispatch**
The country of shipping. Many buyers or other certification bodies also want to know the country of origin of the products, which can be another country.

**7. Consignee of the product (name and address)**
The buyer or any other company that the products are addressed to.

**8. Country of destination**
To which country the products are shipped

**9. Address of the place of destination (if different from 7)**
Can be an agents or somebody handling the products on behalf of the buyer

**10. Identification of product**
Marks and numbers, container (number and kind); trade name of the product

Here you should indicate lot numbers, invoice numbers, delivery note numbers, and how the products are marked, or, for bulk products, the container number. Also the product itself should be named. For seasonal dry products, the season shall be indicated.

**11. Gross weight (kilograms)**

**12. Net weight (kilograms)**

**13. Alternative units**
If units other than kilograms are used (litres, etc.) that should be indicated.

**14. Declaration of the body issuing the certificate**
This is a standard declaration to certify that the products designated above have been produced according to the rules of production and inspection of organic production in accordance with [insert name of organization] standards and the regulation EEC 2092/91, and monitored by the control body.

**15. Additional declaration**
Any other relevant information

**16. Place of issue of certificate**

**17. Date**

**18. Name and signature of the authorized person**
The executive director and the certification manager are authorized to sign TCs.

**19. Stamp of the issuing body**
CB.

In annex 1, the format for the EU transaction certificate is presented.

### *8.6.3 Procedures*

In order to get a transaction certificate, the producer/supplier/exporter shall fill in the TC form, REF, that contains the necessary information, as above. Furthermore, they should submit copies of the delivery notes or invoices for the delivery.

Normally no physical inspection is made before issuing the TC. The following are checked:

1. Has the producer this product in certified quality?
2. Is it likely that the producer has a quantity of the product that corresponds to the accumulated quantity already sold plus the quantity for which a certificate is now being requested?
3. Are there any other complications related to the producer or the products?

All transaction certificates are registered with information about the number, the date, the producer, and the quantity. WHO is responsible for the processing of transaction certificates.

Copies of issued transaction certificates should be stored in a manner that enables easy retrieval of information about each operator. If there are just a few certificates per operator, this can be in the operator's file. Otherwise there should be separate files.

## 9 Annex 1: Transaction Certificate Format

For imports/exports of organic products. In accordance with the Regulation (EEC) 2092/91and (EEC) 3457/92

<table>
<tr><td>1. Body issuing the certificate</td><td>2. Reference number of the certificate</td></tr>
<tr><td>3. Supplier/exporter</td><td>4. Control body</td></tr>
<tr><td>5. Producer of the products</td><td>6. Country of dispatch</td></tr>
<tr><td rowspan="2">7. Consignee of the product (name and address)</td><td>8. Country of destination</td></tr>
<tr><td>9. Address of the place of destination (if different from 7)</td></tr>
<tr><td rowspan="3">10. Identification of product: Marks and numbers, Container number and kind.<br>Trade name of the product.</td><td>11. Gross weight (kg)</td></tr>
<tr><td>12. Net weight (kg)</td></tr>
<tr><td>13. Alternative units</td></tr>
<tr><td colspan="2">14. Declaration of the body issuing the certificate<br>This is to certify that the products designated above have been produced according to the rules of production and inspection of organic production in accordance with [insert name of organization] standards and the regulation EEC 2092/91, and monitored by the control body.</td></tr>
<tr><td colspan="2">15. Additional declaration</td></tr>
<tr><td colspan="2">16. Place of issue of certificate</td></tr>
</table>

| | |
|---|---|
| 17. **Date** | 19. **Stamp of the issuing body** |
| 18. **Name and signature of the authorized person** | |

This is a certificate of transaction. It is issued on the request of the certified producer that submits the required documentation to the certification body.

## 10 Annex 2: Policy, Procedures on Non-conformity with Organic Standards and Regulations

### *10.1 Purpose*

The purpose of the policy is to ensure a consistent application of sanctions.

### *10.2 Scope*

The policy covers major and minor non-conformities of standards that may or may not affect the integrity of the product, and the sanctions to be imposed in case of such non conformities. A corrective action request is not considered to be a sanction, but may be imposed in conjunction with sanctions. For the application of corrective action requests refer to the certification procedures, REF.

### *10.3 Definitions*

As defined in the quality manual, REF.

### *10.4 Authority*

The policy is approved by the board. It is the responsibility of the certification committee to review the appropriateness of the policy from time to time (at least once every two years).

### *10.5 Scale of Sanctions*

The following describes the scale of sanctions applicable to registered and certified operators for non-conformities with organic standards and regulations.

#### *10.5.1 Written Warning*

A written statement about an identified non-conformity with a notice that any continued or repeated non-conformity will lead to further sanctions.

#### *10.5.2 Fines*

A set sum of money to be paid to the CB. The amount depends on the category of operator and whether it is the first fine in the last three years or a repeated fine. This is determined in the fee schedule, REF.

#### *10.5.3 Damages*

Money paid to the CB based on the direct economic benefit the operator had from a non-conformity (e.g., if non-organic products have been sold as organic). The damage shall be three times the sum of this benefit.

#### *10.5.4 Partial Withdrawal of Organic Status*

The exclusion of certain facilities, fields, herds, or products from the certification scope.

#### *10.5.5 Suspension of Certification*

The withholding of the right to claim certification status by the operator. A suspension period is never longer than two months, after which it either leads to withdrawal or is lifted. A suspension is notified in writing and must contain the corrective actions the operator is supposed to take in order to lift the suspension, with stated timelines.

#### *10.5.6 Withdrawal of Certification*

The complete expulsion of the operator from the certification program. A time limit is set for when a new application can be accepted. The time limit is at least a year and never more than five years.

#### *10.5.7 Combination of Sanctions*

The sanctions can be combined. See the guidelines for application of sanctions.

#### *10.5.8 Additional Verification Visit*

Is not a sanction per se. Will be used when there is a need to verify implementation of corrective actions to substantial non-conformities. The producer will normally be responsible for the cost of such visit.

#### *10.5.9 Use of Income from Sanctions*

Any income from sanctions will be donated to educational or research purposes as annually determined by the board.

### *10.6 Procedures*

#### *10.6.1 Management*

All sanctions levied shall be documented and communicated to the operator concerned by a certification officer. Copies of written notification and reports shall be kept in the operator's file. A separate register of sanctions shall be maintained by the company.

#### *10.6.2 Standard Letters*

There are standard letters developed for the communication of decisions that include sanctions, one for each type of sanction. If one operator is subject to several sanctions at the same time, the letters can be combined.

### *10.7 Application Guideline*

These guidelines serve as guidance for the management and the certification committee in their application of sanctions.

### *10.7.1 Deficiencies and Non-substantial, Unintentional Non-compliances in the First Instance*

A written warning with or without a request for corrective action within a set deadline shall be issued. If a non-compliance or deficiency for which a written warning has been issued is repeated within three years, a fine shall be imposed. If a corrective action is not taken after the set deadline, a reminder with a threat of a fine shall be issued and a new deadline set.

If the applicable corrective action is still not implemented or not compliant after the set deadline, a fine shall be imposed. A notice to suspend certification shall also be issued.

### *10.7.2 Intentional Non-compliance*

Intentional non-compliance occurs when corrective actions are not implemented within set deadlines. An intentional non-compliance is also a non-compliance that the registered producer should have been aware of.

For non-compliances the registered producer should have been aware of, a monetary fine shall be imposed as well as a written request for corrective action within a set deadline, when applicable.

If the corrective action is not implemented or does not meet compliance after the set deadline, a notice to suspend registration shall be issued.

### *10.7.3 For Violations*

The organic status of affected areas or products shall be withdrawn with immediate effect.

If the violation is clearly wilful or if the violation has been repeated, a monetary fine plus notice to suspend certification or de-registration shall be issued.

If the violation is not due to the negligence of the operator or intentional, a written warning including the threat of suspension of certification or deregistration on the non-fulfilment of set corrective actions will be issued.

If the corrective action in both cases is not implemented or is not compliant at the time of the verification visit, suspension of certification or de-registration shall be implemented.

Damages can be claimed if the operator has sold non-organic products as organic.

### *10.7.4 Immediate Actions*

Immediate withdrawal of certification shall be imposed by the certification manager in cases where the inspector detects manifest violations of standards or fraudulent activity.

# 11 Annex 3: Appeals Policy and Procedures

## *11.1 Scope*

The policy provides procedures to follow in cases where operators are not satisfied with decisions regarding their

certification status
corrective actions requests
sanctions

Expressions of dissatisfaction regarding other aspects of the services are handled as complaints, according to the complaints procedures, REF.

## *11.2 Policy*

The appeal can concern the whole decision or parts of it.

An appeal can be made on factual or procedural grounds.

In conjunction with all decisions communicated to the operators, information on the possibility to appeal shall be attached.

The appeals policy is publicly available.

There is no fee for an appeal process.

Any strong expression of dissatisfaction regarding issues falling under the scope of the appeals policy will be considered an appeal, regardless of whether the word appeal appears or not. In cases of doubt, the ED shall contact the operator and clarify whether the case should be handled as an appeal.

### *11.2.1 Appeals Committee*

The CB shall have an appeals committee consisting of three members appointed by the board on an ad hoc basis. No members of this committee shall be from an organization in which the operator is enrolled, nor shall any person on the committee have been involved in any previous proceedings relating to the matter before the committee, or in any other way have a conflict of interest. The executive director acts as the secretary of the appeals committee, or if there should be a conflict of interest, any other person appointed by the appeals committee can act as the secretary.

### *11.2.2 Authority over the Policy*

The policy is approved by the board. It is the responsibility of WHO to review the appropriateness of the policy from time to time.

### *11.3 Procedures*

1. The appeal against any decision must be lodged within 15 days of receipt of the decision letter. Unless the operator appeals on time, the decision will become final. At the discretion of the executive director, an appeal that is filed too late may be accepted.
2. Appeals should be submitted to CB office, either by electronic mail, in person, by mail or by fax.
3. The following information shall be included in the appeal:
    a. Identification of which decisions are being appealed
    b. A statement of reasons for believing that the decision was not proper
    c. The name of the appellant
    d. Address
    e. Telephone numbers, including mobile and fax number
    f. Email address, if available
    g. Name of contact person
    h. Date of submission
4. The certification officer will receive appeals and will thoroughly review all documentation that relates to the appealed decision.
5. If the appeal misses some essential information, the certification officer shall seek supplementary information from the appellant.
6. If it is apparent that an appeal is not valid, i.e., that it relates to issues that are not subject to appeals (e.g., the content of a standard, costs, etc.,), the executive director has the authority to refuse the appeal, or to re-classify it as a complaint. The appellant shall in all cases be informed about this and the reasons for it.
7. The receipt of an appeal shall be acknowledged within two weeks. The complete appeals procedures will be included.
8. The appeals will first be directed to the organ (the certification officer or the certification committee) that took the disputed decision.
    a. If that organ sustains the appeal, it can change the decision.
    b. Otherwise, if that organ considers that there are no conditions for a change in decision, it will forward the appeal to the appeals committee with the result of the investigations.
9. The board shall appoint the appeals committee.
10. The appeals committee can ask the opinion from any organ within the CB and can also demand any investigation it sees fit. It can also demand more information from the appellant.
11. If the appeals committee chooses to hold a hearing, the operator and a representative of the organ that took the decision shall both be invited.
12. The appeals committee shall make its decision, with a clear statement of
    a. What information forms the basis for its decisions
    b. A clear reasoning for its decision with reference to all applicable standards or regulations
13. If the appeal was sustained based on procedural grounds, the issue at stake should be reconsidered following the correct procedures, the outcome of which can be subject to an appeal.

14. The appeals committee shall communicate its decision to the executive director, who is responsible for the communication with the operator and all actions stemming from the resolution.
15. The decision of the appeals committee is final. However, based on complaints from the operator that the correct procedure was not followed, the board can instruct the committee to redo the procedures.
16. Any mismanagement by CB organ or CB staff revealed through the appeals process shall be reported by the appeals committee to the board for further corrective actions.

The certification officer shall keep documented records of all appeals, the procedures followed and the decisions.

# *P-003: SAMPLE CONFLICT OF INTEREST POLICY*

## Scope of the policy

To define which situations may cause a conflict of interest on the personal level.

To regulate how such conflict of interest can be dealt with.

For conflict of interests on the organisational and operational level, reference is made to the quality manual.

## Definition

Conflict of interest occurs when a person has two parallel interests which interact with or influence each other. Conflict of interest may be both of a positive and negative nature. It is not possible to classify all situations that may imply conflict of interests. Some examples are given below.

Positive conflicts of interest:

- family or kinship relation
- close friendship
- business or work relation (like advising)
- membership of the same (small) organization with strong common objectives (can be of religious or political nature)

Negative conflicts of interest:

- engagement in competing business
- personal hostility
- fundamental difference of political or religious nature

## Policy

No person may work with any client where there is a conflict of interest. Work includes correspondence, inspection, certification decisions, invoicing, etc.

Any inspector and certification staff must report if they get involved in a professional way in a certified operation for a period up to one year after the inspection or certification process. CB will then determine whether this relation can have affected the impartiality of the inspection, and if so reassess the production.

## Procedures

- All persons concerned must submit a written declaration, DECLARATION OF INTERESTS FORM (F-003) to the CB, declaring his or her relationship with producers, operators, and processors.
- The declaration shall be updated every year by end of April, at the latest, or whenever requested by the executive director.
- Those who fail to submit the report will be excluded from further work, information, and participation in meetings.
- The operators shall be informed that they have the right to make objections to the assignment of an inspector, based on conflict of interest.
- Inspectors and others are requested to refuse to take any assignment where such conflict could occur, or seek advice from the ED in case of doubt.
- A reference to the conflict of interest policy should be made in all employment contracts.

The inspection officer and the executive director shall actively guard against any potential conflict of interests related to an assignment.

## *F-003: DECLARATION OF INTERESTS FORM*

The following persons are required to complete this form annually by the end of April:

- Members of the board
- Members of the certification committee
- Members of the staff
- Inspectors and other contracted persons dealing with confidential certification material

A full declaration of all interests in the organic industry is required. It is the executive director's (not the person completing the form's) responsibility to decide whether the declared interest raises a potential conflict of interest. A space is, however, provided for comments and your own opinion as to whether the interest constitutes a conflict.

Present and recent commercial interests in trade and other organic companies including farms. Include shareholdings and enterprises for whom you have worked or to whom you have been contracted.

| NATURE OF INTEREST | NAME AND TYPE OF COMPANY | COMMENT INCL. SELF-ASSESSMENT | OFFICE |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Interests similar to those in table above of close family members

| RELATION | INTEREST (INCLUDE INFORMATION AS ABOVE) | OFFICE |
|---|---|---|
| | | |
| | | |
| | | |

Office: OK = OK, CI = a conflict of interest exists, PCI = there is a possible conflict of interest

Any other interest that may be considered, in some way, to lead to a conflict of interest:

Date:

Signature Noted (executive director)

Comments from the office:

# *TERMS OF REFERENCE CERTIFICATION COMMITTEE*

## A Preamble

### *1 Introduction*

Article 3 section O of the by-laws of the CERTIFIER permits the board of directors, by resolution adopted by a majority of a quorum, to establish committees as it sees fit. This policy sets out the terms of reference and the operating procedures of a certification committee.

### *2 Scope*

The scope of this document is to define the composition, function, and responsibilities of the certification committee.

### *3 Definitions*

Reference is made to the CERTIFIER quality manual where all terms used herein are defined.

### *4 Access and Distribution*

This policy is distributed to the board of directors, the certification committee and management. It is available to interested parties on request.

### *5 Authority and Revision*

This policy is approved by the CERTIFIER board. It is the responsibility of the CERTIFIER executive director and the CERTIFIER board to review the appropriateness of the policy from time to time. The committee should also review the ToR annually and propose any amendments to the board.

## B Terms of Reference

### *1 Name*

The name of the committee is the certification committee (CC).

### *2 Status*

The certification committee (CC) is established by CERTIFIER Ltd. The CC is empowered to make certification decisions regarding certification in the name of the CERTIFIER. The CC is accountable to the CERTIFIER board of directors.

### *3 Membership of the Committee*

Certification committee members are appointed by the CERTIFIER board of directors.

The number of CC members are decided by the CERTIFIER board of directors, but shall not be fewer than five, of which one is the executive director.
Members are appointed for three years. Re-appointment for further terms is possible.

A majority of the members shall have experience with organic production, processing, or handling.

The structure of the CC shall provide for a balanced representation of interests without any one sector being dominant.

Membership is personal and substitution is not possible.

The executive director is the chairperson of the certification committee.

The certification manager acts as a non-voting member of the committee and is responsible for preparing and keeping minutes.

## 4 Responsibilities

The CC is responsible for

- Complying with policies and procedures established by the CERTIFIER board relating to their function
- Making decisions regarding the certification of operators on the basis of the appropriate standards. Routine decisions may be taken by certification personnel, but the CC shall be ultimately responsible and shall exercise oversight by periodic review of the work. Decisions on precedents and complex cases shall be taken by the CC as well as sanctions above the level of written warnings
- Reviewing that the continued compliance of operators with the standards is fully monitored by personnel
- Imposing suspension measures or terminating certification status in accordance with the procedures outlined in the CERTIFIER suspension and termination policies PL0506 and PL0507
- Ensuring that relevant issues regarding standards development revealed by the certification process are brought to the attention of the appropriate standards authority
- Ensuring that adequate records of its work are maintained

## 5 Termination of Membership

Membership may be terminated at the member's request.

Membership may be terminated by the CERTIFIER board of directors if the member is not acting in accordance with these terms of reference or other CERTIFIER policies to which the member is subject.

## 6 Conflicts of Interest and Confidentiality

Members of the CC are subject to all CERTIFIER policies regarding conflict of interest and maintenance of confidentiality (documents PL0304 and PL0305).

## 7 Procedures

The CC shall meet as often as necessary but not less than twice a year.

Invitations to the meeting shall be sent out at least four weeks before the meeting.

The necessary documents shall be sent out at least a week before the meeting.

In urgent cases (e.g., cases of termination of certification), these timelines can be waived.

A quorum for the CC shall consist of half the members.

Voting is by a simple majority.

Meetings may be conducted in person or by telephone conference calls, video conferencing, or other electronic means which enable all members to participate.

Minutes shall be taken in accordance with the minute-keeping policy (document 0203).

## 8 Dissolution

A decision to dissolve the CC may be taken by the CERTIFIER board of directors at any time for good cause.