

POLICY BRIEF

**HOW GOVERNMENTS CAN REGULATE
IMPORTS OF ORGANIC PRODUCTS BASED
ON THE CONCEPTS OF HARMONIZATION
AND EQUIVALENCE**

SCOPE

This policy brief is targeted at governments that already regulate, or intend to regulate, the domestic labeling of organic products. It is not our intent to recommend that labeling and imports of organic products always be regulated. Especially in countries with an emerging organic sector, regulation might not be the most desirable first step.

SUMMARY OF POLICY RECOMMENDATIONS

This policy brief explains the need for harmonization and equivalence approaches in the regulation of organic trade, and recommends the following strategies to governments:

1. Consider organic product imports from the outset of establishing a regulation. Ensure that imports are primarily based on equivalence, not compliance.
2. Adopt efficient processes to approve a high number of organic standards and technical regulations as equivalent.
3. Adopt an efficient process to recognize a high number of conformity assessment systems as equivalent.
4. Participate in international efforts to harmonize organic standards and regulations.

Why is there a need for harmonization and equivalence in organic trade regulations?

Organic Agriculture delivers a range of socio-environmental benefits to the countries and regions where it is practiced. Consumption of organic products also offers a range of health benefits to consumers. Organic trade enables the maximization of both aspects globally, and it is therefore in every country's interest to promote organic trade. The problem is that while conventional products can be traded more or less freely between countries, organic products are currently facing a comparative disadvantage when it comes to international trade. This is due to a number of technical barriers, which slow the growth for the organic sector and raise the price of final products for the consumers.

The most important technical barrier to organic trade is the existence of an increasing number of government organic regulations that do not recognize or accept each other as equivalent. More and more countries (or groups of countries) have developed regulations that restrict organic marketing claims to products produced and certified in strict compliance with their own national rules. As very few of these countries recognize each others' organic regulatory systems, organic products have to be certified several times in order to access several markets. This places an unnecessary burden on producers, especially on small producers in developing countries.

The International Task Force on Harmonization and Equivalence in Organic Agriculture (ITF), composed of government, inter-governmental and private sector representatives, has promoted harmonization and equivalence as the most promising approaches to reduce technical barriers to organic trade.

There are many reasons why organic standards and technical regulations may need to vary depending on the regions of the world where they are applied. Such reasons include climatic, geographical and/or structural conditions, traditional or cultural factors, level of development of Organic Agriculture in the region, etc. The WTO TBT agreement¹ and the Codex Alimentarius² provide very clear recommendations to governments that, despite these differences, countries should recognize each other's regulations as equivalent in the context of international trade. In other words, import requirements should be based on the principle of equivalence.

One aspect of organic regulations that may not need to vary significantly between regions is the area of conformity assessment systems (requirements for organic certification bodies). In this area, equivalence is also desirable, but harmonization should as well be envisioned.

Nowadays, many organic certification bodies have become multinational companies offering certification services in various continents and for various markets. Although they operate standardized certification procedures across the board, the need for multiple accreditations is another financial burden placed on them, which they ultimately pass on to their clients – the organic producers, who in turn pass it on to the consumers, adding to the comparative disadvantage of organic products as compared to conventional products.

POLICY RECOMMENDATIONS

1. Consider organic product imports from the outset of establishing a regulation. Ensure that imports are primarily based on equivalence, not compliance.

It is a false idea that protecting one's organic market against foreign competitors will help to develop it. Imports of organic products are key to the development of a domestic organic market and to encouraging organic consumption and production within the country³. It is proven that consumers need a wide offer of products before the organic choice can become their daily habit. Hence facilitating imports of certified organic products into the country is an efficient way to promote domestic demand, which will in turn encourage domestic production. Also, access to imported ingredients is key to facilitate the development of organic processing (and therefore value addition) in the country. Reliable access to imported organic ingredients at competitive prices is a key factor for the success and international competitiveness of organic processing businesses.

An organic regulation should contain a special section regulating imports of organic products into the country. This section should state that organic products may be imported if they comply with the domestic regulation, or if they comply with equivalent production and certification rules. The following or a similar language may be used:

This example lays down the general approach. The paragraphs below offer alternative and even more precise language for points a) and b) of the import requirement.

Example of Regulatory Language:

Imported products may be sold as organic in (country) provided that they meet all of the following requirements:

- A. The product has been produced in accordance with the production rules laid down in this regulation or with equivalent production rules, as determined by (the competent authority of the country).
- B. The operator has been certified in accordance with the conformity assessment rules laid down in this regulation or with conformity assessment rules of equivalent effectiveness as determined by (the competent authority of the country).
- C. The product is covered by a certificate of organic certification issued by the responsible certification body.

2. Adopt efficient processes to approve a high number of organic standards and technical regulations as equivalent.

The regulation, or its implementing rules or accompanying decrees, should specify the process by which other countries' systems (production rules and verification rules) can be recognized as equivalent. Requesting equivalence from another country may result in a reciprocal request for equivalence from the other country. Running line by line equivalence assessments of many standards and conformity assessment schemes against ones own could be a daunting task, which consumes valuable resources for the next decades!

IFOAM - Organics International, FAO and UNCTAD, through their joint ITF⁴ and GOMA⁵ projects, have developed a tool to make equivalence assessments of standards and technical regulations easier: the EquiTool⁶ is the International Guide for Assessing Equivalence of Organic Standards and Technical Regulations. The main text of EquiTool provides a standard process to use for equivalence assessment, so that there is more efficiency and transparency in the process. Its revised Annex 2, entitled 'Common Objectives and Requirements of Organic Standards (COROS)' is proposed as the international reference to facilitate objectives-based equivalence assessments and focus on main requirements related to these objectives.

The COROS also has the potential to facilitate multilateral equivalence agreements. Rather than each country assessing equivalence of all other regulations and standards to its own regulation, it is proposed that each regulation or standard be assessed only once, against the international reference (the COROS), and that this assessment be used by all other parties. This will tremendously reduce the number of assessments needed and free up resources to carry more important regulatory tasks, such as market vigilance and acting on fraud complaints.

IFOAM - Organics International has set up the IFOAM Family of Standards⁷ to clearly draw the line between organic standards and non-organic standards. Each standard approved in the IFOAM Family of Standards has passed an equivalence assessment against the COROS conducted by IFOAM - Organics international, and the detailed results of these assessments are available to governments on request.

Governments can now adopt one of the following approaches to make use of the equivalence assessments done in the context of the IFOAM Family of Standards:

1. Officially endorse the IFOAM Family of Standards by considering that all standards and regulations approved by IFOAM - Organics International as part of the Family are equivalent to their own production rules (see example on the next page).
2. Make use of the equivalence assessment reports of IFOAM - Organics International and conclusions to fast-track their decisions on granting equivalence to other standards and regulations. In this case, governments would retain the role to make a final unilateral decision on each equivalence, but would not need to spend resources on the assessment itself.
3. Come together with other governments to negotiate bi or multi-lateral equivalence agreements on the basis of approval of their regulations in the IFOAM Family of Standards or on the basis of the assessments conducted by IFOAM - Organics International.

The Codex Organic Guidelines⁸ also invites countries to use reports established by independent experts as an input to the equivalence decision process. The IFOAM - Organic International reports are such independent expert assessments.

Example of Regulatory Language:

Imported products may be sold as organic in (country) provided that they meet all of the following requirements:

- A. The product has been produced in accordance with the production rules laid down in this regulation or with equivalent production rules, as determined by (the competent authority of the country). Recognized as equivalent are all standards and technical regulations officially recognized as equivalent to the Common Objectives and Requirements of Organic Standards (COROS). This includes all standards and regulations approved in the IFOAM Family of Standards.
- B. (...)
- C. (...)

3. Adopt an efficient process to recognize a high number of conformity assessment systems as equivalent.

Conformity assessment systems are rules and oversight mechanisms for the approval of organic certification bodies and how they must conduct the organic certification. Those systems can take the form of accreditation programs, or approval or registration programs. There is one international accreditation program for organic certification bodies: the IFOAM Accreditation⁹. This program is currently implemented by the IOAS¹⁰. ISO 65 accreditation is also relevant for organic certification bodies, although its requirements are not specific to the organic sector. In addition to these, a number of countries have developed their own national accreditation program based on their own performance requirements for organic certification. However, they are all based on ISO 65 plus some requirements specific to organic certification.

For cases where governments wish to engage in equivalence assessments of other conformity assessment systems against theirs, IFOAM - Organics International, FAO and UNCTAD, through their joint ITF project, developed a tool called "International Requirements for Organic Certification Bodies" (IROCB)¹¹. IROCB includes all topics in ISO 65 relevant to organic certification and additional organic sector requirements common to the major organic regulations, Codex Organic Guidelines and the

IFOAM Organic Guarantee System. As a common international reference, IROCB can facilitate efficient recognition of other certification performance requirements and organic certification bodies that have been assessed as meeting the IROCB. Governments can cite IROCB as the tool that will be used for recognition of certification requirements and foreign certification bodies.

IFOAM - Organics International also operates a program for the recognition of credible Conformity Assessment Systems. This approval is based on equivalence to the IROCB and/or recognition by other credible systems through peer-review (e.g. government to government peer review). It is recommended that governments reference the list of IFOAM-recognized conformity assessment systems in their import requirements, as this is the most efficient way to recognize other credible systems.

Example of Regulatory Language 2:

Imported products may be sold as organic in (country) provided that they meet all of the following requirements:

- A. (...)
- B. The operator has been certified in accordance with the conformity assessment rules laid down in this regulation or with conformity assessment rules of equivalent effectiveness as determined by (the competent authority of the country). Recognized as equivalent conformity assessment systems are all conformity assessment systems recognized by IFOAM - Organics International as equivalent to the IROCB.
- C. (...)

4. Participate in international efforts to harmonize organic standards and regulations.

In the long term and on a broader scale, harmonization of standards and certification requirements eases the process of imports and exports. There are still a number of variations among organic standards and regulations that could be harmonized. Equivalence negotiations sometimes bring to light these opportunities and result in the standards getting closer to one another. International organic standard setting processes such as the processes to develop the Codex Alimentarius organic guidelines or the IFOAM Standard are useful global platforms for organic standard setters to discuss, exchange, negotiate and compromise on detailed standards, thereby facilitating harmonization. Governments should participate in these processes, bring their views and take stock of the outcomes to bring their own regulations as close as possible to the international standards, and vice versa¹². This will increase likelihood of their own regulation being internationally recognized and approved by importing countries as equivalent, which will in turn lower the burden on their operators and increase the country's organic competitiveness.

At the regional level, governments can consider engaging in cooperation projects to harmonize standards and technical regulations and/or to foster regional equivalence. A number of such projects have already taken place or are currently taking place, which are learning opportunities. IFOAM - Organics International and UN organizations have been involved and have supported these projects.

Notes

1. Available at http://www.wto.org/english/tratop_e/tbt_e/tbtagr_e.htm.
2. Codex Alimentarius, 1999
3. FAO, IFOAM and UNCTAD ITF 2007
4. International Task Force on Harmonization and Equivalence.
5. Global Organic Market Access.
6. To download EquiTool, see www.goma-organic.org.
7. <http://www.ifoam.bio/en/ifoam-family-standards>
8. Codex Alimentarius (2010)
9. <http://www.ifoam.bio/en/ifoam-accreditation-program>
10. <http://www.ioas.org/>
11. <http://www.ifoam.bio/en/value-chain/harmonization-and-equivalence>
12. UNCTAD-UNEP CBTF, 2008

References

- Codex Alimentarius, 2010, Guidelines for the production, Processing, Labeling and Marketing of Organically Produced Foods (GL 32 – Adopted 1999. Revisions 2001, 2003, 2004 and 2007. Amendments 2008, 2009, 2010, 2012 and 2013).
- Codex Alimentarius, 1999, Guidelines for the Development of Equivalence Agreements Regarding Food Import and Export Inspection and Certification Systems (CAC/GL 34 – Adopted 1999).
- FAO, IFOAM and UNCTAD, 2008, Equitool: Guide for Assessing Equivalence of Organic Standards and Technical Regulations, available at www.goma-organic.org.
- FAO, IFOAM and UNCTAD ITF 2007: Best practices for organic marketing regulation, standards and conformity assessment: Guidance for developing countries, http://r0.unctad.org/trade_env/itf-organic/meetings/misc/ITF_Reg_Guide_Final_20070116.pdf
- Global Organic Market Access (GOMA) project: www.goma-organic.org.
- UNCTAD-UNEP CBTF, 2008: Best Practices for Organic Policy – What developing country Governments can do to promote the organic agriculture sector (accessible at http://www.ifoam.org/growing_organic/cbtf_bestpractices_unep_unctad.php).
- WTO TBT agreement, available at http://www.wto.org/english/tratop_e/tbt_e/tbtagr_e.htm.

THE DEFINITION OF ORGANIC AGRICULTURE

Organic Agriculture is a production system that sustains the health of soils, ecosystems and people. It relies on ecological processes, biodiversity and cycles adapted to local conditions, rather than the use of inputs with adverse effects. Organic Agriculture combines tradition, innovation and science to benefit the shared environment and promote fair relationships and a good quality of life for all involved.

THE PRINCIPLES OF ORGANIC AGRICULTURE

Organic Agriculture is based on the principles of health, ecology, fairness and care.

THE SCOPE OF ORGANIC AGRICULTURE

IFOAM - Organics International regards any system that is based on the Principles of Organic Agriculture and uses organic methods, as 'Organic Agriculture' and any farmer practicing such a system as an 'organic farmer'. This includes various forms of certified and non-certified Organic Agriculture. Guarantee Systems may be for instance third party certification, including group certification, as well as participatory guarantee systems.

STANDARDS & REGULATIONS

The IFOAM Family of Standards draws the line between organic and not organic. It contains all standards and regulations that have passed an equivalence assessment against a normative reference approved by membership of IFOAM - Organics International. IFOAM - Organics International encourages governments and standard users to recognize other standards in the Family as equivalent.

POSITIONS

IFOAM - Organics International has developed positions on a range of topics. These include: Use of Nanotechnologies and Nanomaterials in Organic Agriculture; The use of Organic Seed and Plant Propagation in Organic; The Role of Smallholders in Organic Agriculture; The Full Diversity of Organic Agriculture; The Role of Organic Agriculture in Mitigating Climate Change; Smallholder Group Certification for Organic Production and Processing; Position on Genetic Engineering and Genetically Modified Organisms; Organic Agriculture and Food Security; Organic Agriculture and Biodiversity.

POLICY BRIEFS

IFOAM - Organics International has policy briefs on 'How Governments Can Regulate Imports of Organic Products Based on the Concepts of Harmonization and Equivalence' and 'How Governments Can Support Participatory Guarantee Systems (PGS)'.

BEST PRACTICE GUIDELINE

The Best Practice Guideline for Agriculture and Value Chains is a contribution by the organic movement to the global discussion on sustainable agriculture.