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### IFOAM Programme and European Recognition Programme

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#### **Smallholder group certification - policy on sanctions**

Smallholder group certification is a well established mechanism in which inspection of conformity to an organic standard is performed on a group of producers with defined characteristics through an internal control system managed by the group itself. It emerged as a special allowance for resource-poor, small scale producers, where inspection and certification of each producer unit by the third party certification body would have been prohibitively expensive.

Criteria for inspection and certification of such groups forms section 8.3 of the IFOAM criteria and have recently been published by the European Commission as part of their 'Guidelines on imports of organic products into the European Union' (see [www.ioas.org/euroeq.htm](http://www.ioas.org/euroeq.htm)). The requirements are broadly the same.

Clause 8.3.18 of the IFOAM criteria states:

*'The certification body shall have a **clear sanctions policy** in event of non-compliance by the group and/or its members. Failure of the internal control system to detect and act on non-compliances shall invoke sanctions on the group as a whole. This shall also include provisions for withdrawal of certification from the group where the internal control system has been found to be ineffective.'*

and clause 8.20 of the Commission Guidelines document states:

*'The external inspection body shall have a **documented sanctions policy** vis-à-vis groups. In cases it finds the internal control system to lack reliability and effectiveness, the external inspection body shall apply sanctions to the group as a whole, including, in case of serious deficiencies, the withdrawal of the certification of the group.'*

Both therefore require the certification body to define a system of corrective actions and if necessary sanctions (including decertification) if the internal control system is found to be unreliable.

The important thing to realize is that the internal control system is an integral part of the certifiers conformity assessment system. It follows that if the internal control system of the group is dysfunctional (meaning the non-existence or failure of any part of the internal control system) then the certification system has failed so this must result in a denial to certify the group. A similar principle applies to new groups applying for certification. It is not acceptable to certify a group with a corrective action that the internal control system must be made effective. If it is not effective there can be no group certification.

Failure to understand this principle has resulted in the IOAS issuing more notices of intent to suspend than for any other issue.

In order to effectively deal with this issue accredited and supervised certification bodies active in this field should clearly define and implement a policy on dealing with minor and major failings of group internal control systems. In doing so certification bodies are reminded that sanction of individual group members who have contravened standards but were not exposed by the internal control system is insufficient to rectify the problem. The problem must additionally be addressed by corrective actions at the group level.

End