



منظمة الأغذية  
والزراعة  
للأمم المتحدة

联合国  
粮食及  
农业组织

Food  
and  
Agriculture  
Organization  
of  
the  
United  
Nations

Organisation  
des  
Nations  
Unies  
pour  
l'alimentation  
et  
l'agriculture

Продовольственная и  
сельскохозяйственная  
организация  
Объединенных  
Наций

Organización  
de las  
Naciones  
Unidas  
para la  
Agricultura  
y la  
Alimentación

## COMMITTEE ON AGRICULTURE

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## PUBLIC-PRIVATE PARTNERSHIP FOR ENHANCING ORGANIC AGRICULTURE TRADE – A REPORT OF THE INTERDEPARTMENTAL WORKING GROUP ON ORGANIC AGRICULTURE

### BACKGROUND

1. Organic agriculture has been rapidly growing for over a decade and information on certified organic agriculture production and trade is now available for 138 countries. Certified organic areas included 32 million hectares in 2007 – one third of which being arable land and permanent crops, and two-third being permanent pastures and grasslands – as well as 33 million hectares of land certified for organic wild collections. Global demand for organic food, fibers and medicinal and cosmetic products remains robust, with sales increasing by over five billion US\$ a year. International sales of organic products were 46.1 billion US\$ in 2007, doubling those of 2002<sup>1</sup>.

2. The global organic food industry has been experiencing acute supply shortages since 2005. Exceptionally high market growth rates have put pressure on available supply of organic products. Among other constraints, the organic market is confronted with a multitude of standards, certification requirements and regulations. In 2006, the global organic market was monitored by more than 400 public and private certification bodies and governed by some 70 national organic regulations at different stages of development. This generates a substantial economic cost, administrative burden, obstacle to trade, and confusion to all those involved in the organic supply chain – from producers and processors, through certifiers and accreditors, to traders and consumers. In particular, the continuous development of the organic sector, especially

<sup>1</sup> IFOAM, FiBL, 2009. The World of Organic Agriculture.  
[http://shop.ifoam.org/bookstore/product\\_info.php?cPath=64\\_25&products\\_id=465](http://shop.ifoam.org/bookstore/product_info.php?cPath=64_25&products_id=465)

for producers in developing countries, requires a clearer path towards efficient organic guarantee systems.

3. In this context, there is a need to create an environment conducive to small farmers' entry to organic export markets, through low-cost certification schemes and trusted organic food control systems in developing countries. As a centre of excellence in the field of agriculture, fisheries, forestry and their natural resource basis, FAO stands ready to facilitate public-private and North-South dialogue, as well as intergovernmental recognition of organic standards and certification systems on the basis of Codex Alimentarius Commission (CAC) guidelines.

### **ESTABLISHMENT OF A PUBLIC-PRIVATE PARTNERSHIP**

4. In 2003, FAO joined forces with the United Nations Conference on Trade and Development (UNCTAD) and the International Federation of Organic Agriculture Movements (IFOAM) and formed the International Task Force on Harmonization and Equivalence in Organic Agriculture (ITF). This initiative was supported by several donor organizations<sup>2</sup>.

5. The ITF was composed of individuals working in government agencies, intergovernmental agencies, and civil society and other private sector organizations involved in organic agriculture regulation, standardization, accreditation, certification and trade<sup>3</sup>.

6. The ITF represented an open-ended platform for dialogue among public and private stakeholders who worked together from 2003 to 2008. The goal of the ITF was to address and seek solutions to trade barriers arising from the many different standards, technical regulations and certification requirements that function in the organic sector, and enable developing countries to have more access to organic trade. The ITF focused on opportunities for harmonization, equivalence and other forms of cooperation within and between government and private organic guarantee systems.

7. From the outset, the ITF agreed that solutions should provide for the continued growth of organic agriculture and maintenance of its principles along the following criteria:

- benefit to producers and consumers and the organic market as a whole;
- recognition of national sovereignty;
- access to markets with minimal bureaucracy;
- fair competition among operators;
- adequate and consistent consumer protection and trust;
- sensitivity to different biophysical, socio-economic environments;
- support and involvement of stakeholders;
- support for market choice;
- transparency of operation and decision-making;
- special consideration to the situation of developing countries;
- building solutions on existing systems, programmes, and organizations, without the creation of new institutional structures.

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<sup>2</sup> Financial support was provided by the Swedish International Development Cooperation Agency (Sida), the Norwegian Agency for Development (Norad), and the Government of Switzerland.

<sup>3</sup> ITF participants have come from government agencies of 25 countries (Argentina, Australia, Brazil, Canada, China, Costa Rica, Denmark, Dominican Republic, Fiji, Germany, Greece, Guatemala, India, Indonesia, Japan, Netherlands, Philippines, Samoa, Sweden, Switzerland, Tanzania, Thailand, Tunisia, Uganda and USA), seven inter-governmental agencies (EC, OECD, FAO, UNCTAD, UNECE, UNEP and WTO) and 20 civil society and other private organizations (Argencert, EcoCert, Ecologica, Green Net, IAF, ICEA, IFOAM, IOAS, ISEAL Alliance, ISF, JONA, Kawacom Uganda Ltd., KOAN, KRAV, Migros, Oregon Tilth, Organic Food Development Center, Rachel's Organic Dairy, Women in Business Development, Pacific Islands).

8. Eight international meetings and two workshops took place, providing a discussion platform for government agencies, intergovernmental agencies, and civil society and other private sector organizations involved in organic agriculture. The discussions and outcome of the work were presented to several national and intergovernmental agencies, including: USDA Agricultural Marketing Service, European Commission, International Accreditation Forum and International Organization for Standardization (ISO). ITF information sessions were also part of international organic fairs (BioFach) and regional organic conferences in Africa and Asia.

## ACTIVITIES AND RESULTS

9. The ITF's work has progressed in two phases. The *Review Phase* of the work analyzed the impact of existing organic certification requirements, standards and technical regulations on trade. It also reviewed current and potential models for harmonization, equivalence and mutual recognition in different sectors of the economy. The results of the review phase guided the exploration of potential solutions. The *Solutions Phase* produced two practical tools for harmonization and equivalence, and recommendations, as described below.

### *Requirements for certification bodies*

10. Requirements for third-party certification bodies are different between countries. However, the differences tend to be small and mainly related to questions of scale and stage of development and to legal and administrative traditions. In this case, one set of requirements could be applied universally, as long as there are sufficient provisions for sensitivity for scale and stage of development.

11. The ITF developed the International Requirements for Organic Certification Bodies (IROCB), on the basis of relevant principles of the Codex Alimentarius Commission, ISO Guide 65, World Trade Organization (WTO) and IFOAM Accreditation Criteria.

12. IROCB is a reference norm that can be used by governments and private accreditation and certification bodies as a means of accepting certification of organic products certified under foreign control systems. It thus offers a truly international basis for facilitating trade, as it enables imports of organic products.

### *Equivalence agreements*

13. Regional differences in standards and technical regulations for organic production and processing are often justifiable and even desirable due to diverse geographic and agronomic conditions, culture and stage of development of organic agriculture throughout the world. But on the other hand, variations in standards cause difficulties for governments and certification bodies to recognize and accept organic products certified in other systems or programmes, and therefore also for organic producers to get certified organic products accepted in different markets.

14. The ITF developed the guidance document "Tool for Equivalence of Organic Standards and Technical Regulations" (EquiTool), based on the IFOAM "Criteria for Variations" and within the framework of the WTO/TBT principles and guidelines and the Codex Alimentarius Commission "Guidelines for the Development of Equivalence Agreements Regarding Food Import and Export Inspection and Certification Systems" (CAC/GL34-1999<sup>4</sup>). EquiTool is a set of procedures and criteria for deciding whether an organic production and processing standard applicable in one region of the world is equivalent to another organic standard.

### *International standards*

15. There are currently two international standards for organic agriculture: the CAC Guidelines for the Production, Processing, Labelling and Marketing of Organically Produced

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<sup>4</sup> [http://www.codexalimentarius.net/download/standards/362/CXG\\_034e.pdf](http://www.codexalimentarius.net/download/standards/362/CXG_034e.pdf)

Foods (CAC/ GL32-1999<sup>5</sup>) and the IFOAM Basic Standards (IBS). Although the CAC guidelines and the IBS are very similar in content, their scope and governance are too distinct to be merged into a single reference for organic standards. Not surprisingly, governments tend to feel more comfortable with the Codex Alimentarius Commission as a standard-setter while the private sector feels more comfortable with IBS.

16. Having two international reference standards, from the public and private sector respectively, is valuable, provided that there is effective linkage between them. Apart from the structure, coverage, and content of the international standards, the governing structure and the process to revise them are also essential components. Although both CAC and IBS are open and transparent and they allow for input and participation from stakeholders, public-private participation must be improved in decision-making for both international organic standards.

#### *Other outcomes*

17. The empathy created through the ITF meetings produced indirect positive side-effects, including:

- understanding among all organic stakeholders of the situation and issues affecting market access and trade of organic products in different regions;
- influencing the development of new organic regulations and revision of existing ones (e.g. China, EU);
- regional cooperation to develop organic standards and other measures to reduce trade barriers. In fact, East Africa and Pacific Islands countries have developed and endorsed regional organic standards.

18. The ITF has capitalized on some 20 years of experience of organic market regulations and their effects on markets and trade. ITF assessments, recommendations and tools can guide countries in their regulatory efforts and encourage trade-friendly regulations. ITF papers can be used by countries considering developing regulations; for example, the paper “Best practices for organic marketing regulation, standards and conformity assessment: guidance for developing countries” (January 2007) provides expert advice to governments on whether and how to develop organic regulations.

19. All ITF information materials, including technical papers and reports chronicled in a publication series called “Harmonization and Equivalence in Organic Agriculture” (5 volumes) and an information kit advocating for the adoption of the tools (in English and Spanish) are available in hard copies and electronic format from the ITF website:  
[http://www.unctad.org/trade\\_env/ITF-organic/welcome1.asp](http://www.unctad.org/trade_env/ITF-organic/welcome1.asp).

#### **FOLLOW-UP**

20. Upon completion of its mandate and launching of its two tools in its last meeting in Geneva on 8 October 2008, the ITF dissolved, after agreeing that:

- each ITF member will continue as an independent “ambassador” committed to the promotion of the ITF tools and recommendations. Regional and national cooperation is already ongoing to encourage and test the ITF tools;
- IFOAM will be the short-term steward of the IROCB and EquiTool documents. FAO and UNCTAD will clear any changes/revision to be brought to the tools;
- FAO, UNCTAD and IFOAM, as convenors of the ITF, have developed a follow-up project for assisting countries in the implementation of ITF tools and recommendations for the 2009-2011 period. A pledge has been received from one donor.

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<sup>5</sup> [http://www.codexalimentarius.net/download/standards/360/CXG\\_032e.pdf](http://www.codexalimentarius.net/download/standards/360/CXG_032e.pdf)

21. A key follow-up action is the recognition of IROCB and EquiTool as international references:

- the ITF has delegated to IFOAM the task of bringing IROCB to the consideration of ISO, with a view to converging the ongoing revision of ISO 65 with IROCB. In the long term, IROCB should become either an ISO or a Codex Alimentarius document.
- FAO member countries may consider proposing IROCB and EquiTool as a work item to the Codex Alimentarius Commission, as a complement to the Guidelines for Organically Produced Foods (CAC-CL32-1999).

22. The ITF has provided an opportunity to examine how the world works in terms of harmonization and equivalence, based on common objectives. The ITF agreements and recommendations give all stakeholders, private and public, guidance in reducing barriers to organic trade in a concrete and practical manner, with particular consideration of conditions in developing countries. There will not be one solution but many, and each actor (government or private organization) can choose the solutions that fit better with their systems and constituency. The process itself was unique and remarkable for its cooperative and cordial nature and for the exchange and public-private teamwork needed to solve problems.