

Smallholder Group Certification

Learning, regulating and
coordinating for access to the
'just' market

Overview

- SASA and ISEAL research as basis
- Internal Control Systems (ICS) introduction
- Strength - ICSs combine economics, learning and regulation
- Kinds of ICSs and related challenges
- SASA findings re: a generic management system for smallholders - coordination tool
- Key lessons learned

Research Context

- **SASA** – *Social Accountability in Sustainable Agriculture* - 9 audits of 9 production systems
- FLO (fair trade), SAI (SA8000), SAN (Rainforest Alliance, IFOAM (organic)
- Key findings related to producer organizations:
 - 1) ICS and **smallholder access**
 - 2) ICS and **social certification**
 - 3) **Internal control elements** in SASA organizations
 - 4) Organizational Coordination related to internal control - **a generic management system manual template for smallholder producer groups**
- **ISEAL** – *International Social and Environmental Accreditation and Labeling Organization* - SASA organizations plus MSC, MAC, FSC, IOAS and associate members
- 2005 research on multi-sector (forests, sustainable agriculture, marine) good practice for group certification

Internal Control Systems



- Developing country mechanism for smallholders to access socially and ecologically just markets in the North
- 1980's Latin America - producer-driven tool that later gained acceptance for organic certification of small producers in the South - now extending beyond organic
- External verification (of system with samples of individual farms), internal inspection (annual of all farmers), ongoing extension
- *An Internal Control System is a documented quality assurance system that allows the external certification body to delegate the annual inspection of individual group members to an identified body/unit within the certified operator. (As a consequence, the main task of the certification body is to evaluate the proper working of the ICS)."*

-IFOAM ICS Compilation (2003)

Why are Internal Control Systems (ICSs) so special?

- **Economics** – access to markets and price premiums in the North via shared certification costs
- **Regulations** – EU recognition of producer group in developing country group certification schemes as equivalent (as per IFOAM sampling etc.)
- **Learning** – organizational, technical, social, development-related, research

Group Certification (Internal Control System) Continuum

Endogenous

- strong sense of ownership-built from the 'grassroots' up
- producer organisation owns the (organic) certificate
- often working with NGO support

Exporter-led

- Out-sourced*
- certification costs paid by the exporter
- extension provided by the exporter
- dependence on the exporter
- export professionals
- ICS organised by exporter

Challenge for exporter-led systems

- Endogenize so that principles are internalized - build a more credible system
- Increase sense of producer ownership
- Stimulate social control
- Support parallel systems that build on the organic ICS
- Dynamize and stimulate learning and development
- Capitalize on the potential

Challenge for Endogenous ICSs

- Professionalize export system
- Funding extension and organizational development
- Lack of expertise regarding international trading system requirements and norms
- Lack of contacts (especially initially) for longer-term trade relationships

Inter-organisational Coordination - A Generic Management System for Smallholder Producer Organisations

- Conceptualisation of a baseline system - foundational for any certification system
- ISO9001 and SA8000 management system standards
- ISO9001 'DEMING' cycle: *PLAN-DO-CHECK-ACT*
- Allows for feedback and self-evaluation
- Manual template development

Manual Template for a Generic Management System (MS) for Small Producer Groups

Section One - General [*PLAN*]

- objectives, goals, scope, resources

Section Two - Organizational Context [*PLAN*]

- registers, legal requirements, organizational structure etc...

Section Three - Policies [*PLAN*] and Procedures [*DO*]

- policies (internal control, conflict of interest, complaints, confidentiality etc.)
and related procedures

Section Four - Internal Monitoring/Auditing Process [*How to audit - quality control -CHECK-ACT*]

- required records and documentation "database (improvement plan, sanctions, non-conformities etc.)

Lessons Learned

- Stimulate the learning element in its many forms
- research, technical extension, organizational development and parallel systems so that producer organizations become ***learning organizations***
- Combine learning, regulation and economics
- Coordination - further development of a generic system for smallholders can facilitate multiple certifications using additional modules for each separate system/standard requirement (fair trade, organic, SA8000, Rainforest Alliance, EurepGAP etc.)

Thanks!!

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