How to safeguard integrity within organic systems

>Beate Huber, Jochen Neuendorff
How to prevent fraud?

> Anti Fraud Initiative

> Rumours at BioFach 2007

> May 07: Meetings in Bonn (BLE and CB‘s)

> October 07: Workshop at FiBL in Frick

60 participants – certification bodies, trade, authorities

Challenge for organic sector
Organic Integrity

> Non-compliance with the organic principles and standards

> Fraud (deliberate act which leads to a pecuniary advantage)
  > Use of prohibited substances
  > Commingling and labeling of conventional products as organic

> Unintended irregularity, e.g.
  > Not knowing the requirements
  > Unintended commingling
What is needed?

> Inspection and certification system is sufficiently regulated

> Enforcement needs to be improved
  > Implementation of requirements
  > Supervision to provide equal playing field

> Increase of effectiveness of inspection
  > Inspection tools
  > Risk orientation

> Improvement of communication, transparency
  > Trade – certification bodies - authorities
Effective Inspection and Certification

> Exchange of information (e.g. suspicion or detection of fraud, switching CB’s)
> Risk oriented inspection schemes (type (announced/unannounced) and frequency of inspections
> Cross-checks for verification of the product flow
> Input-output calculations for risk products
> Risk orientated residue testing by certification bodies
> Electronic publication of certified operators as well as de-certified and suspended operations, e.g. www.bioc.info
BioC: a common approach of competing organic certification bodies
BioC: Tracking of organic lots
Effective Surveillance

> Equal playing field for CB‘s by assessing also effectiveness of control, e.g.
> Analysis activities, e.g. crosschecks of product flow, Input-output calculations
> Communication among CB‘s
> Competency of personnel
> Publication of certified operators
> Risk orientation in surveillance
> Organic Rapid Alert System
> Guidelines for notification and following up suspicion of fraud
> Qualification of auditors
> EU country reports on implementation
Quality Insurance by the operator

> Obligation for a quality control system

> Verification that suppliers know and implement the requirements of organic trade.

> Selection of the CB (cheaper CBs are not always the best)

> Organization in trade associations
New import scheme (I)

> Consistent surveillance of European and non-European certification bodies
  > supervision system run by institutions qualified and trained for the specific requirements of the EU regulation
  > based on a common approach

> Applications of certification bodies should contain:
  > Geographical scope information
  > Assessment reports including information on the latest office and witness audits in third countries including nonconformities found and corrective actions of the CB.
  > Assessment of the standard applied in third countries: compliance versus equivalence.
New import regulation (II)

> Tools to assess compliance and equivalency of standards applied in third countries.

> “Compliance” in third countries needs to be evaluated very carefully, not only equivalence.

> Publication of such assessments to increase transparency.

> Elimination respectively definition of suitable equivalent measures for requirements which cause unbearable burden to farmers in Third Countries.
International Complaints Mechanism

> One reference point to notify complaints
  > Irregularities, failure of CB, suspicion, fraud...
> Thorough investigation/follow up
> Necessary are:
  > Broad acceptance of the reference point
  > Integrity
  > Expertise (could be delegated)
  > Sufficient financial capacities
  > by or in close cooperation with authorities
Conclusions

> No more rules, but
  > Enforcement
    > Focus on implementation instead of documentation
    > Transparency (e.g. flexibility rule, equivalency assessments)
  > Increase of effectiveness
    > Provide incentives for detecting fraud
  > Risk orientation
    > Not the 95 % compliant operators but the 5 % irregularities need to be targeted
Next steps

> Code of conduct for certification bodies
  > Jochen Neuendorff (GfRS), Keith Ball (Soil Association/EOCC), Jan Wicher Krol (SKAL, EOCC)
  > Rainer Bächi (IMO)

> Code of conduct for trade
  > Toni Sellers (Tuchel&Sohn), Wim Rabbie (Tradin), Carol Heast, Bo van Elzakker (AgroEco)

> Paper „what authorities and supervisory bodies can do“
  > Lianne Kersbergen (Ministry of Agr., NL), Beate Huber (FiBL)

> Initiatives in other regions?
  > Italy, Peru, US