



Feasibility study for the establishment of certification bodies for organic agriculture in Eastern and Southern Africa

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1. Executive summary

During the end of 2001 and the first half of 2002 the potential for the establishment of organic certification organisations in Eastern and Southern Africa has been assessed. In addition relevant issues regarding markets and regulatory framework have been explored.

The market perspectives for organic products are promising. However there is also increased competition in such a way that organic producers can't be competitive just because they are "organic". They must also fulfil the buyers' requirements on quality, price, logistics, packaging etc.

Critical for marketing is that the production is certified as organic. Most organic products from Africa are exported, therefore any certification organisation must be internationally recognised. As of today there are few African organic certification bodies and all African organic products for exports are certified by European or USA certification organisations. The cost for such foreign certification may be prohibitive and the procedures involved not always well adapted to local conditions. Regulations in importing countries pose a major challenge for exporter and even more for emerging certification organisations in developing countries. Lack of local certification capacity is a large obstacle for the development of the organic sector in the region. The challenge can only be overcome by targeted measures and extra resources allocated for the purpose.

In some of the surveyed countries the situation is surely ready for starting the process of local certification. It is quite clear that such a process only will take place with external assistance, both technical and financial. In one of the countries, South Africa, local bodies have already started, but they are not likely to reach the desirable level of operation, and in particular not international recognition, without external assistance.

At this stage the countries with the most developed organic sector are:

- Uganda
- Tanzania
- South Africa
- Zambia

For these there is an obvious need to initiate the development of national certification organisations. Other countries where it is possible to initiate the process are:

- Kenya
- Mozambique
- Ethiopia

The recommended strategy is to initiate a regional development programme, which is open for any of the countries in the selected area. The regional programme should have as its objective to build capacity and provide information both to the private sector and to the governments. The possibility to develop regional standards should be promoted. The programme should contain possibilities for more elaborated efforts, including technical assistance and financial support in target countries identified above. Such projects have to be designed for the individual countries.

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3. Scope and objective

Organic agriculture has proven to be an interesting option for developing countries. Apart from offering a low cost and safe production method it is also an interesting marketing opportunity. Critical for marketing is that the production is certified as organic. Most organic products from Africa are exported, therefore any certification organisation must be internationally recognised. As of today there are few African organic certification bodies and all African organic products for exports are certified by European or US certification organisations. The cost for such foreign certification may be prohibitive and the procedures involved not always well adapted to local conditions.

Therefore has Sida commissioned this study of the feasibility of the establishment of local certification organisations in Eastern and Southern Africa.

The main objective of the study is to clarify:

If there are sufficient reasons for promoting the establishment of local (national or regional) certification organisations in Africa? and if so, what would the appropriate strategies be and how could Sida contribute in this?

In the Terms of Reference the investigation were limited to Southern and Eastern Africa.

4. Activities

1.1 The flow of work

The activities carried out were:

- Desk research
- Interview with actors
- Mission to Uganda, Tanzania and Kenya by Peter Lustig 11-26 January 2002
- Mission to South Africa, Namibia and Mozambique by Gunnar Rundgren 6-14 March 2002
- Analysis and reporting

Apart from the missions that were directly targeting this assignment, the consultants also used the opportunity to collect information during a mission to Zambia in October 2001, at the Biofach Fair in February 2002 and a mission to Uganda April 2002.

Establishment of the facts

The investigation first focussed on the establishment of facts about the countries, based on the Terms of Reference:

- Baseline data on the production, volume, number of producers
- Main actors in the region and their agenda
- Legislative measures in the countries
- Existing certification services in the region including data on volume of work, fees, use of local staff etc.
- Existing initiatives for development of certification (both local organisations and donors)
- Information regarding organisations that could play a role in the development of certification organisations
- Brief overview of the conditions for getting international recognition, both legally and in the market place

Missions and consultation with stakeholders

During the two missions, extensive consultations were held with the various stakeholders, both as some individual consultations and in the form of a seminar. The seminars also served as an opportunity to inform the interested parties of the state of affairs and the procedures involved. A sample of the invitation is found in annexe 3.

Analysis of the results

After collection of data, missions and consultations with stakeholders, the results were analysed and preliminary conclusions drawn. These were consulted with a limited number of persons and finally the report was completed.

1.2 Consultants, local consultants and sources

Project Leader has been Gunnar Rundgren. Peter Lustig has also conducted consultancy work.

In addition the following person have made comprehensive local investigations:

Diana Callaer, Afrisco	South Africa
Norberto Mahalambe, ABIODES	Mozambique
Adah Mwasha, Min. of Agriculture	Tanzania
Alastair Tailor, NOGAMU	Uganda

The following persons have assisted in getting data or information:

- Christina Holmberg, Grolink, Sweden
- Alan Tulip, AgroEco Uganda
- Susie Burgess, OPPAZ, Zambia
- Peter Wilkinsson, Zimbabwe
- Arthur Schwarz, Malawi
- Ben Bennet, Ministry of Agriculture, Namibia
- Lucy Kioko Kimani, Kenya

A report from ITC, May 2001 by John Myers “Regional certification and export marketing in Africa” (ITC/DPMD/01/326) has provided much useful information.

The Organic Standard and other Grolink publications have been used a source of information, especially regarding regulations.

It should be noted that the task of acquiring information is rather cumbersome, and that two major players- the certification organisations and the development agencies - are somewhat reluctant to give appropriate information. In the case of certification organisations this has to do with the rather fierce competition in the sector, where the lack of transparent information plays a role. Despite the fact that both the ISO Guide 65 as well as the IFOAM accreditation criteria require that the information about which operators are certified is made public, many certification organisation is not responding to inquiries, or give sweeping information. In the case of development agencies, all work related to these issues are in the hands of a limited number of consultants, and they tend also to keep their information tight.

1.3 Contacts

A list of major contacts in the respective countries is found in annexe 1.

5. International framework

1.4 International regulations

In the 80-s countries like France and Denmark as well as a number of states in the USA implemented regulations on organic products. This was often done at the request of organic growers that felt that they needed protection from fraudulent marketing of organic products. To a certain extent they were also influenced by political efforts to support or subsidise organic farming. Below is an overview of the three major markets for organic products and their regulation regarding imports.

The regulatory framework for exports of organic products to the EU

The real drive for regulation started when the EU passed its council regulation (EEC) 2092/91 year 1991. This regulation covers the marketing of products called "organic". The regulation covers the production standards and the inspection measures that should be implemented to ensure the integrity of production. The regulation lists all the inputs that may be used in organic agriculture and identifies the production methods that are allowed and those that are prohibited. Some issues may be decided on the member state level.

The import rules are far too complex to relate in detail here, and they are constantly changing. There are currently three different options for approval of imports. For all alternatives there are requirements that the production is carried out according to rules equivalent to the EU rules and that the inspection and certification requirements are equivalent :

Regulation	Implementation by	6. Imports
Approval of country (Article 11.1) "third country list"	EU	Argentina Australia Israel Hungary Switzerland Czech Republic New Zealand
Approval of a lot of imports on the request of the importer (Article 11.6) "importer derogation"	Member states	Most imports (80%)
Approval of certification organisation (Article 11.7)	EU after proposal of member state	One European organisation working in Hungary

Only for the “approval of country” there is a need for a regulatory framework in the country of export. To get such an approval, i.e. to be listed on the so called “third country list”, is a very cumbersome process that takes many years, even in the cases where there is a regulatory framework. Since 1997 only two countries have been admitted to the list – the Czech Republic and New Zealand. The Czech Republic first submitted their application for approval in October 1994 and was approved year 2000. New Zealand got recognition July 2002 after a two year process. Both these had well developed organic sectors for a long time even before applying to the EU. There are no published criteria or even a published procedure for how to get on the list.

Imports according to the “importer derogation (article 11.6) are handled by the member states of the EU and the implementation is not harmonised, so one product may be accepted when imported to one of the EU members states and rejected when imported to another. Once within the EU border it may be freely circulated, however. Even though the rule is based on the approval of individual lots, the emphasis for this approval is on the level of the certification organisation, which is assessed by the “competent authorities” in the EU member states. The Article 11.7 doesn’t seem to be operational at the moment.

United States

The United States regulations on organic production are set out in the Organic Foods Production Act (OFPA) of 1990 and the National Organic Program; Final Rule, 7 CFR Part 205. According to Section 205.300.c of the Final Rule, products produced in a foreign country and exported for sale as ‘organic’ in the United States must be certified and labeled in accordance with the US Rule. Currently there are three official methods for meeting the requirements for importing organic products into the United States.

1. Direct accreditation by USDA

The Final Rule empowers the United States Department of Agriculture (USDA) to accredit ‘a qualified domestic or foreign applicant in the areas of crops, livestock, wild crops, or handling or any combination thereof to certify a domestic or foreign production or handling operation as a certified operation.’ Accreditation by USDA covers the operations of the accredited certification organisation worldwide, regardless of where the certification organisation is located. Under the direct accreditation option, certification bodies and the operations they certify must comply with the requirements of OFPA and the Rule in order for the products they certify to be sold in the US. As of April 2002, 38 US based certification bodies are accredited and only 4 bodies outside the USA (one from Germany, France, Canada and Peru respectively).¹

2. Accreditation by a foreign government

In lieu of direct accreditation by the USDA, the USDA will accept the accreditation of a certification organisation by a foreign government if the USDA determines upon the request of the foreign government, that the standards under which the foreign government authority accredited the foreign certification organisation meet the requirements of OFPA and the Final Rule. In other words, a foreign government would have to request approval. The foreign government would need to have standards that are essentially the same as those of the US, and an accreditation programme approved by the US. The resulting certification organisations

¹ The Organic Standard, Issue 13, May 2002

would be ‘approved’, but not directly accredited by the USDA. The USA has not accepted any government under this provision to date.

3. Equivalency

The third option is equivalency. Under this option, a foreign government authority that accredits a foreign certification organisation must operate under an equivalency agreement negotiated between the US and the foreign government. They do not have to comply word for word, and various strategies may be employed to achieve similar outcomes. Certification organisations accredited by governments that have negotiated equivalency agreements with the US would be ‘approved’, but not directly accredited by the USDA. No equivalency agreements have been negotiated to date.

Japan

On 1 April 2001, new organic regulations took effect in Japan, requiring all produce and processed foods (crops only) labeled as organic in Japan to carry the Japan Agricultural Standard (JAS) mark. There are currently three ways for agricultural products to get the Organic JAS mark.

1. Certification by a MAFF-registered certification organisation (RCO) in Japan

An RCO in Japan certifies the production/processing in the exporting country. The RCO may delegate inspections to a Certification Organisation (CB) in the exporting country through a ‘trust contract of providing inspection data’, provided the CB conforms to the following requirements:

- It is recognised or registered as a certification organisation by the government of the country, the local government, or an international organisation with established reliability (ISO, IOAS).
- It has considerable experience as a certification organisation for organic foods.

2. Certification by a MAFF registered foreign certification organisation (RFCO) in the exporting country

For registration as a RFCO, a foreign organisation must have its business establishment in a country that is deemed by MAFF to have a system equivalent to that of Japan. RFCOs may also certify in countries other than the country of their business establishment (excluding Japan), provided the foreign countries are included in ‘the area where the certification service is carried out’ at the time of applying for registration. RFCOs may also delegate inspections (conclude a trust contract of providing inspection data) to CBs in other countries (excluding Japan), provided the CB conforms to the same requirements as listed above.

3. Recertification

In this procedure, an RCO in Japan uses data obtained in past on-site inspections to certify an importer of organic ingredients destined for use as ingredients in finished products marketed as organic in Japan. Production and processing of organic raw material is certified by a CB in the exporting country. The RCO of the Japanese importer (processor) will assess conformity to the organic JAS for organic ingredients to be used for organic processed foods. The certified Japanese processor (importer) in Japan affixes the Organic JAS label. The RCO may use data obtained from previous inspections if the inspection was carried out by an organisation that meets the criteria for CBs listed earlier, and if the RCO judges that the data is still ‘effective’, *i.e.* applicable.

The need for regulation for exports

For some of the options available for import approval it is a prerequisite that there is a regulation in place in the exporting countries. For some other options it may be of some help. On the other hand the practical experiences doesn't really show that it makes much difference. This is especially the case for developing countries, where only one country – Argentina – has managed to come on the EU third country list during 10 years, despite the fact that there are regulations developed in a number of developing countries. Most developing countries hardly have the capacity to develop an appropriate regulatory framework and even less to maintain the needed enforcement mechanism. That is visible in this very moment in Argentina, where the government struggles to afford the supervising capacity to be able to maintain on the EU list.

The rather recent introduction of regulations in Japan and USA may change this picture, but it is still too early to assess how these regulations will work in reality. The EU import rules have been amended many times and it is a fair assumption that this will happen also in the USA and Japan.

It might even be the case that it is easier for certification organisations to get foreign acceptance if they operate in a country without an implemented regulation: If there is a regulation in a country the certification organisations are forced to follow the domestic regulation. It is very likely that this domestic regulation and the domestic standards do not comply with the requirements of all the three main export markets. If there is no regulation the certification organisation can design its services to satisfy the requirements of the export markets rather than to comply with domestic regulations. E.g., in the case of USA, direct accreditation by the USDA seems to be the most achievable option, and for that the certification organisation shall comply with the US Organic Rule and not any rule in the exporting country.

IFOAM Accreditation

In theory the IFOAM Accreditation Programme, implemented by the IOAS, could provide a mechanism for regulatory acceptance of certification organisations in exporting countries. However, so far the efforts of IFOAM to get a formal recognition for this program have not been so successful. At the moment, IFOAM Accreditation is most helpful for imports to the EU under article 11.6 and for imports to Japan, where a Japanese certification organisation have concluded a trust agreement with an IFOAM accredited certification organisation. While there is no such formal mechanism in the US regulation, the option is also mentioned by representatives of the USDA as a possibility. Further, IFOAM Accreditation largely contributes to market recognition.

Lessons from the practice

Practical experiences show that is often possible to get the products accepted through a combination of measures such as:

- knowing all the rules, including all the loopholes
- have personal contacts with major importers and import authorities
- have a good co-operation or partnerships with certification organisations in importing countries
- IFOAM Accreditation and/or accreditation by national accreditation organisation
- Assistance from consultants or others in the importing countries

Over 80 certification organisations have certified products that are currently imported to the EU.

Conclusions regarding international regulations

Without doubt, regulations in importing countries pose a major challenge for exporter and even more for emerging certification organisations in developing countries. The regulations act as major barrier to trade. It is not within the scope of this assignment to analyse or suggest changes in these regulations. So for the purpose of this study the regulations and the barriers resulting from them are taken for granted. The challenge can only be overcome by targeted measures and extra resources allocated for the purpose.

1.5 Markets

The market for organic products is expanding with 20-25% in most Western countries. Similar growth is also recorded from more advanced developing countries such as Costa Rica, Thailand, Brazil and Argentine. The proportion of international trade of the total organic market is increasing, so that the growth in international trade in organics is more likely in the range of 30% per annum.² The country with the highest market share in the world is Denmark, followed by Sweden, Austria and Switzerland. The single biggest market is USA, followed by Germany and Japan. The organic sector is going through a rapid change in structure, where there is substantial consolidation (mergers and acquisitions) and a move from traditional outlets like health food shops to supermarkets.

In the same time the production is also growing. In the EU the area under organic management grew with 27 % per annum 1990-1999, resulting in a ten-fold increase. The proportion organic farming in the EU is around 2,5% with the highest level in Sweden (around 14%) followed by Austria, Finland and Denmark. Organic areas are over-represented in less favoured areas resulting in that the production/output is not as high as one might believe from the figures.

The market perspectives are promising. However there is also increased competition in such a way that organic producers can't be competitive just because they are "organic". They must also fulfil the buyers' requirements on quality, price, logistics, packaging etc.

Market acceptance vs. regulatory acceptance

The legislators, when making organic regulations, assumed that once there was a regulatory level defined all organic products would be considered equal from a standards and conformity assessment point of view. However, the reality is somewhat more complex. In many countries (including Sweden) there are strong private sector standard setting and certification bodies. The acceptance by such an organisation can be critical for a real market access. Such an acceptance comes over and above the regulatory acceptance (which is granted by the authorities). Few exporters or foreign countries have understood this, and put all their emphasis in the official recognition, just to realise, when they got it, that it took them no way in certain markets. It is difficult to assess if such extra standards requirements from the market

² It should be noted that there are no fully reliable sources of market data for organic products or organic trade, as these are not recorded under own codes in international trade registers.

place are increasing or decreasing at the moment. In Europe, they certainly decreased for the first period after the introduction of the EU regulation, but last years they seem to increase again. It is a fair assumption that, if the organic market is going to continue to grow and competition will increase, there will be an increased interest for differentiation within the organic sector, i.e. that additional standards and requirements will play an important role.

1.6 The organic certification sector

The value of the global organic certification service is estimated³ to at least 200 million USD, i.e. to one percent of the value of organic products on the consumer level, or two percent of the value on the whole sale level (where the certification fees are actually charged).

The organic certification sector has gone through a substantial change over the last decade. Increased quality requirements, competition, increased volume of organic production and regulations have all pushed the organic certification into more professional and more commercial structures. Finally the increased international trade has created “international” or “multinational” certification organisations. In the 80-s most organic certification bodies were run by a producers association, or at least very closely linked to one. Today most of them are commercial companies although there are still a number of certification organisations with strong links to the sector. The last years certification organisations active in other areas, such as SGS, have entered the organic certification sector and a number of organic certification bodies have been bought by or merged with more traditional certification organisations.

Today, the certification service industry has three main different approaches:

- One group of certification organisation certify production to the existing regulation in their country of operation, which is done both in their own country and abroad.
- One group of certification organisation certify production according to the standards of the organisation itself (KRAV, Soil Association, Naturland, Demeter).
- Recently, some certification organisations are offering organic certification to any organic standard, i.e. it is up to the operator to indicate which standard they want to adhere to, and that standard will be indicated on the certificate.

The last version is with no doubt the most flexible approach, but it has some drawbacks. The major problem is that the producer hardly can assess all the different standards, and which one will be most suitable for him to follow. The other problem is that private bodies such as KRAV is not likely to accept that another certification organisation is offering certification to “their” standards.

³ The Organic Standard, Issue 7, November 2001

7. Setting up a certification organisation

There are a number of issues to consider when to establish a local certification organisation.

1.7 Timing?

Before setting up a local certification organisation one need to assess if the timing is appropriate:

Critical mass/volume of production needed to make local certification relevant

As long and human and financial resources are limited (which they almost always are), there is a need for a certain volume of production before a local organisation can be justified. It is clear that when there are only a couple of producers, that it makes no sense to establish a local organisation. Such an organisation will have no significant income, and it will have very little to do. Also, in such a pioneering phase the few persons engaged in the sector should probably prioritise market development and production issues, rather than the cumbersome task of setting up a certification organisation.

Economic conditions for setting up (when can an organisation break even?)

Sooner or later a certification organisation will have to source most of its income from certification fees. By analysing the actual situation, make projections for the future and the costs for operating a certification organisation, one can make assumptions on how feasible it will be to set up a new organisation. In Annexe 2 there is a sample calculation showing which volume is required for a certification organisation to break even. The analysis shows that there is a need for a substantial volume of producers to be able to break even. This is made with the assumption that local certification costs shall be substantially (at least 25%) lower than foreign certification.

Human resources that are available

Even in a situation where there is sufficient production and where an analysis shows that there are possibilities to break even in a reasonable time, there is also the question of getting competent people. It is a major undertaking to set up a certification organisation and there must be a couple of persons available that can be the core of such an organisation.

Chances of international recognition

The international framework is related above. One of the major things to consider when setting up is how probable it will be that the organisation can get international recognition.

Foreign certification organisations and competition

Currently there are foreign certification organisations active in most countries of the world. Many of these organisations may have their own ambitions to set up a local office or to train local inspectors. A few of them may want to assist in the development of a local organisation. In the same time the certification industry is getting very competitive and foreign certification organisations are often directly or indirectly making problems for the local development. Sometimes also their local inspectors are less keen in supporting a local development as it may be seen as a threat to a privileged position. Any local initiative will have to relate to this.

In most cases a local initiative will have to get into some kind of partnership or business arrangement with one or more foreign bodies.

From a financial perspective as well as from a competency perspective there is an option for selling services to a foreign certification organisation. Such service is in its simplest form only to perform inspections on behalf of the other organisation, but it can be expanded into issues such as:

- Organising the field operations of the foreign certification organisation
- Being the local representative
- Translations and information
- Guiding the certification decisions and the implementation of the standards in the local context.

In most developing countries with a fairly developed organic sector there are at least five different foreign certification organisations in some way established. It is a very hard job to establish a local organisation, once a number of key actors have developed economic interests or other loyalties to foreign organisations. That is a strong argument for initiating a local development sooner rather than later, i.e. for each year there is no local alternative available the more people have invested in alternative solutions which makes them less likely to support a local development.

1.8 Should a certification organisation be organised on the national or the regional level

The following general assessment can be made regarding the possibilities to develop a regional organisation:

Advantages

There are a number of advantages of a regional organisation.

- Less cost for overhead and qualified staff
- Economy of scale
- Creating a regional brand – easy to promote
- Facilitation of regional trade (between the countries of operation) - no issues of recognition
- Concentrating resources and external communication
- Stimulation of other regional co-operation in marketing, research etc.

Disadvantages

However there are also notable disadvantages:

- Local politics, e.g. where to put HQ
- Differences in tradition
- Differences in languages
- Time factors - regional system may be slow to establish and the country that is more advance doesn't want to wait for the other
- Internal communication problems and communication costs

- Regulatory problems (i.e. when one country have a regulation and not the other, or were they have differing regulations, or where acceptance of import country depends on a regulation in the exporting country)

Conclusion

The conclusion is that it is not possible to make general statements, but that it has to be assessed with the actual situation in the region at hand.

In the case of Uganda and Tanzania the following arguments were raised against a regional organisation:

- Language. English is prevailing in Uganda, Swahili in Tanzania, not to mention all the local languages
- Distances and communication: Tanzania is huge and it is a major task already to create something on the national level.
- Time factor: Uganda is more advanced in its internal discussions and development

In addition, the seminars and consultations held by Grolink in the area indicate that *the engaged people favour national organisations*. This is especially the case in the countries with a more developed sector.

Regional capacity building

Even if there is no case for the establishment of a regional organisation there may be a case for regional capacity building and training, such as:

- Inspectors and certification staff training
- Development of documentation and procedures
- Standards development
- Developing common positions
- Communication with the rest of the world

Regional standards – national certification

Another option is to develop regional standards, but to organise certification on the national level. One major advantage of regional standards is that they will facilitate regional trade. Another advantage is that it may be an easier task for five countries jointly to make their case for why a regional standard shall be accepted in an import market, than if each one of these countries would like to have acceptance for their national standards.

1.9 To what extent needs the governments to be involved?

From what is related above, there is no direct need for the government to be involved in *regulating* the sector in an early stage. As a matter of fact a pre-mature regulation will most likely do more harm than benefit.

There is a stronger call for *other functions* of the government in the process, such as facilitator or convenor of the interested parties, or to provide assistance to a non-governmental organisation. In some countries with a very weak private sector there may also be a case for the government itself to establish the certification organisations or let it be hosted within an

existing governmental structure⁴. In this case the government acts mainly as a *service provider*, and not as a regulator.

1.10 Steps to take

There are a number of steps to take for the establishment of a certification organisation. The most difficult step is the initial one – to reach consensus among the interested parties, if and how a certification organisation shall be founded. The following process can take everything from 2 to 5 years. A quick process is only possible with well motivated and competent persons and with substantial foreign assistance or investments. A sample process could look like this:

Action Plan - Year 1

- Establishment of (national) standards
- Registration of organisation
- Establishment of certification organisation (based on voluntary work)
- Basic training of inspectors and certification staff
- Participation in regional workshops etc.
- Making basic inspection forms

Year 2

- Employing a programme manager
- Designing a nice mark
- Inspecting according to national standards
- Revision of the standards
- Development of inspection and certification documentation
- Considering IFOAM accreditation
- Partnerships with international certification bodies
- Training of staff

Year 3

- Advanced training of certification personnel
- Revision of inspection and certification procedures
- Contacts with national government
- Application for IFOAM accreditation
- Participation in international trade fairs etc.

Year 4

- Revision of standards
- Advanced training of inspectors
- IFOAM accreditation
- National accreditation or recognition

⁴ A number of countries, such as Denmark, Finland, Spain and China have governmental organic certification programs.

1.11 Assistance needed

Financial assistance

There are basically three ways that one can finance the process to establish a certification organisation:

- volunteer work
- external funds
- private investments

Most of the early certification organisations (such as KRAV) were developed with a lot of voluntary work. In countries with a positive government, some have received public funding (e.g. the Dutch certification organisation received governmental funds covering 50 percent of the costs for a number of years. In Denmark the government has subsidised all the certification costs for a decade etc.). In a few cases certification organisations have been set up based on private investment. That has been the case with a number of the newer European or US certification organisation. However most of them are set up by persons that already before worked with another certification organisation and thus had all the technical know-how needed. Argencert in Argentina is an example of a certification organisation set up through private investment. Afrisco in South Africa is another example.

For a local certification organisation in an exporting country and with no or a very small domestic market, the financial situation is much worse than it was for the early European certification organisation. They must complete their system and get international recognition *before* they will start to get *any* substantial income (as all the exporters will continue to use foreign services until the local organisation is fully recognised). In addition the external requirements are much higher today than 15 years ago. As has been mentioned above there are certain options to act as a service provider for foreign certification organisation. But also for this option the organisation needs to be operational *before* entering into such agreements.

Taking these aspects into account it is quite clear that a local certification organisation in a developing country will mainly be dependent on external funding, funding not only for technical assistance, but also for investment and operational costs for the initial development.

Technical assistance

Apart from the financial assistance needed there is also substantial technical assistance needed. Such assistance may encompass the following:

- Consultation with stakeholders and government
- Standards development and their international equivalence
- Training of inspectors
- Development of inspection forms and manuals
- Certification organisation structure
- Training of certification staff
- Policies and operating procedures, Manuals
- Records and database, administrative routines
- Development of business plan
- Information and promotion activities, participation in international trade fairs
- Connecting with other certification bodies, partnerships with foreign certification bodies
- Assistance with import regulations and contacts with import authorities

- Preparation and coaching for IFOAM Accreditation or national accreditation

Local branch – another solution?

A number of commercial certification organisations are promoting the establishment of local offices or branches of their organisation as a solution for developing countries. Naturally this is not mainly some kind of development assistance, but rather a commercial consideration of being well established in promising countries. Organisations like SGS, Ecocert and IMO have local representation in a number of countries. This is sometimes just a representative office and sometimes it is in the form of a limited company where the mother organisation is the main owner. In a number of cases these local offices are de facto established through some development assistance programme, such as the GTZ PPP program.

This alternative looks quite interesting as it is based on private investments, and makes the training and capacity development part of a normal business development. There are also some draw-backs, the major one being the local acceptance. In most cases these local offices are not accepted by the local organic sector, and are seen as just another kind of dominance. In addition such local offices are likely to trigger the establishment of other local offices by other foreign competitors, so the end result is a multitude of such foreign offices such as in China where at least 5 foreign certification organisations have local offices or joint ventures, or in South Africa where there are already 3 such local offices. Even if competition in the certification sector may be beneficial in the long run, in the early stages of development it mainly add to confusion among the operators and bad use of resources.

8. The situation in the countries

1.12 Overview

There are substantial differences in the development of the organic sector and the certification in the countries in South and East Africa. An overview of the situation is shown below:

Country	Development of Organic Agriculture	Certification situation	Local inspectors
Angola	0	0	-
Botswana	0	0	-
Burundi	0	0	-
Ethiopia	++	Several foreign CO active	?
Kenya	++	2 foreign CO active	2
Lesotho	0	0	?
Madagascar	++	1 foreign CO active	2-3
Malawi	+	1-2 foreign CO active	-
Mozambique	++	1 foreign CO active	(2) not active
Namibia	+	1 foreign CO active	-
Rwanda	0	0	-
Somalia	0	0	-
South Africa	+++	6 foreign CO active 2 local CO active	10
Swaziland	+	0	-
Tanzania	+++	4 foreign CO active	3
Uganda	+++	3 foreign CO active	4-5
Zambia	++(+)	2 foreign CO active	?
Zimbabwe	+	2 foreign CO active	1

CO = Certification Organisation

0 = no investigation is done, or the information received was so poor that it has no value

+ = an emerging sector

++ = a sector that is small but under development

+++ = a comparatively strong organic sector

Below is related some basic information about the countries.

NB: When the words 'operator' or 'licensees' are used they refer to a certified entity. Such an entity can be a single farm, but it can also be a group of up to 16 000 farmers. Therefore, the number of operators is no good measure of the development of the sector.

1.13 Ethiopia

Ethiopia was not in the focus of the investigations. The Oromia Coffee Farmers Union is currently registered with a fair-trade labelling organization in Europe and has obtained

organic certification from BCS (a German-based certification organisation), both of which have increased the market value of its exports to Europe and the United States. The ITC planned a larger organic project in Ethiopia with funds from the Swiss government. This project contained a component for the development of a local certification organisation and a governmental accreditation mechanism. The project was first stalled due to the war between Ethiopia and Eritrea, restarted and then finally closed down for an unknown reason. Apart from BCS, SKAL from the Netherlands is also active in Ethiopia. There is one IFOAM member in Ethiopia.

Conclusion

The conducted investigations are not sufficient to draw any real conclusion.

1.14 Kenya

Development and promotion of organic agriculture has been left to NGOs and community based organizations. Some of the institutions that have been heavily involved in this area are Manor House agricultural college, Kenya Institute of organic farming, Baraka farmers training center, Sustainable Agriculture Community Development Extension Program, ABLH, SACRED Africa, Mount Kenya Organic Farm among others. These are yet to organize themselves into a forum to advance the national development of organic agriculture.

Organic agriculture is slowly drawing interest due to the market demands and regulations like zero residue levels of pesticides in conventional products. However, there is no government policy or legislation or national standards in support of the same.

There are about 12 organic operators in Kenya. Some are licensed and others are in various stages of conversion. These operators are exporting French beans, mange tout, runner beans, Salads, tea into the UK market, Hibiscus tea and jam into the Japanese and Austrian market, and macadamia nuts and oil into German and Japanese market. Coffee is not exported as yet because coffee marketing is done by the government and has yet to be liberalized.

In 1997 the Association for Better Land Husbandry, a local NGO, in collaboration with the Soil Association, a UK certification organisation began providing certification services. The certification organisation provided inspector training, in house and practical, for a period of 2 years to some personnel within the NGO. A small office with a co-ordinator was then established within the NGO. It had a total of 3 inspectors. It was also envisioned that Soil Association would provide technical support to develop the Kenyan agency into a certification organisation within a period of 5 years. Soil Association helped develop local organic standards, operational manuals and other documentation. However after 3 years the collaboration was reviewed and had to come to an end (for reasons unknown). In 2001 ABLH approached the UK based Organic Food Federation (OFF) to continue with the project, which they accepted.

The most active certification organisations in Kenya are The Soil Association and Ecocert. The former has local inspectors while the latter use inspectors from overseas.

In December 2001, The Kenya Institute of Organic Farming hosted an IFOAM training workshop where participants from different parts of Eastern Africa were trained on

establishing organic guarantee systems. The training also touched on standard setting and accreditation. One of the major action plans was to establish a national certification system in the different countries. In Kenya, two meetings have been called by one of the local NGOs to deliberate the way forward.

GTZ has surveyed the possibility to get engaged in the process, but is at the moment not active. This is said to be due to the lack of a suitable local counterpart. There are 6 IFOAM members in Kenya.

Conclusions

There is probably a sufficient volume of organic production to justify the development of a national certification organisation in Kenya. However the situation is complicated of the fragmented sector with a huge number of NGOs all keen on making an initiative 'theirs'. The major initial problem will be to reach some consensus among the stakeholder how to proceed and which actors should play a leading role.

1.15 Madagascar

No special investigations have been made in Madagascar. Organic agriculture is known to have taken place for a rather long period. Ecocert is active there and has some local inspectors based there. These inspectors are also working in Mozambique. There is one IFOAM member.

Conclusion

It can be assumed that the local office of Ecocert is the most feasible option for Madagascar at present.

1.16 Malawi

Export of certified organic products is organised by SHOGA (Shire Highlands Organic Association). The crops that are grown organic include: chillies, cayenne peppers, calendula, melissa, camomile, coriander seed, cumin, hibiscus, lemon grass, lemon verbena, dill, fennel, lavender, rosemary, echinacea, annatto, sesame, sunflower seeds, groundnuts, bambra nut, pigeon pea, sugar cane, various kinds of beans. Products are mainly exported to Germany, United Kingdom and USA. The area of organic production is 466 ha. Certification is done by Ecocert and they have one licence held by SHOGA. This licence includes 6 certified growers and 3 in-conversion. SHOGA is actively promoting the idea of setting up a regional organisation, which can carry out inspection locally in the region. There are two IFOAM members in the country.

Conclusion

While there is some organic production in Malawi, there has not been much growth over the years. The sector itself doesn't prioritise local certification. There seems to be little scope for the development of a certification organisation in Malawi at present. The sector in the country could possibly be serviced via Zambia or Tanzania.

1.17 Mozambique

There are currently two known organic projects in Mozambique. One organic project was initiated within the EPOPA programme 1996, but failed :

Project	Product	Volume (tons)	Number of producers	Certification
Organic Cotton Project	Cotton	30 tons of lint	4.000	KRAV; the project is now closed
Organic coco-nut oil	Coco-nut	200 tons	3. 000	Ecocert
Organic Herbs and spices	Herbs and spices	?	2.000	Ecocert

In addition to these projects there are plans for projects of mango, coconut milk and flake, honey. Sida has shown a certain interest in the development of organic production in the Niassa province.

There are two inspectors trained by KRAV since 1997 that are available in the country, but they have no assignments at present.

The main actor in the organic sector in Mozambique is ABIODES, an NGO for promotion of organic agriculture, and the government. The Government of Mozambique is interested in developing organic agriculture, mainly as an option for market access. There are also historic attempts of the Ministry in promoting alternative plant protection tools. The National Institute for Normalisation and Quality (INNOQ) is open to discuss and lead the development of organic standards in the country. The only known attempt for development of certification agency in Mozambique is a dialog between ABIODES, IPEX (government export agency) and INNOQ. There is one IFOAM member in Mozambique.

Results of the consultations with stakeholders.

30 persons attended the seminar in Mozambique, a mix from private sector, government and international agencies. The conclusions of the seminar were:

The critical mass for local certification organisation in Mozambique is still not big enough. The production volumes are low. However, lack of affordable inspection and certification organisation seems to be hindering the adoption of organic agriculture as business option, which leads to the historical discussion of chicken and egg! Considering that it takes a couple of years before a national organisation is really established and internationally recognised, the participants agreed that the process should be initiated now.

The suggestion by ABIODES is to create an independent organisation, held by private sector, public sector and civil society organisation, including ABIODES and consumers organisations. Mozambique is still a country with very strong public sector as compared to private and civil society sectors. The government though INNOQ and the National Directorate for agriculture are expected to get properly involved.

Due to the limited size of the sector in Mozambique, there is also an interest in the development of a regional certification mechanism within SADC. It was expressed that such a regional certification organisation would have a certification committee constituted by members from different countries, but that the inspectors should be local.

Conclusions

There is not really a sufficient volume of organic production to justify the development of a national certification organisation in Mozambique *now*. Considering the potential of Mozambique and the keen interest both from the government and the private sector as well as the sense of unity within the sector, Mozambique is still a rather strong candidate for the development of a certification organisation.

1.18 Namibia

Namibia exports devil's claw to Germany certified as organic by the UK Soil Association. Other immediate possibilities include: beef, goat, sheep, game, mahangu and sorghum.

The ministry of Agriculture has developed a discussion document on organic agriculture, analysing the prospects of a large scale conversion to organic in Namibia:

“In many key agricultural and natural product sectors for which Namibia is a supplier, further increases in yield and therefore returns to investment, are not possible due to environmental constraints or Namibia cannot compete with production areas where there are abundant natural advantages (such as good soils and high rainfall). There may be credence to the argument that Namibia needs to seek comparative advantage in quality aspects of production rather than through driving down marginal costs. By moving into the natural products, organic production and fair trade areas, Namibia may be able to extract profitability from her reputation as a clean and healthy naturally diverse area. In doing so, the potential exists for selling the production of highly marginalized areas at a premium price. For livestock products, maintenance of existing market in the long term will depend on price competitiveness and driving the product into higher value consumer segments. Organic production represents one of the few such marketing opportunities for Namibia to maintain and enhance its income from agricultural exports.”

The Ministry has identified five areas of importance in order to establish the organic sector in Namibia:

- Establish a national certifying agency.
- Make know-how on organic farming under Namibian conditions available.
- Promote the supply of organic inputs.
- Improve post-harvest handling, infrastructure and logistical support.
- Facilitate communication between producers, agents and importers.

There are a number of products that rather easily could be certified organic. The most important production is beef. In the beef production two aspects were identified as posing some problem in relation to organic standards:

- The use of urea as feed stuff
- Bush regulation with herbicides

None of these were seen as posing insurmountable problems, and are likely to be overcome if organic premium can justify alternative solutions or reduced growth (if no alternative can be

found). Sustainability issues both related to grazing and to the collection of wild products may also need some further investigation.

Results of consultations with stakeholders

There is a keen interest from the Ministry of Agriculture and from the various organisations engaged in different sectors. At a seminar with 20 stakeholders, mainly from the beef industry the following was concluded:

The parties considered that the development of a local organisation should have high priority once it was clear that the commercial prospects are there. They saw it as a good strategy to start with a local organisation BEFORE the country was invaded by foreign certification organisations. As per certification organisation, there were discussions at the seminar that a subsidiary company should be formed with the Agronomic Board, the Meat Board and the Ministry as key stakeholders. Such an organisation could benefit from the support from these institutions while in the same time be able to act and be seen as independent. There were discussions that such an organisation also should work with other farm quality assurance schemes that are developed in Namibia, especially the FANMEAT scheme – a scheme that can guarantee traceability.

Conclusions

In Namibia the development of a certification organisation will be quite closely tied to any interest in the meat sector, especially beef. If the sector goes ahead with some larger initiative, there will be an obvious need for a local organisation, if not, it is not really an urgent matter.

1.19 South Africa

Together with Uganda, South Africa is the African country south of Sahara with the best developed organic sector. Contrary to other countries there is also a substantial domestic market developed in South Africa.

There are approx 8 different certification organisations active in South Africa, of which two of them are purely local. SGS and SKAL have offices in South Africa. The local certification organisations certify for the domestic market.

In 2001, two local certification organisations started to operate. They used the draft national standard (see under legislation, below). The Biodynamic and Organic Certification Authority (BDOCA) was set up by the Biodynamic Agriculture Association of South Africa, mainly certifying organic farmers (to the draft national standards), and also providing biodynamic certification. It has managed to keep costs low so far (possibly through support of one of its members), and has been very successful among operators selling to South African consumers. The BDOCA uses one inspector.

At about the same time, AFRISCO (Africa's Farms Certified Organic) started operations. This is a proprietary limited company with seven trained inspectors. But as a commercial enterprise without subsidisation, it has not been able to compete well on the national market. AFRISCO has obtained training through a GTZ grant to Ecocert (PPP programme see more below), and hopes to obtain its ISO 65 accreditation later this year, and then begin to certify for export, probably in a joint venture with Ecocert.

In addition to SGS and Ecocert, SKAL has now established a local office and inspector.

Certified organic farms		
Certification organisation	No. of certified operations	Hectares organic (inc. pastures and in-conversions)
BDOCA	29	7 201
Africso	33	85
Soil Association	9	786
SGS	38	3 550
Ecocert	114	31 649
BCS	17	350
Total	240	43 620
SKAL	Has local representation – no data	
OFF	Probably active	

South Africa is the only of the surveyed countries where the government has embarked on the formulation of an organic regulation. That process is fairly advanced. This has been a transparent and participatory process, to which many people have provided input and comment. Comments on a second draft are being worked on now, and it is expected that the final draft will go to the Minister for signing this year. At the request of the majority of stakeholders, the draft has been developed to be equivalent to the organic legislation of the EU, which is the main export market. It is also heavily influenced by the IFOAM Basic Standards. In expectation of the introduction of legislation, the two major food retail chains, Woolworths and Pick ‘n Pay both now insist on certification for the organic produce they sell. Many other chains and stores purport to sell organic food, but mostly do not question the “organic” label. There is no price premium for domestic sales at this point, and most farmers want to move fairly quickly to exports.

Results from the consultation with stakeholders

25 persons attended the seminar. It was said to be the most representative gathering of the organic sector in the country ever taking place! Most participants were from the private sector, but also government representatives participated. The discussions were very lively with a high level of input from most participants. As the situation in South Africa is more developed than in the other countries, the focus of the discussions took another turn than in the other countries. Most emphasis was around the question of regulation and standards. There was disagreement on the need for equivalence with EU standards, which are legalistic and convoluted, and often lose the clarity of approach that is necessary in the sector. But there was general agreement that the recent NDA (National Department of Agriculture) draft had been very good, and showed the result of some excellent work, especially considering that the writers had no experience of organic farming.

Nevertheless, the group felt that there was excellent experience of organics in South Africa, and that this could be drawn on by the NDA to settle any outstanding issues. There was very strong agreement that there was need for a standards committee from the sector to

work with government on standards. A procedure would be needed to select such an organisation.

The meeting concluded by electing a working group for further discussions on the issues.

Conclusions

There are already two local bodies in South Africa. They both seem to be rather operational. The assessment is that it would be useful to have a smaller project to assist them with advanced training and in issues related to international recognition and accreditation. In addition a project could assist the government in the development of its regulatory efforts.

1.20 Swaziland

There is currently no known organic production in Swaziland. The Ministry of Agriculture has prepared a development program for organic agriculture (June 2002). The program identifies the need to establish national or regional standards and reliable certification mechanisms as one of the steps to be taken.

1.21 Tanzania

Tanzania started producing organic crops in some parts of the country more than 10 years ago, this practice is carried out in the areas like; Mwanza (cotton), Kagera (coffee), Mufindi district (black tea), Mbeya (cocoa), Kigoma (ginger) and Zanzibar (spices), essential oils (lemon grass) in Morogoro, Tabora (honey), Mtwara (cashews), other crops include; fruits (fresh citrus, papaya, guava, mango; dried fruits include, banana, pineapple, mango, papaya). Herbs and spices (cinnamon, ginger, vanilla, chilli, pepper, nutmeg, cardamom, clove, curry, lemon grass). Also there are oil seeds (sunflower) and oils (palm oil, sunflower oil), tea (hibiscus tea), vegetables (fresh mostly peas), processed vegetables e.g. garlic and onion powder.

There are a number of certified organic producers in the country including groups of small farmers and some estates producing tea, honey, cotton, coffee, cocoa etc. The certification is done by 4 foreign companies (European bodies). The inspectors come from different angles of the continent, local staff (from Zanzibar) is used and some inspectors come from Kenya, Uganda and Zambia.

IMO: There are 7 licensees operating in the country, their operations include smallholders and cover up to more than 1000 farmers in total. The inspection is commissioned to the two local inspectors. IMO, which is based in Switzerland and Germany, has opened an office in Zanzibar to cater for the East Africa projects.

SACert: Soil Association Certification Ltd. There is one licensed operator in Tanzania.

Ecocert: There are two licensed operators.

KRAV: There are 2 licensed operators in Tanzania. Both of the operations are large. The biggest one has 16 000 farmers and the other 3 500 farmers involved. KRAV has one local inspector and also use inspectors from Uganda.

In Zanzibar the leading exporter of certified organic products is ZanzGerm Enterprises Ltd. The company is involved in contracting smallholder farmers from both the islands and mainland to produce organic spices for export to European markets. Other companies include TAZOP (deals with spices), ZSTC(deals with essential oil).

Sokoine University of Agriculture through the department of farmer's education and extension department is keen to promote the organic farming through farmers' education by creating awareness. The Board of External Trade on the other hand is responsible for disseminating information to potential exporters of various certified organic products from Tanzania in respect to markets in Europe. The Board encourages local farmers, food processors, exporters and others already involved or wishing to be in organic food production to take advantage of the potential and growing market.

There are organisations that are devoted to promoting organic agriculture such as KIHATA and TOFO. They are also interested in a certification role, TOFO in particular. The Export Promotion of Organic Products from Africa (EPOPA) Programme has been active in Tanzania since 1998, and is currently expanding the activities. The Tanzania branch of PELUM has showed an interest in the development of certification. Surprisingly enough there are no IFOAM members in Tanzania.

Currently there is a proposal submitted to Sida to develop a national certification organisation in Uganda and Tanzania respectively as a project within the EPOPA Programme.

Results from the consultations with stakeholders

The seminar in Tanzania collected 20 participants. The conclusions from the seminar was: There is production of a number of crops already and the potential exist which showed by the export of organic products already taking place, coffee, cotton, spices, honey etc. There is also potential for other crops to be grown organically. There is enough production to start a local CB.

Regional training of inspectors and certification staff was seen as a relevant approach, while the certification organisation itself would need to be national. It was suggested that a private initiative with cooperation with governmental institutions would be most appropriate.

Conclusions

There is already a sufficient volume of organic production to justify the development of a national certification organisation in Tanzania. The major initial problem will be to reach some consensus among the stakeholder how to proceed and which actors should play a leading role.

1.22 Uganda

In Uganda about 30 000 small holders are engaged in certified organic production, which makes Uganda to one of the leading organic producers among the developing countries. A majority of the producers are part of projects that are a result of the EPOPA programme.

Current Known Projects Running in Uganda

Company Name	Project Started	Expected Export 2001/02	Number of Certified Farmers	Certification organisation

Lango Union	1994		12,000	EcoCert
Kawacom	1998	500 tons Arabica FAQ	6,000	KRAV
Outspan Enterprises Ltd	1998	500 tons sesame 200 tons lint cotton	5,800	KRAV
Kawacom (U) Ltd	1998	800 tons Robusta	5,200	KRAV
Suntrade/ African organic	1993	500 tons fresh fruits & vegetables. 10 tons Dried fruits.	62	IMO
Gumutindo Project	2001	100 tons FT Arabica	Targeting	KRAV
Kawacom (U) Ltd	2000	500 tons Arabica FAQ	4,500	KRAV
Ibero (U) Ltd	2001	50 tons Robusta	Targeting 200	KRAV
ESCO (U) Ltd	2001	200 tons organic cocoa 500kg organic vanilla	Expecting 2,000	KRAV
Kahangi Estate	2001	Passion fruit Tea Coffee	One 56 acre estate	KRAV
Tropical Ecological Foods Uganda Ltd TEFU	2000	5,5 tons Dried tropical fruit	31 certified/in the process	KRAV
Masaka Organic Producers MOP	2000	2 tons Dried tropical fruit	35 certified/in the process	KRAV
Bio Tropical Garden	1997?	Fresh fruit		KRAV

As can be seen from the table, KRAV is dominating the certification in Uganda. The project Lango Union was earlier certified by KRAV, then by SKAL but has changed recently to Ecocert. KRAV has a number of local inspectors and IMO has one local inspector.

In Uganda there have been discussions with stakeholders for years about the development of a local certification organisation. The discussions were initiated within the EPOPA programme already 1998, but the process stopped due to lack of funds. The NGO NOGAMU is the most active player, and seems to have reasonable support from most stakeholders. Currently there is a proposal submitted to Sida to develop a national certification organisation in Uganda and Tanzania respectively as a project within the EPOPA Programme.

The government of Uganda has shown some interest in the process, mainly in the field of standards, where they consider that the Uganda ISO member body could be in charge of the development of standards.

The EIDD/Commonwealth Secretariat has initiated some activities for organic agriculture together with the Uganda Investment Authorities. Among the things they have been considering is the development of a local certification organisation.

Results of consultations

60 participants attended the seminar in Kampala. The outcome of the seminar was that it is clear that the situation in Uganda is developed enough to support a national certification development. A national approach was favoured over a regional, however regional capacity development was seen as appropriate. A private sector organisation was the chosen option,

but many participants emphasised the need to have a strong governmental involvement in the process.

NOGAMU is willing to play a leading role for the development of a national organisation, and they have already established a Standards Committee. The other stakeholders seem to accept the leadership of NOGAMU.

Conclusion

Uganda is clearly the hottest candidate for the development of a national certification organisation. The production volume is substantial, there are a number of local people already trained and the sector is rather well unified in NOGAMU.

1.23 Zambia

Through the impact of the Organic Advisory Service (OAS) – Southern Africa, and the establishment of the Organic Producers and Processors Association of Zambia (OPPAZ) over the last two years, a number of organic farming initiatives are now developing in the country. Several have gained organic certification for export to the international market. The existing organic certified producer-exporters are mainly engaged in the production and export of fresh produce to supermarkets in the UK, and honey, wax and mushrooms to Europe. It is anticipated that the expansion of organic pulses, seed products and seed oils, honey, coffee, herb and spice production and value added items will develop in response to the growing demand from international organic buyers. There are 25 operations certified by Ecocert and 30 by the Soil Association. There is one IFOAM member in Zambia (OPPAZ). Zambia has been identified as a possible candidate for expansion of the EPOPA programme.

Conclusion

Even though the sector is quite small it is dynamic and quite well organised. Zambia is a country that seems to be ready for the development of a national certification organisation.

1.24 Zimbabwe

There are about 10 organic farms in Zimbabwe and they have about 40 ha in total. The products that are grown are: beans, carrots, peppers and onions. Zimbabwe Organic Producers Association has its own standards for selling to the local market. Membership is open to all interested parties whether certified organic or not. For a while there was also an organic cotton project in. Ecocert and Soil Association are active in Zimbabwe. Ecocert has 6 licensees in Zimbabwe and Soil Association 2. There is one IFOAM member in Zimbabwe. There is no known initiative to establish a local certification organisation.

Conclusion

At present there is no scope for initiating a local certification organisation in Zimbabwe. The country can also quite easily be serviced by certification organisations from South Africa.

1.25 Countries where there has been no investigations or no relevant data received:

For the following countries there is no or very little relevant information available.

- Angola
- Botswana
- Burundi - There is one IFOAM member in Burundi. Ecocert is believed to have some activity there.
- Lesotho
- Rwanda - Ecocert is believed to have some activity there.
- Somalia – there is one IFOAM members and AIAB is believed to have some activity there

Some of these countries can possibly be serviced through their neighbouring countries, e.g. Lesotho from South Africa.

1.26 Local inspectors

There are a number of local inspectors working in the countries. NB: not all certification organisations are interested to share their information, thus the picture may not be complete, but it does relate a representative picture.

Country	Ecocert	SACert	IMO	SGS	KRAV (KKAB)	SKAL	BDOCO	Afrisco
Kenya		2						
Tanzania			2		1			
Madagascar	2-3							
Mozambique					(2)			
Uganda			1		3	?		
Zambia								
Zimbabwe	1							3
South Africa				1		1	1	7

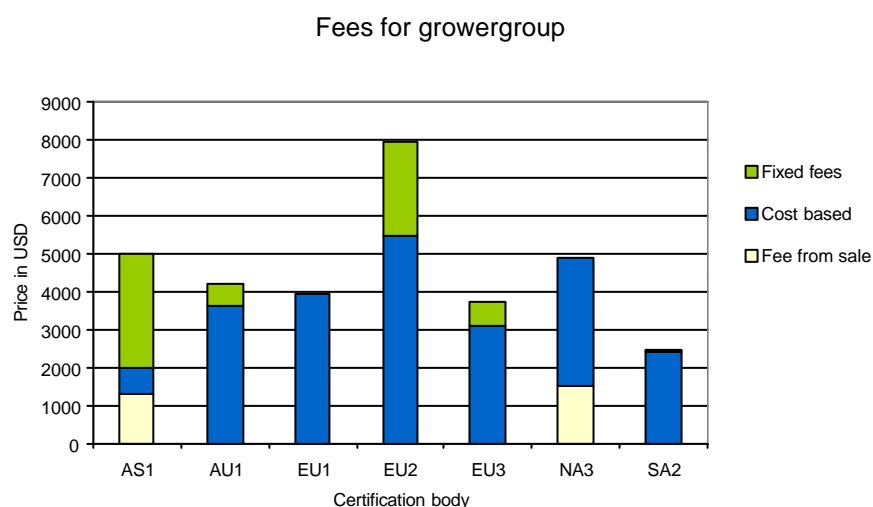
In most cases the local inspectors work only for one of the foreign certification organisations.

1.27 Cost for certification

There is not much statistics available for the costs of certification. From the situation in the countries there are a number of examples:

- the annual certification costs for a coconut project is USD 15 000
- a herb project is charged USD 8 000
- one large coffee project pays USD 20 000 per year

From studies by The Organic Standard, the following fees are recorded for the certification of a grower group project with 500 farmers. The recorded costs did not include international travel.



9. Actors and resources for the development

1.28 Development agencies and similar

A number of development agencies and international organisations have identified the lack of local certification capacity as a potential problem. This is not limited to organic certification but also to other certification activities such as sustainable forest certification, quality system certification (ISO 9000), eco labelling and others. Some of them have initiated projects for development of local certification organisations. Below are recorded some of the actors in the area.

Sida

Sida has assisted in the development of local organic certification organisations in Lithuania, the Czech and the Slovak Republic, and is currently supporting a project in Bosnia and Herzegovina with one (of many) objective to establish a local certification organisation. Sida has also funded the IFOAM publication Building Trust in Organic – a guide to the development of local certification organisations.

Within the EPOPA programme that currently operates in Uganda and Tanzania, there are plans to support the development of certification organisations in Uganda and Tanzania. The project is well advanced but still not finally approved.

GTZ

Earlier GTZ supported projects to develop local certification organisations in Latin America and also in China. They have also surveyed their possible engagement in Kenya and possibly other East African countries. However, no final conclusions have been made. GTZ has been rather active in the assistance to governments to develop organic regulations compatible with the EU regulation.

The brochure 'Local certification', published by GTZ provides information on the certification of eco-projects in developing countries and on local certification bodies.

Through the PPP programme the German based certification organisation Ecocert has entered into a joint venture with Afrisco in South Africa. The PPP programme is similar to the Sida Start South programme, where private sector companies get certain support for the establishment of joint ventures in Africa.

Misereor

Misereor, a German based Catholic charity has supported the development of the Thai certification organisation ACT.

FAO

FAO has identified the lack of local certification capacity as a major hurdle for the organic development in developing countries. FAO is initiating projects on the request of the government in the countries, and is therefore more likely to get engaged in projects for the development of regulations than in projects for the development of certification capacity, unless they are carried out by the government

Swiss government

The Swiss Development co-operation has been engaged in a number of projects where local certification development plays a role. Currently the Swiss State Secretariat of Economic Affairs (SECO) is supporting the development of a local certification organisation in India. In addition SIPPO (import promotion organisation) has been somewhat involved in organic certification, but mainly by subsidising the costs for foreign certification. The Swiss government was also the funder of the ITC project in Ethiopia mentioned above.

ITC

The ITC has shown a great interest in organic certification issues, as they have identified them as major obstacles. They commissioned a study “Regional Certification and Export Marketing in Africa”, John Myers May 2001, with the purpose of to give proposals for future development. The study (ITC/DPMD/01/326) focussed on Uganda, Tanzania, Kenya, Zambia, Malawi and South Africa. Regional certification organisations are recommended in the report. There has been no programme developed as a result of the study.

In addition to this, the ITC project in Ethiopia was also supposed to establish a local certification organisation.

USAID

USAID has supported a number of organic projects, and has also embarked on some activities to assist in the development of organic certification organisations in Central America and in Indonesia.

Danish government

Danida has financed the ITC study mentioned above as well as earlier activities by the ITC in this regard. Danida is also supposed to support local certification development in Nepal, and has made some contributions in Thailand.

Dutch organisations

Dutch agencies such as Hivos, Novib and DGIS have historically supported many organic activities, including capacity building in certification . They are the major funders of IFOAM’s I-Go programme.

Others

This report is not complete regarding all possible actors. EBAS- EU-ACP Business Assistance Scheme and The Centre for the Development of Enterprises (CDE) can possibly be interested in the support of local certification in ACP countries. DFID (UK) has been involved to some extent.

IFOAM is currently executing a project to “map” the funding possibilities, but the result will not be available for at least another half year.

1.29 Certification organisations

A number of certification organisations have been active in assisting the establishment of local certification organisations:

- KRAV (Sweden)

- Soil Association (UK)
- Naturland (Germany)
- AIAB (Italy)
- Bio Inspecta (Switzerland)

Their role has been both to help the producers to get certification and to assist in the development of local organisations. This can be seen as a winning concept, but there are some obstacles involved:

- often the local organisation doesn't trust the ambitions of the foreign certification organisation – how can they be sure that they really pull out in the future and that they don't use all the contacts to establish themselves permanently
- the fact that an organisation is operating a well functioning certification organisation doesn't mean that they necessarily have the needed skills to assist in the establishment. None of the above mentioned organisations have any permanent capacity for this kind of work.
- The involvement with one of the foreign certification bodies, is a signal to others that they should try to establish themselves in the same country, and you end up with many similar arrangements.

For those reasons the tendency is rather that specialised consultants are implementing project of assistance to local certification bodies, but that they broker/facilitate partnerships with one or more foreign certification organisations.

1.30 The organic movement/sector organisations

IFOAM

IFOAM's "I-GO" programme has as one of its objectives to support the development of local certification organisations in developing countries. As the funds are rather limited, the activities focus on production of generic guides and documentation, regional trainings and workshops. E.g. IFOAM funded a seminar October 2001 in Nairobi, with the focus on development of local certification bodies. At the moment IFOAM is not in the position to fund the costs for individual initiatives in the many countries showing interest. IFOAM is currently conducting an investigation to "map" which agencies that are interested in assisting the development of local certification bodies.

IFOAM has produced the following documents that are useful for those who want to develop the certification capacity:

- Building Trust in Organic (with funds from Sida)
- Organic Inspection Manual (with funds from Finnida)
- Guide to compiling documentation for Organic Certification Bodies (with I-Go funds)

Issues related to certification in developing countries are frequent themes on IFOAM conferences and workshops. In addition, IFOAM has arranged 2 special workshops for smallholder certification systems and one major conference on "*Harmonisation and Equivalence in Organic Agriculture*".

1.31 Consultants

There are a number of consultants that are offering technical assistance to emerging certification organisations. As such can be mentioned (note: this list should not be seen as complete):

- AgriSystems International, USA
- Agro Eco, the Netherlands
- FIBL Switzerland and FIBL Berlin
- GFRS, Germany
- Grolink, Sweden
- Humus Consultancy, Malaysia
- Scanagri, Sweden/Denmark

It should be noted that some of the certification organisations also plays the role of consultants (as above).

1.32 Local actors

In most of the countries there local sector is not so well organised and there is a lack of a unifying national body. The exceptions are South Africa (OASSA), Zambia (OPPAZ), Uganda (NOGAMU) and Mozambique (ABIODES). These local sector organisations can play an important role in the development of a certification organisaion. This role can be for the consensus building and also in the early stages as a host for the certfiation function that is about to be established. There is also a possibility that the national sector body is the natural place for standards development, while the certification function is organised in an independent body.

10. Conclusions and recommendations to Sida

1.33 Conclusions

In some of the surveyed countries the situation is surely ready for starting the process of local certification. It is quite clear that such a process only will take place with external assistance, both technical and financial. In one of the countries, South Africa, local bodies have already started, but they are not likely to reach the desirable level of operation without external assistance.

Taking into account that numerous parties (IFOAM, Sida, GTZ, ITC etc.) already have had seminars, workshops etc in the area, a programme should not repeat all this kind of fact finding, assessment and information activities, but rather start with a concrete hands-on programme. This was emphasised by the consulted parties.

1.34 Recommendations to Sida

Regional capacity building AND national development

The recommended strategy is to initiate a regional development programme, which is open for any of the countries in the selected area. The regional programme should have as its objective to build capacity and provide information both to the private sector and to the governments. The possibility to develop regional standards should be promoted.

The programme should contain possibilities for more elaborated efforts, including technical assistance and financial support in target countries. Such projects have to be designed for the individual countries.

An idea of the distribution of activities between the regional level and the national level is developed below.

Activity	Regional	National
Advice to governments on regulatory aspects	X	X
Training of inspectors	X	
Basic training of certification staff	X	
Advanced training of staff		X
Generic documents development	X	
Design of documentation		X
Support to operation		X
Support to investments		X
Standards development and their international equivalence	X	X
General know-how and information	X	
Support for import access		X
Consultation with stakeholders and government		X

Certification organisation structure		X
Records and database, administrative routines		X
Development of business plan		X
Information and promotion activities, participation in international trade fairs	X	X
Connecting with other certification bodies, partnerships with foreign certification bodies		X
Preparation for IFOAM Accreditation or national accreditation		X

It must be noted that the lusophone and franophone countries will have problems with a regional programme, unless this becomes multilingual (with substantially increased costs).

The regional programme should cover the whole of Eastern and Southern Africa, while national sub-projects should be implemented as follows:

National sub-projects

At this stage the countries that are most developed are:

- Uganda
- Tanzania
- South Africa
- Zambia

For these four countries the situation can be described as pressing. In South Africa there are already two local organisations, but it is hard for them to get to the desirable level without a certain support, but it can be less extensive than for the other countries.

Other countries where it is possible to initiate the process are:

- Kenya
- Mozambique
- Ethiopia

Considering that the situation is much complicated if too many foreign certification organisations are getting established **it is recommended also to include these three countries with national projects.** Language will make the possibility to include Mozambique in regional activities somewhat limited.

In **Namibia** the development of a local certification organisation would make sense only if it is combined with a development project for organic meat (or other high potential production) for exports.

For the other countries in the region, national projects seem to be premature, but they could benefit from participation in the regional programme, to train local inspectors and build a foundation for future development.

Resources needed

From the experience of a number of projects to set up local certification organisations the estimated costs for each national project will be in the range of SEK 1,5-2,5 million, which includes investment and operational support for the local organisation (approx SEK 0,75

million) and 200-350 man-days of consultancy. In addition the regional programme will need resources, however some of it can be reflected as savings in the national projects. For a three-year regional programme with 5-6 national projects, the total costs could be in the range of SEK 10-20 million.

Partnership/co-operation with other agencies

Co-operation is positive. However this consultancy effort indicates that there is little interest from other actors to even share information. In such a situation co-operation is difficult. The assessment is that no programme in this area should be tied to conditions on co-operation, but that once there is a programme, that co-operation should be sought as much as useful for the objectives of the programme.

The regional program could possibly be developed together with IFOAM or at least linked to or become a part of IFOAM's I-GO program⁵. That would give it acceptability within the organic sector in the countries. Another option would be to team up with FAO, which probably would be interested. ITC is also a possible partner.

Relationship to EPOPA

As the EPOPA programme is about to start with a similar project for Uganda and Tanzania, there is an need to decide if this project should be incorporated in the proposed regional programme, or if the proposed regional programme would exclude Uganda and Tanzania and focus on the rest.

⁵ The lead consultant is the President of IFOAM, which is a voluntary position. He is currently not involved in the implementation of the I-GO program, only in the decision making for projects.

11. Annexes

Annexe 1 List of some actors in the countries

Madagascar

ECOCERT Antenne Madagascar LOT IVD 13 bis Amparibe, MG 101 Antananarivo, ecocert@dts.mg

Malawi

SHIRE HIGHLANDS ORGANIC GROWERS ASSOCIATION, P.O. BOX 930, BLANTYRE,
shoga@malawi.net

Mozambique

ABIODES – Organic Agriculture Association in Mozambique, address: Av. Eduardo Mondlane nr. 2221, 1^o
Andar, P.O. Box 806, Maputo, iampab@zebra.uem.mz)
IPEX, Maputo, ipex@teledata.mz
INNOQ, Maputo, innoq@emilmoz.com

Namibia

Support to Agricultural Marketing and Trade Negotiations (SAMTRAM), Bennett, Ben, divplan@iafrica.com.na

South Africa

AFRISCO & Ecocert, afrisco@global.co.za
National Department of Agriculture, niele@nda.agric.za
BD&OCA, certify@iafrica.com
OAASA, frayne@icon.co.za

Tanzania

IMO Office East Africa, P.O. Box 1255, Zanzibar, Tanzania, mwatima@hotmail.com
Tanzania Organic Foundation (TOFO), Fred Machange, P.O.Box 9480, Dar-es-Salaam,
htemu@intafrica.com
Ministry of Agriculture, Adah Mdesa-Mwasha, P.O.Box 33907, Dar es Salaam,
admwasha@hotmail.com
PELUM-Tanzania, P.O.Box 54, DODOMA, PelumTz@maf.or.tz

Uganda

Ministry of agriculture, Ochodomuge Peter Ekutu, agrebbe@infocom.co.ug
Nogaumu, Alastair Taylor, Box 11330 Kampala, taylor@kulika.org
IFOAM Africa, Frederick Joel Wajje, Box 5319 Kampala, fredwajje@wvi.org
Agro Eco (U) Alan Tulip, Box 23058 Kampala, aptulip@infocom

Zimbabwe

Mitchell and Mitchell, P O Box 277 Marondera, xylocopa@utande.co.zw
Peter Wilkinson, boconnor@mango.zw

Zambia

OPPAZ, susie@organic.org.zm, oas@organic.org.zm
ACOA Africa Council of Organic Associations, P.O. Box 34465, organic@coppernet.zm

Annexe 2 Sample financial feasibility of a certification organisation

The following operating profit and loss has been calculated for a certification organisation that is established and have got all the certification service in one of the countries, with a projected growth in the organic sector.

Total income	185 137
Total costs	182 032
Net	3 105

All figures in US dollars.

Relation between inspection work and certification officer's work

For large projects	0,30	These have internal control systems with reduced external inspection
Small projects	0,50	These have co-ordinated marketing, but all farms are inspected
Individual units	0,75	

Fee structure

Application fee	100 for individual units	Application fees not counted in the budget
	250 for projects	

Fee (compiled for inspection and certification, issued as a daily/hourly fee on inspection work)

For large projects	165 day	110 Daily inspection fee
Small projects	193 day	
Individual units	220 day	
Other fees	10 Transaction Certificates	
Travel costs	at costs	

In addition comes travel costs and allowance for inspector when applicable

All numbers in USD

Inspection fees

Type	count	Units	Insp. Days	dir days	fee annual	Avreage fee
Large projects						
(10% inspection)	15	36000	600	113	99000	6600
Small projects	5	100	50	25	9625	1925
Individual Farms	20	20	20	15	4400	220
Processing units	10	10	10	8	2200	220
			680	160	115225	

Total income

Fees	115 225
Allowance insp	17 952
Invoiced travel	48 960
TCs	1 000
Miscellaneous	2 000
Total income	185 137

Expenditure, inspection

	#	sum	Cost	Unit	<i>all sums in USD</i>
Salary inspector	680	61 200	90 per day		<i>represents 3-5 inspectors</i>
Vehicle costs	81 600	48 960	0,6 per km		<i>calculated as 120 km/inspection day</i>
Allowances	449	17 952	40 per day		<i>only 2/3 of the number of days</i>
Training inspectors		2 000			
Sub total		130 112			

Expenditure, certification

	#	sum
Director/Certific officer	160	16 000
Training of director		2 500
Secretary	160	3 000
Bookkeeper	32	1 500
Legal fees		1 000
Auditor		1 500
Office rent		4 000
Office equipment		3 000
Telecom		4 000
Postage		1 000
Copies/printing		1 000
Publications		1 000
Stationary		2 500
Utilities		1 000
Allowances TC		960
Allowances CC		960
International represent		3 500
Domestic travel		3 500
Sub total		51 920

Total expenditure **182 032**

Note: costs are not including international accreditation

Annexe 3 Sample invitation to seminar

Date

To:
All interested parties regarding the development of
certification in xxx

The development of organic certification in xxx

Invitation to seminar

Hereby you are invited to participate in a seminar regarding the establishment of local (national or regional) certification organisations in Africa. You find more information in the enclosed pamphlet. The seminar is open to all interested parties and you are encouraged to pass on this information to persons or organisations that you think might benefit from the seminar.

Place and time:

Programme:

9.00	Registration, presentation
9.30-12	General part including <ul style="list-style-type: none">▪ Current status in xxx – Organic Production and certification (local partner)▪ EU legislation and briefly about US, Japan regulation. Import rules and procedures. IFOAM system. – GroLink consultant▪ Basics of standards, inspection and certification – GroLink consultant Steps to establish a certification system – GroLink consultant
12-13.30	Lunch
13.30 - 15	Group work and presentation <ul style="list-style-type: none">• Is the time ripe?• How to organise the inspection and certification?• National versus regional?
15.00 – 15.30	Coffee
15.30 – 16.30	Concluding session.

The seminar is free. In order to prepare we like you to apply for the seminar to our local partner for this seminar, see below.