Credibility criteria for evaluating certification schemes

ISEAL technical advice for the EUDR Guidance document – January 2024

ISEAL Alliance is a global membership organisation that works to strengthen sustainability standards and certification systems across various industries, including forestry and agriculture. ISEAL supports ambitious sustainability systems to tackle the world’s most pressing challenges, including climate change, deforestation, and threats to human rights. Our members have decades of experience implementing global certification and traceability systems to bring more responsible products to markets. They have a wealth of knowledge about the practical implications and obstacles companies face in moving to more sustainable sourcing practices.

ISEAL has built a broad-based consensus around what constitutes credible operating practices for sustainability certification schemes. Our Code of Good Practice captures this consensus in a publicly available normative document against which all ISEAL Code compliant members have been evaluated. Many of the core components of our Code of Good Practice are relevant for consideration in guidance for implementation of the EU Deforestation Regulation (EUDR), including requirements around certification, data management, traceability and claims. We offer the following guidance as input for consideration to include in the EUDR guidelines on certification.

Building on regulatory precedent

It is important that any new guidelines build on existing regulatory precedent. The European Union already recognised in the Empowering Consumers Directive the need to define certification schemes in a way that ensures they meet minimum conditions of transparency and credibility. The agreed definition, which builds on existing good practices, offers a strong foundation for guidelines being developed by the Commission for the EUDR:

‘Certification scheme’ means a third-party verification scheme which certifies that a product, process or business complies with certain requirements and which, in case of compliance, allows for the use of a corresponding sustainability label. Its terms, including its requirements, are publicly available and meet the following criteria:

i. The scheme is open under transparent, fair, and non-discriminatory terms to all traders willing and able to comply with the scheme’s requirements;

ii. The scheme’s requirements are developed by the scheme owner in consultation with relevant experts and stakeholders;

iii. The scheme sets out procedures for dealing with non-compliance and foresees the withdrawal or suspension of the use of the sustainability label by the trader in case of non-compliance with the scheme’s requirements; and

iv. The monitoring of compliance by the trader with the scheme’s requirements is subject to an objective procedure and carried out by a third party whose competence and independence from both the scheme owner and the trader is based on international, Union or national standards and procedures.

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Good Practices of Credible Certification Schemes

Building on the above definition, and drawing on ISEAL Good Practices, we believe it will be valuable for EUDR guidance to encourage companies to engage with credible certification schemes that share the following characteristics:

Standards’ requirements

Certification schemes that support implementation of the legislation should be based on standards whose content aligns with EUDR requirements. This includes:

- definitions of deforestation and forest degradation that align with those in the EUDR;
- cut-off dates prior to 31 December 2020;
- no exemptions for conversion for agricultural use after that date;
- requirement for full compliance with relevant environmental and social laws in the country of production; and
- requirement to demonstrate the legal and legitimate right to use the land.

In countries or regions where tenure or right to use the land is not clear or not enforced through credible land registry or formal title, the scheme should have guidance for auditors on how to credibly check compliance with this requirement, including the possibility to check “the absence of disputes” over the land.

Assurance processes

Certification schemes that support implementation of the legislation should include robust assurance mechanisms that provide validation and oversight of compliance determinations. Quality assurance processes reduce the possibility that non-compliant materials can enter supply chains that are subject to the EUDR. To help ensure quality of assurance, the recommended good practices include that:

- Assurance processes be carried out by third-party certification bodies that are independent of the certificate holder and of the scheme owner.
- Auditors are competent to evaluate compliance with the standard, the relevant national legislation, and any additional EUDR-related requirements. Sufficient competency includes relevant qualifications, training opportunities and calibration, regular competency evaluation, and continuous professional development.
- Audits include an evaluation of compliance that is based on a combination of document review, including risk assessments of the certificate holders, and field-level auditing, including stakeholder interviews or other types of stakeholder engagement.
- Certification schemes can help to facilitate collection of plot level (point or polygon) geolocation data in the EUDR requested format (6 decimal digits minimum) through a specific submission portal.
- Certification schemes support assessment of risks of deforestation, forest degradation, and illegality, and provide this information to certificate holders and certification bodies, on the basis of the geolocation data provided by certificate holders.
- Certification schemes have a robust dispute resolution process in place that ensures a transparent and timely assessment of complaints and grievances related to the certification of clients.
Traceability and Data management

- Certification schemes have a traceability system that supports segregated chain of custody models. This means enabling certified organisations to trace any product volumes entering their supply chain to known origins that are compliant with EUDR and certification system requirements.

- Certification schemes have or source the technical capacity and credible data management platform needed to enable specific pieces of information relevant to EUDR to be associated with product batches and conveyed along each step in the supply chain (e.g. the deforestation status, product harvest date, etc.).

- Certification schemes have clear and accessible data management procedures in place to ensure all data collected for EUDR compliance is owned by the certificate holders, and all rights to use these data are given for the limited scope of EUDR compliance.

- Credible monitoring of deforestation and forest degradation involves a combination of satellite mapping and field-based ground truthing.

Additional good practices

Certification schemes that have integrated the above elements are well-placed to provide information companies will need to support EUDR reporting obligations. The additional practices listed below can help to strengthen the effectiveness of certification and increase its value for companies, producing enterprises, and other stakeholders.

- Certification schemes can offer mitigation and remediation strategies, to address potential and actual risks for certificate holders and value chain stakeholders in regions where risks have been identified.

- Certification schemes can seek stakeholders’ engagement in different elements of their scheme, including consultation on the standard, submitting evidence of deforestation or forest degradation, input on certificate holders’ assessments, and submitting complaints.

- Where relevant to the commodity, certification schemes can have mechanisms to ensure that smallholders as well as Small and Medium sized Enterprises (SMEs) are able to access certification processes and market opportunities for certified products.

- Certification schemes, with relevant support from other actors (private and public), can facilitate training opportunities to relevant value chain stakeholders impacted by the EUDR requirements, to ensure data is collected in a consistent and reliable way.

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