Growing Organic Trust

Report, recommendations and action plan from the IOAS 20th anniversary seminar “Organic Inspection and Certification 2025” held in New Delhi, India on 8 November 2017
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Foreword

Dear friends, colleagues and leaders,

On this occasion of our 20th anniversary of the IOAS, we wanted to use the opportunity to reflect, to celebrate and to strengthen our resolve – to protect organic integrity.

We have much to be proud of regarding our collective efforts over these last many decades to develop and grow this global organic guarantee system. It engenders trust and confidence world-wide and has facilitated the very impressive growth that we all enjoy today.

However, continuous quality improvement has been and must remain a core value of our movement. Now is the time to bring this to bear if we are to maintain and continue to:

- Evolve our ethics;
- Strengthen our credibility and more;
- Proactively innovate our systems.

Success remains our greatest challenge and opportunity.

Please join with us in ‘rolling up’ your sleeves and helping us to bring about the necessary improvements and recalibration of our organic guarantee system at this very critical moment in our history to ensure our continued collective success.

The future is counting on us.

Sincerely,

Michael Sligh
IOAS President
1. Executive summary

Background
The IOAS is an accreditation body registered in the USA which is dedicated to working with standard setters, scheme owners and regulatory authorities in the field of organic production and related sustainability and social issues. IOAS’s 20th Anniversary Seminar, ‘Organic Inspection and Certification 2025’, held in India in November 2017, brought together key actors from the organic sector to explore and discuss the status of organic inspection and certification, with the aim of identifying deficiencies and loopholes in the current conformity assessment system that undermine trust and further development of the organic sector.

Three areas of focus were chosen as being of most concern for the continued development of a conformity assessment system in support of the organic community on a global level:

- Harmonised competence in inspection;
- Reduced burden but added value in inspection and certification;
- Prevention, detection and response to fraud.

International Action Plan
We work in a global market, so it is clear there is need for global collaboration and solutions. Out of the three sessions and the final roundtable emerged a broad consensus about the nature of the various problems affecting the integrity of organic control, and the range of actions that could address these. IOAS has reviewed these and summarised them in 5 co-ordinated main projects that span all the various parts of the organic control community, from inspectors to scheme owners. Rewarding good behaviour and the deterrence/prevention of fraud are cross-cutting themes in all projects.

The seminar and subsequent discussion proposed the following projects:

- Harmonise - refinement and increased commonality of organic control requirements;
- Forensic toolkit - development of data, resources and tools for organic inspection;
- Build competence and training of certification and accreditation personnel;
- Rewarding good performance - aspirational recognition for CBs and certified entities;
- Combatting fraud and improving communication;
- Improving access to information - ‘Organic hub’ web site.

The IOAS is committed to act as the catalyst to develop these projects under what has subsequently been collectively identified as ‘Growing Organic Trust’ and provide seed funding for an initial five-year project but hopes to persuade a full range of engagement and support funding from the organic community and supporting organisations.
2. Introduction

Some organic certification organisations are now in their seventies; the oldest organic standard has just turned 50; organic regulations began appearing around 30 years ago; and about the same time the International Federation of Organic Agriculture Movements (now IFOAM - Organics International, IFOAM-OI) started experimenting with oversight of certification bodies. This eventually turned into the IOAS (previously the International Organic Accreditation Service), created as a wholly owned subsidiary of IFOAM-OI in 1997.

IOAS’s main goal over its 20-year existence has been to grow the organic sector through better certification resulting in enhanced trust in the integrity of organic products. This is embedded in its mission statement of ‘Cultivating integrity and trust across the organic community’. Today, IOAS works with over 60 certification bodies and 8 regulators and scheme owners. It nevertheless remains a specialist accreditation body in the field of organic and sustainable agriculture. In 2017 the IOAS became a signatory to the International Accreditation Forum (IAF) Multi-Lateral Agreement for product certification, a significant milestone which represents the integrity and credibility of IOAS accreditations among the wider accreditation community.

To mark its 20th anniversary and in recognition of still many challenges to organic integrity, IOAS took the coming together of many organic actors at the IFOAM-OI Organic World Congress in Delhi, India in November 2017 as an opportunity to host a pivotal one-day seminar, “Organic Inspection and Certification 2025”.

The goals of the seminar were to:

- Share knowledge and perspectives to better understand the challenges;
- Identify opportunities to address these challenges, together with the actors that need to engage with them; and finally
- Document the main points in an International Action Plan that can be published and acted upon to improve conformity assessment in the organic sector.

The seminar focused on three key areas:

- More harmonised competence for effective inspection;
- Efficient conformity assessment to maximise benefits to operators and minimise bureaucracy;
- Deter fraudulent activity and deal effectively with fraud when it happens.

These are global issues that affect all major regulations as well as the non-governmental schemes that are complementary to them.

This is the report of that seminar, and the International Action Plan stemming from it. We commend it to all those working for better certification and more trust in the organic market, for
the benefit of all those involved in the organic sector including consumers, producers, manufacturers, retailers, certifiers, accreditation bodies, scheme owners, authorities and regulators.

3. Key concerns and deficiencies

From the wide-ranging discussion that took place prompted by the six presentations, several key areas of concern about current organic inspection and certification approaches were identified and can be summarised as follows:

- Inconsistency of requirements and their application;
- Inflexibility or rigidity of approach to control measures;
- Bureaucratic requirements which may become an obstacle to accessibility;
- Lack of recognition and value for participants;
- Inadequate deterrent and response to fraud;
- Lack of requirements on communication and transparency.

Inconsistency of requirements and their application
This issue came up in various guises and is no surprise when we recall the grass roots private scheme development followed by national regulations as opposed to the more centralised international approach favoured by subsequent eco-label schemes. This topic not only identified differences in requirements but also missing elements which leave holes that undermine the rigour of the control system as well as expose areas that can be exploited by those who are intent on fraud. Different origins have also led to different structural and cultural approaches which result in variability. Certification as a market was also recognised as a force that can work against effective implementation. The seminar identified that considerable work remains to develop and harmonise control requirements and work to ensure their greater understanding and consistent application.

Inflexibility or rigidity of approach to control measures
Despite the increased emphasis of some schemes on a risk-based approach, the seminar concluded that inspectors, certification bodies, accreditation bodies, authorities and scheme owners are still forced to implement a very formal and rigid approach which does not increase pressure on higher risk operations, nor concurrently allow reduction of pressure on low risk entities. This leads to a tendency to check all requirements without flexibility to spend more time on the important areas, once again leaving exposed gaps in the system. Risk-based systems, where they are employed, remain ill-defined in some schemes and regions and are mostly absent amongst accreditation bodies and authorities. There is a need to further define, develop and implement a more risk-based approach at all levels.

Bureaucratic requirements which may become an obstacle to accessibility
The seminar participants repeatedly observed the general trend for scheme owners to increase requirements in response to identified problems without considering where requirements may
be combined, or other efficiencies put in place to ensure cost and time parameters are not affected. Coupled with the inflexibility above, this has led to an increasing burden on all participants at all levels of the conformity assessment system and almost certainly results in difficulties of accessibility and affordability. There is a need to simplify, to use plain language and to better focus control resources to provide either a lighter touch or a more in-depth investigation according to the circumstances.

**Lack of recognition and value for participants**

Two distinct themes arose regarding this topic. First, certified entities see increasing burdens to demonstrate their production system is compliant, but do not see added value or are not encouraged to go beyond the threshold level of organic requirements. Secondly, a similar situation at the level of the certification body where the organisation can achieve and maintain accreditation but is not encouraged to do more than the defined accreditation requirements. In both cases, if the scheme owner requirements remain unchanged for long periods, there is no upward development. There is a need at all levels to encourage and provide for continuous improvement and continuous development towards organic systems based on organic principles and to become better equipped to deter fraud. This has to be balanced with the concern raised above of increasing bureaucracy.

**Inadequate deterrence and response to fraud**

Although there is an assumption that most organic products are genuine there was a recognition that the extent of fraud is unknown. Nevertheless, any fraud cases that come to light, however infrequent, are very damaging and must be averted and if they do happen, must be dealt with effectively. There was an acknowledgement that the control system we have was not designed for deterring and detecting fraud and that communication and readiness could be improved. There is a clear need to do more to ensure all organic schemes are robust and deter fraud, with the intent of ensuring the entire conformity assessment system is well prepared to deal with such occurrences and learn from each case.

**Lack of requirements on communication and transparency**

The fact that most schemes, regulations and country systems choose to work with private sector certification bodies almost certainly offers both benefits (e.g. efficiency and innovation) and disadvantages (e.g. competition and variation). One of the problems repeatedly commented on and repeatedly highlighted over the years arising from contamination and fraud cases is the need for greater communication between all actors, whether within and between authorities, authority to accreditation and certification bodies and between ‘competing’ certification bodies. Exchange of information requirements have been frequently added in both regulations and private schemes but lack of communication and sharing of information remain a deficiency that individuals intent on fraud can exploit.

Figure 1 illustrates these concerns and their interrelationship. Each of these concerns envelope many elements and form the basis for the following actions described below.
4. Proposed actions

The IOAS is committed to move forward with early actions and at the same time encourage as much participation from the organic community as possible, seeking funding where needed. We have subsequently agreed to establish a non-profit organisation and commit our own financial resources, time and energy to gain momentum on these proposed projects, nevertheless, we anticipate and encourage further input from all interested parties.

We are proposing a collection of actions under six main project areas which are all linked under the umbrella of providing ‘solutions, both big and small, short and longer term, local and global and relevant for all actors in the systems that contribute to integrity of organic products’ (as our introduction to the seminar stated). The desired result is that these proposals will resonate with many stakeholders and potential partners, and we can then collaborate and distribute the work to develop and implement more detailed proposals and action plans.
Figure 1: Key deficiencies, origins and interrelationships

- Lack of harmonised requirements
- Lack of clarity in requirements
- Non-adaptation of requirements
- Misinterpretation

Variation in implementation

- Inflexible requirements
- Inspector feedback
- Reviewer training
- Inspector training

- Lack of allowance for risk approach
- Lack of CB guidance

- Complexity
- Lack of CB guidance
- Gaps in requirements
- Inspector training

- Lack of allowance for risk approach

- Communication lack

- Fraud

- Bureaucratic

- Lack of allowance for risk approach

- Safer to check everything
- Non-adaptation of requirements
- Accessibility

- Gaps in requirements

- Competition
- Lack of requirements
It would be quite wrong to assume that what the seminar identified above has not been raised before in many countries and in many fora. It would also be wrong to assume that nothing has been, or is being, done to address the concerns. Consequently, any proposal to maintain and build a more efficient and effective control system to serve the organic community must have at its heart a communication and learning element gathering together what is already known. Organic products of many different kinds travel the world and all genuine organic producers, and their consumers are harmed by failings in the system or active fraud. It is necessary for the organic community to bring together best practice requirements, approaches, and tools to assist the organic market and continue its growth.

The six ‘projects’ are described below and are developed from the key concerns listed above. All are linked and feed into one another but can run concurrently. The overall goal of the initiative can be stated as follows:

**To support the development of global organic production and markets through harmonising, strengthening and improving efficiency and benefits of its conformity assessment system.**

Figure 2 illustrates and summarises the whole concept.

**Project 1: Harmonise - refinement and increased commonality of organic control requirements**
Purpose: To assist in the continuing development and increasing harmonisation of organic scheme owner requirements for certification.
Description: Although organic production standards vary from one scheme to another and between regions, the requirements for inspection and certification can and should have a common core, even when allowing for specific elements in some specialized schemes. Respecting the different context of the various schemes, there exists the potential for significant harmonisation which will lead to increased trust, a common body of inspection techniques and tools and some standardized document formats. More commonality will lead to more convergent development and clarity of approach, reducing complexity for inspectors and producers and simplifying the many cross border transactions. Better understanding and embedding of risk approaches should be allowed to lead to less surveillance pressure and cost on certified entities with a proven track record of compliance.
Actions:
- Consult with scheme owners, regulators and other interested parties;
- Review and comparison of main scheme control requirements;
- Propose harmonising texts and stimulate discussion where appropriate;
- Develop additional measures that focus on critical points and loopholes;
- Develop guidelines for increased sharing of information and transparency.
Project 2: Forensic toolkit - development of data, resources and tools for organic inspection
Purpose: To further develop resources for organic inspectors which can be used across schemes and country systems.
Description: After gathering together current best practice resources, tools, applications and IT solutions, the project will work to gather and collate data and develop resources to assist in making the job of the inspector more efficient and consistent across schemes and in turn, less burdensome for certified entities. Examples of resources, guides and tools might include opinion pieces, inspection guides for specific enterprise types, sampling guides, case studies, training resources, crop yield estimates, traceability and mass balance guides etc.
Actions:
- Consult with scheme owners, authorities, international inspector organisations, projects and CBs;
- Baseline study/survey to get clear status;
- Gather useful resources and share as allowed;
- Publish case studies as allowed;
- Develop tools, guides, formats;
- Continue to collect data and link to other relevant data sources.

Project 3: Build competence and training of certification and accreditation personnel
Purpose: To define the competence requirements and gather and develop training resources for personnel active within organic conformity assessment.
Description: In keeping with the development of common control requirements and resources in projects 2 and 3, the focus is to define common competence requirements for organic inspectors and certification staff, develop common training resources and establish a personnel accreditation system under ISO/IEC 17024. An element of this work would also provide resources and training for accreditation assessors.
Actions:
- Consult with CBs, international inspector organisations, scheme owners and authorities;
- Develop core competence requirements for inspectors;
- Link with current training resources and providers;
- Develop and share further training resources;
- Develop personnel accreditation scheme for organic inspectors and certification staff;
- Launch accreditation scheme;
- Develop training resources for accreditation assessors.

Project 4: Rewarding good performance - aspirational recognition for CBs and certified entities
Purpose: To develop a tiered recognition and reward for competence of organic certification bodies and reward for proven compliance of certified entities.
Description: Using the results from the above projects, project 5 puts into practice many of the elements by giving CBs the option to attain a higher-level recognition and is likely to include
elements specifically designed to deter and detect fraud and increased information sharing and transparency. With support from scheme owners the concept will build on the current base line accreditation but apply a more flexible and voluntary upward pressure on control requirements as certification bodies will be expected to want to demonstrate their competence. How this is implemented and by whom currently remains a germ of an idea but may be based on voluntary commitment, reporting and scoring but would also be open to integration with any formal scheme accreditation. Rewarding and recognising compliance and ‘over-compliance’ of certified entities also comes under this project and seeks to add value to the inspection and certification system for producers.

Actions:
- Meetings with scheme owners, regulators, certification bodies and producers;
- Identify additional control requirements and activities and more general requirements for certification bodies that could be established as a tiered recognition;
- Allocate the additional requirements to a tiered system including deciding on the number of levels;
- Further develop risk-based approaches to reward positive management and apply additional inspection pressure on negative approaches and high risk situations;
- Decide on the best vehicle to implement the approaches on a global level.

Project 5: Combatting fraud and improving communication

Purpose: To deter and deal with fraud through a strengthened, informed and joined up conformity assessment system.

Description: This project can be viewed as the culmination and implementation of the others bringing together all the outputs, packaging and promoting their use through collaboration with all actors. In that sense it does not stand alone but is identified as a separate project to ensure a key focus is not lost. Given that better communication between countries and schemes will help deter and deal with fraud, identifying and promoting communication requirements and protocols will be a particular activity.

Actions:
- Consult with scheme owners and regulators;
- Publish case studies of fraud cases;
- Identify main lessons learnt;
- Conduct scheme and country studies;
- Develop tools and guidelines for response to fraud at all levels including;
  - Communication requirements and protocols;
  - Data collation and transparency.

Project 6: Improving access to information - ‘Organic hub’ web site

Purpose: To encourage sharing of best practices at all levels, by providing information and links to resources for the organic community and organisations working to support it.

Description: Intended as the public face and main delivery mechanism for existing information and resources which will also serve to deliver output from the other projects listed below. It will serve as a gateway to the many web sites of scheme owners, authorities, accreditation bodies,
certification bodies, training organisations, international organisations and other projects. The concept is that this will be the starting point for any enquiry. An existing web site may be the starting point for this in its initial stages, but it is likely that it will develop into a stand-alone site. Once up and running the web site will also act as a key delivery point for outputs from the various projects below and can be expected to link to other media for discussion and sharing.

Actions:

- Identify a suitable organisation to host a web site;
- Identify seed and ongoing funding;
- Populate with information on the below projects and existing resources and links;
- Develop further with outputs from the below projects and news.
Figure 2: Summary of project proposals

PROJECT 1
SIMPLIFY
HARMONISE
STREAMLINE

Review of requirements
Identify gaps
Propose solutions

Harmonise requirements

PROJECT 2
FLEXIBLE
INTELLIGENT
RISK BASED

Tools
Apps
Sampling technique
Baseline
Case studies
Formats
Data collation
Audit technique

PROJECT 6
ORGANIC HUB

Combat fraud

PROJECT 4
CONTINUOUS IMPROVEMENT

Reward good performance
Tiered recognition

PROJECT 3
PROFESSIONAL

Communication
Transparency

Build competence

PROJECT 5
RESPOND TO FRAUD
DETER FRAUD

Competence definition
Core training modules
Specialist training modules
Personnel accreditation
5. Moving forward
The IOAS, from its Board of Directors through to all staff members, is passionate about organic integrity and we work every day through our accreditation and assessment services to help grow the organic market. We know that this commitment is felt equally by many of our collaborators. We also know that there will always be room for improvement in the support and control systems that are in place, and the IOAS 20th year celebration seminar focused on what more can be done.
We are adamant that this seminar should yield tangible actions, so we are committed to taking these ideas out to the organic community and their supporting organisations to develop the projects proposed and make real their objectives. At the same time, we know we have set ourselves a daunting task. This section briefly considers how to move forward with the realisation that significant further planning and discussions will be required.

The following steps are proposed:

- Publication and distribution of report – January 2019;
- Commencement of actions within IOAS brief – January 2019;
- Presentation at BioFach, Germany - February 2019;
- Meetings with scheme owners (government and private) – first half year 2019;
- Meetings with other potential collaborators – first half year 2019;
- Project refinement and additional funding sources – 2019;
- Projects underway – 2020 to 2025.

Interested parties, contributors and beneficiaries are expected to be:

- Scheme owners – government authorities and private sector;
- Other government authorities;
- International organisations – e.g. IFOAM, IAF, ISEAL;
- Certification umbrella groups – e.g. EOCC, IACB, ACA etc.;
- Individual accreditation bodies;
- Individual certification bodies;
- Inspectors organisations – e.g. IOIA;
- Organic trade organisations;
- Individual traders and retailers;
- Other initiatives – e.g. Anti-Fraud Initiative.

Considerable co-ordination will be required, and the establishment of an inter-institutional steering group should be considered. Co-ordination should include annual review of progress.
allowing for re-adjustment based on developments and experience. An end of period meeting should be convened in 2025 to consider outcomes and future needs.
Appendix 1: Seminar presentations and discussion

Ensuring a harmonised competence in inspection

Inspectors are at the front line of the organic certification system – they are the eyes and ears of the CB. A weakness here will undermine the efficacy of certification and trust in organic products.

David Crucefix, (IOAS Executive Director – Operations), reported the two main defects found in IOAS’s surveillance for accreditation: not checking all standards (often linked to poor inspection checklist design); and incomplete record checks (often input/output or trace-back being too brief or simplified). Next were: audit technique which includes both “soft skills” of inspectors and how to grade non-conformities; sampling protocols; properly designed risk-based systems; and not checking all and/or linked facilities. Most of these are to do with poor implementation by inspectors, caused by lack of training or wrong attitude, and/or CBs providing them with inadequate definition of the requirements.

David identified the need for: better and more harmonized definition of requirements and the desired outcomes, especially by scheme owners but also globally; CBs to select, value, train and support inspectors with better management and tools, for example developing best practice inspection protocols with more outcome & improvement requirements; scheme owners to provide inspection checklist templates and better interpretations, and to give guidance on how to inspect complex operations, inputs/output (IT support) and sampling.

Joyce Ford, standing in for Margaret Scoles (both International Organic Inspectors Association, IOIA) expressed concern about the under-valuing of inspectors which leads to poor retention and resulting pressure to use under-qualified inspectors. As inspectors generally work in isolation, inadequate training and poor or even absent field evaluation exacerbate the problem.

IOIA works on improving inspector quality with its Training Institute (basic and advanced programmes) which is seeing unprecedented demand, including interest from USDA. IOIA feels a harmonised and accredited inspector certification system is the way forward. This should include requirements for basic and refresher training and Continuing Professional Development (CPD) covering all necessary inspection protocols and tools, apprenticeships and mentoring, a peer evaluation programme, field evaluation and witness audits. It should also include a proctored exam, with periodic re-testing, and ability to remove those that fail.

In the discussion, comments from participants included:

- It is important that those doing surveillance, including the authorities, also receive training;
- In Europe organic inspection is a profession and CBs have staff inspectors who tend to be better paid and trained; in North America CBs use independent inspectors so they may regard it as supplementary income not a main job and do not prioritise training, so there are shortages of good inspectors;
Inspectors are also pressured to limit inspection time to reduce costs;
If an inspector certification system is to succeed, it must be adopted by the regulators;
Most scheme owners define inspector qualifications, but the most important aspect is competence;
ABs need to follow up in the accreditation process to check that weaknesses in inspections have been addressed;
Inspection has become too bureaucratic, just data collection, with little chance for inspectors to be flexible to follow risks, etc.;
Need more dialogue between Authorities, ABs and CBs – to share experiences and problems, to tackle problems together, and to learn from each other;
Not only inspectors, but also CBs, ABs, and authorities need training.

Reducing the burden but adding value in inspection and certification

Relentless pressure on regulators and scheme owners to constantly ‘improve’ their control systems results in ever more requirements that need to be checked at inspection. How can this increasing burden on operators be modulated, and instead add value for them?

Miles McEvoy (recently retired Deputy Administrator, USDA NOP) outlined the key objectives in the NOP’s “Sound and Sensible” initiative, namely to make certification affordable, available and attainable. The aim was to: ensure efficient processes that eliminate unnecessary bureaucracy; streamline record keeping so it only supports integrity; forms and plans that are appropriate to the operation; fair enforcement focussed on wilful violations and handle minor violations to achieve compliance; and prioritise what impacts organic integrity the most.

In line with the above, Miles identified a number of actions:
• Apply a risk-based approach to target accreditation work and witness audits where there are non-compliances;
• Similarly, for inspection frequency and sampling – less where there is compliance, more where there is non-compliance;
• Reduce record keeping for direct sales;
• Simpler and more coordinated systems around seed availability, etc.;
• Standardise forms, reports and processes across certifiers for the same standards;
• Use IT solutions and block-chain for tracking produce, records, etc.

Miles concluded by proposing that IOAS lead a Sound and Sensible initiative, engaging USDA, EU and other regulators, and partnering with ACBs, EOCC, IOIA and competent authorities with the aim of reducing the burdens of the global control system without jeopardizing integrity and developing simple model certification processes.

Bo van Elzakker (President, Agro Eco, Louis Bolk Institute) proposed an IFOAM-OI Recognition (IR) scheme that could introduce a positive element into inspection and
certification and stimulate continuous improvement, beyond the regulatory minimum. It should be linked to the Organic 3.0 process and implemented through IFOAM Accreditation.

Initial ideas on the process included:
- Scheme could be adapted for national or even regional conditions and should be open to PGS systems;
- Farmers document their baseline farming system and plan with steps to improve;
- Farmers make an annual self-assessment of their progress;
- Farmers are encouraged to form farmer study groups to share information and learn from each other;
- Inspectors (with adequate training which is separate from regulatory training) verify the plan and progress;
- A (national?) IR committee (consisting of peers, scientists, consumers) evaluates the plans, self-assessments and inspection reports and scores them (for risk assessment and deciding on timing of next inspection visit);
- Farms are “IFOAM-OI Recognised Leader Farms” or similar, which should also stimulate a market advantage.

In the discussion, comments from participants included:
- A risk-based approach to selective checking has to start with checking everything and then the justification for not checking can be documented;
- The reward for good practice should be lower risk, leading to lower inspection burdens;
- Good risk assessment should focus on outputs, rather than inputs;
- One cannot claim compliance if not checked (because of low risk); instead, reduce burden through better planning, execution and reporting;
- Risk assessment can help to develop an inspection cycle, so everything is inspected at some point but not every year;
- Poor risk assessment is bad, so scheme owners should identify basic minimas, e.g. systemic issues like split production;
- There needs to be guidance how to develop and apply risk assessments;
- There are big differences in how competent authorities perform their surveillance activities – there needs to be much better coordination and consistency;
- An inspection should be able to add value by recognising good practice, which could even be scored or a more relative (e.g. percentage) approach, in addition to the binary pass/fail system;
- Remember the concept of one inspection, multiple certifications;
- Big industry, and consumers, are increasingly interested in bio-plus so there is potential market demand for “positive certification” in addition to the regulatory minimum.

Preventing, detecting and tackling fraud
Despite all the attention we give this topic (including more information exchange, more inspections and more sampling) failings and active fraud remain a threat. What are the weak points and how can we strengthen them?

**Jochen Neuendorff** (Managing Director, GfRS) gave examples of two broad types of fraud:
- Blue collar, e.g. use of prohibited inputs, lack of separation – more at the operator level;
- White collar, e.g. co-mingling, re-labelling, selling non-organic as organic – larger scale, can be cross-border, professional criminality exploiting communication deficiencies within organic control and targeting CBs that take a bureaucratic rather than risk-oriented approach.

Currently, the certification system is not set up very well to find fraud. Certification bodies sometimes are “providing customer service” and they have “clients”. Intentional non-compliance is not so common, and the message to the inspectors “You are good if you find it” also isn’t. Problem is currently that the inspector who might be very good at finding fraud is not necessarily the one that gets “the inspector of the year” or “favourite inspector” recognition. Certification bodies expect inspectors to go in assuming compliance, rather than neutral and expecting the applicant to prove compliance. Inspections are happening too fast at the same time the requirements keep piling on. Jochen highlighted the need for competent, independent inspectors, given enough time to really dig, and working as teams for complex operations, using “inspection intelligence” (trained to look for inconsistencies), and thorough networking to gather all possible information. Further, if fraud is suspected, reaction must be swift; and if found, sanctions must be severe, and made public to deter others; and there must be proper analysis to learn from each case.

**Ken Commins** (IOAS Executive Director - Business) categorised two broad types of fraud:
- Circumstantial, e.g. shortage of ingredients and substituting non-organic to bridge the gap; being intermittent it can be difficult to detect - need proper input/output reconciliations;
- Systemic, which is ongoing, can be simpler (single country) or more complicated (multiple countries and CBs), so more difficult to find, for example, most often by sampling or one small strand coming loose.

Ken suggested improvements were needed in several key areas.
- Input/output reconciliation, especially in the training of inspectors, but also regulators/schemes need to set clear minimum requirements, and certifiers must instruct inspectors that when input/output reconciliation fails they should not just blame it on poor records but stay on and get to the bottom of it or call in more support.
- Thorough trace-backs with upstream cross-checks (e.g. phone supplier to confirm invoices and amounts, etc.) may not find so much but are a good deterrent, so regulators/schemes should require this.
- Risk assessment needs improving, e.g. by: regulators/schemes specifying what is high risk and what is required for this; certifier associations providing model templates; and inspector training of critical points.
• Inspectors have every right to cross-check with financial records and should, at least on a sample basis.
• Effective sanctions need to be quickly applied and effective (weak sanctions only encourage fraud).

In the discussion, comments from participants included:
• Some fraud is very sophisticated and beyond the security and competency of CBs, so need police involvement;
• Some authorities don’t know how to react to fraud cases and/or delay action (lack of resources?), similarly CBs, but timeliness is critical;
• There should be an agreed procedure for authorities to handle cases of fraud, also distinguishing BIG fraud, e.g. involving police/enforcement and import authorities;
• There should also be an agreed procedure for CBs to follow; this also needs to define what a CB can do (e.g. sharing ‘confidential’ information with other CBs involved, which NOP has now confirmed is not only allowed, but required), who to go to, etc.;
• There also needs to be blacklisting of fraudulent operators, and a tracking/notification system as they move CBs;
• Need a series of checklists for regulators, ABs, CBs to improve consistency, also benchmarking to identify best practice;
• IOAS should conduct a fraud case readiness survey amongst regulators/schemes and CBs;
• Inspectors need to understand the supply chain – e.g. quality mass balance may be vital – so proper training is important;
• Work with the trade who know their business and set up a warning system;
• Encourage whistle blowers (but note that competitor complaints are not necessarily true, so authorities need to also protect the innocent);
• Share experience, support the Anti-Fraud Initiative (AFI);
• Speak about fraud publicly to enlist the public’s help, and emphasise its economic impact (but NB negative publicity consequences);
• Accreditors need to check ownership of CBs to ensure there is no conflict of interest;
• Ensure good communications between schemes, e.g. fibre production to GOTS;
• IOAS should publish a CB performance list to recognise the best (NOP intending to do that on data provision);
• Use IT – import certificates (need to identify organic), traceability database systems, product certificates, etc – but much fraud is based on manipulation of documents, so security is critical;
• Bring in some experts to help us understand the way criminals work;
• Identify a team of forensic auditors that can be used in serious cases.
Appendix 2: Seminar participants

Amaia Aldana  
Asst. Programme Manager  
IOAS

Maxime Sizaret  
Asst. Executive Director  
IOAS

Boudewijn van Elzakker  
President at Agro Eco – Louis Bolk Institute.  
IOAS Board

Michael Sligh  
Policy Director at Rural Advancement Foundation International (RAFI-USA).  
IOAS Board & Executive Committee

David Crucefix,  
Executive Director - Operations  
IOAS

Michel Reynaud  
Vice president of Ecocert.  
European Organic Certifiers Council (EOCC) Board

Debbie Miller  
Manager at Organic Alberta.  
IOAS Accreditation Committee

Miles McEvoy  
Retired Deputy Administrator  
USDA NOP

Diana Callear  
Retired Managing Director at Ecocert-Afrisco Ltd,  
IOAS Board & Executive Committee

Naresh Nanchappa  
Quality manager at Control Union Certifications.

Dorota Metera  
President and Director of Bioekspert Ltd.  
IOAS Accreditation Committee

Peggy Miars  
CEO of OMRI, IFOAM Board member,  
IOAS Board

Francis Blake  
COSMOS Board and Chair  
IOAS Board

Qiao Yuhui  
Professor at the China Agricultural University (CAU)  
IOAS Accreditation Committee.

Jan Deane  
Retired IOAS Executive Director

Rikke Lundsgaard  
Policy Officer at the Danish Society for Nature Conservation  
IOAS Board
Jochen Neuendorff  
Managing Director of GfRS.  
IOAS Accreditation Committee  

Roberto Setti  
Technical Office and Quality Assurance Manager, CCPB SRL of Bologna.  
IOAS Accreditation Committee.  

Joyce Ford  
International Organic Inspectors Association (IOIA) Ethics Committee.  
IOAS Accreditation Committee.  

Roberto Ugas  
Professor of Agroecology  
Advisor to Peru’s National Association of Ecological Farmers (ANPE).  
IFOAM Board member  

Ken Commins  
Executive Director - Business  
IOAS  

Vitoon Panyakul  
Director of Green Net Cooperative and the Earth Net Foundation  
IOAS Board  

Margaret Scoles  
IOIA Executive Director  
International Organic Inspectors Association