**IFFO RS Chain of Custody Standard Version 2**

 **Draft TERMS OF REFERENCE (ToR)**

**Background Information**

The IFFO RS Chain of Custody (CoC) Standard has been in existence since 2012 and is currently operating on Version 1. The IFFO RS CoC Certification enables producers of marine ingredients to demonstrate full traceability of IFFO RS compliant products throughout the production process; from the approved raw material sourced from responsibly managed fisheries, to the manufacture and delivery of safe and pure products.

The original objectives of the CoC standard as set by the Version 1 Technical Advisory Committee in 2011 were to:

* Provide the industry with a clear statement of the requirements of IFFO RS CoC Certification.
* Allow the use of this certification mark “IFFO RS Assured” to signify compliance to the Chain of Custody Standard as part of the IFFO Responsible Supply Programme. Commitment to these requirements will communicate to customers the provenance of IFFO RS certified fishmeal and fish oil.
* Enable the verification and certification of the chain of custody for fishmeal and fish oil products that come from IFFO Responsible Supply certified factories along the value supply chain to the customer.

The current IFFO RS CoC Standard has 61 certified sites from 36 applicant companies. The IFFO RS CoC programme has global reach, with certificate holders in 14 countries around the world.

To ensure that the IFFO RS CoC programme remains at the forefront of fishmeal and fish oil sourcing and production, at their meeting on 4 April 2018 the IFFO RS Governing Body Committee ratified a proposal to review and enhance the standard. This revision process will ensure the standard continues to meet with the expectations of the marine ingredient manufacturing sector and the global supply chain, through the development of a new Version 2 of the IFFO RS CoC standard with enhanced strategic objectives. These objectives will help to contribute to the IFFO RS goal of improving the global responsibility of sourcing and production of marine ingredients. Social and environmental factors are crucial new elements we are proposing to introduce that will facilitate the improvement of social and environmental issues throughout the value chain.

**The Proposed Terms of Reference for Version 2 of the IFFO RS CoC Standard are as follows:**

**Enhanced Key Objectives for Version 2:**

* To continue to meet the objectives set in the development of Version 1 of the IFFO RS CoC Standard
* To prevent non IFFO RS compliant product being labelled as IFFO RS.
* To ensure that IFFO RS CoC v2 remains relevant, robust and fit for purpose.

**Key Opportunities for the IFFO RS CoC programme to consider:**

1) Audit Technology

1. Use of emerging technology (e.g. Key data element transfer through the supply chain via a blockchain solution or another) to source the origin of certified IFFO RS compliant fish meal and fish oil quickly and accurately
2. Where appropriate, use technology (e.g. online QMS, production and traceability data, video auditing) to allow for remote assessment and reduce audit cost and burden.
3. Information should be available via an “easy to access” website to provide assurance that items are IFFO RS compliant. It should be possible to interrogate the site quickly to meet the demands of the supply chain.

2) Standard Collaboration

1. Ability to do away with IFFO RS CoC certification, through better collaboration with regulatory authorities and other standards (e.g. GFSI recognised standards)
2. Utilise existing processes used to trace products – recall and/or regulatory requirements rather than invent something bespoke e.g US and EU traceability regulations

3) Adding Value

1. Enhance opportunities to educate the supply chain about how rigorous the IFFO RS CoC programme is.
2. Provide training for an applicant’s relevant staff to understand the standard’s objectives and its benefits to their operation.

4) Quality Assurance

1. Improve assessment consistency and efficiency. Provide a risk assessment framework for use by CBs to determine risk status of plant/factories so that organisations that have successfully attained the standard could be deemed to be low risk, resulting in less auditing.
2. Identify ways of detecting fraudulent activities (e.g. adulterations and substitution) by having more rigorous traceability system checks e.g. mass balance checks and volume reconciliations within the standard and systems to handle non-conforming product once this is detected
3. Use of additional product authenticity testing methodologies to provide greater assurance on origin data
4. Improve the use of the IFFO RS Logo and claim to protect the integrity of the entire programme
5. Continue the current certification model to ensure it remains in alignment with ISO 17065 and the ISEAL Assurance Code.

5) Streamlining Requirements

1. Standard and Certification Requirements at each link in the chain need to be reviewed to seek areas of opportunity to streamline, especially in the wholesaler/trader/sub-contractor segments.

6) Social Accountability

* Look at the possibility of expanding the scope of the IFFO RS CoC to review key social criteria:
	+ Identify and agree what these key criteria could be;
	+ Ascertain how these may be met by existing programmes.

7) Environmental Accountability

1. Look at the possibility of expanding the scope of the IFFO RS CoC to review environmental aspects.
2. To identify and agree what these key criteria could be.
3. To ascertain how these may be met by existing programmes.

**Version 2 Key Development Activities:**

* To conduct an impact assessment on current IFFO RS CoC Standard holders to determine what affect these proposed new criteria will have on their capability to comply with the new standard
* To develop a new set of IFFO RS CoC conformance criteria to take into account TACCP and VACCP criteria to try and mitigate fraudulent acts and enhance traceability assurance within a supply chain entity
* To develop a new set of IFFO RS CoC conformance criteria to take into account mass balance calculations to verify the volume of certified material as it is processed or handled by the supply chain
* To develop a new set of IFFO RS CoC conformance criteria to take into account better controls on the use of the IFFO RS Logo and claim and the withdrawal of non-compliant IFFO RS complaint fish meal and fish oil
* To develop a new set of IFFO RS CoC conformance criteria to take into account ILO conventions (e.g. 29, 105, 138) to assess the social and welfare rights of employees within the CoC.
* To develop a new set of IFFO RS CoC conformance criteria to take into account the environment impacts (e.g. waste management) of the participating client.

**Rationale and Risk Analysis for the Implementation of Version 2**

There is a diversity of companies and stakeholders, resulting in a variety of expectations and needs from the CoC programme, especially as the IFFO RS programme scales up in SE Asia.

Any changes to the programme shall be assessed based on **three main priorities**:

**Accessibility** **–** To reach more markets and provide access to a greater volume of IFFO RS compliant fish meal and oil, having a Chain of Custody that is accessible, regardless of business size or geographic location, is key. Accessibility can be enhanced by working closely with our supply chain partners across the globe, tailoring the standard and supporting documents to their practices, taking out redundant elements, making use of new technology, and aligning with other internal and external requirements.

**Rigour –** The essence of the value proposition of the IFFO RS CoC programme is the credibility of the standard and assurance process. Known product integrity risks and new risks should be monitored and managed. Where needed, changes to the programme should be implemented to enhance the rigour. Other changes should be assessed to ensure they do not jeopardise the credibility of the programme. As the IFFO RS programme scales up, enters new markets, and with the industry evolving accordingly, new risks will appear and will need to be managed.

**Relevance –** For the long-term relevance of the programme, the CoC Standard and assessment programme must continue to meet with supply chain expectations for the next generation of IFFO RS certified products, respond pro-actively to changes and carefully maintain the balance between accessibility and rigour.

**Detail the Development areas for the Version 2 of the IFFO RS CoC**

* A bespoken technical working group shall be formed made up of individuals who have the key skills required to develop the following criteria for incorporation within the IFFO RS CoC standard:
* Conformance criteria to take into account TACCP and VACCP requirements to work to mitigate fraudulent acts and enhance traceability assurance within a supply chain entity.
* Conformance criteria to take into account more robust and verifiable mass balance calculations to ascertain the volume of certified IFFO RS material as it is processed or handled by a supply chain and how these volumes should be recorded and used to give even greater reassurance to the supply chain.
* Conformance criteria to introduce better controls on the use of the IFFO RS Logo and any associated claim; to ensure any claims can be managed effectively; and to determine, in instances where non-compliant IFFO RS complaint fish meal and fish oil is discovered, what actions should be taken by the supply chain.
* Conformance criteria to take into account the requirements of ILO conventions (e.g. 29, 105, 138), to ensure that the social and welfare rights of employees within the entire IFFO RS CoC supply chain are observed. These criteria will also provide a mechanism to remove supply chain entities which do not comply with ILO social and welfare requirements.
* Conformance criteria to consider key environmental considerations, to ensure that the environmental impacts (e.g. waste management) of all participating entities within a IFFO RS CoC supply chain are mitigated wherever possible, and records are maintain to show adequate due diligence.
* Conformance criteria from V1 that are deemed to be duplicative or inconclusive from the site visits conducted to date and the standard review shall be revisited. Where possible the existing IFFO RS CoC requirements will be streamlined to ensure that V2 is future-proofed and credible until the next standard review in five years’ time.
* The new IFFO RS CoC Standard V2 shall be pilot tested on a specified number of supply chains to ensure that the auditability of the new criteria meets with both the ISEAL assurance code and ISO 17065 certification protocols.
* In accordance with ISEAL recognition a full impact assessment on all current IFFO RS CoC Standard holders will be conducted at the final stages of the development of V2 to determine what affect these proposed new criteria will have on their capability to comply. If accessibility to the new standard is viewed to be compromised by a large proportion of the current CoC certificate holders, a credible and robust transition plan will be proposed, to ensure they have time to comply.
* A full set of auditor training tools shall be developed to ensure that all IFFO RS CoC auditors and CBs that will be required to audit and certify to the new standard can do so with credibility and consistency.
* All IFFO RS CoC auditors shall be required to prove competency in assessing to the new IFFO RS CoC standard by the sitting and passing of an examination to prove understanding of the new conformance criteria.

**Proposed Version 2 Standard development Process**

* Draft ToR agreed by IFFO RS TAC and reviewed by IFFO RS Governing Body Committee (GB)
* Public Summary developed for publication parallel to the ToR.
* ToR placed in Public Consultation for 30 days to seek stakeholder input from those directly and indirectly affected by this proposed new version
* Final ToR approval by IFFO RS GB
* Review of key stakeholders to ensure adequate representation of all relevant groups.
* Bespoke Technical Working Group selected to develop the IFFO RS CoC Version 2
* Draft of Standard developed and agreed by the IFFO RS TAC
* Draft of Standard agreed by IFFO RS GC
* Agreed Standard placed in Public Consultation for 60 days to seek stakeholder input and engagement
* Final approval of IFFO RS CoC v2 by IFFO RS GB
* Translation & publication of the V2 CoC standard, and circulation to key stakeholders.

The development of Version 2 of the standard will take up to 12 calendar months from the point where the ToR is approved by the IFFO RS GB. It is aimed for this standard to become available to supply chain entities by October 2019 and a transition plan for existing IFFO RS CoC holders will be developed to enable them time to meet the new requirements of IFFO RS CoC V2.

**Proposed Technical Competencies for the Version 2 Technical Advisory Committee (V2 TAC)**

On agreement of the Version 2 TOR the IFFO RS secretariat will seek and consult with key individuals which can offer the correct level of competency and expertise to form the V2 Technical Working Group and be able to create a set of credible, conformance criteria for the development of the new version of the IFFO RS CoC standard.

The proposed expertise for the V2 TAC will need to be able to demonstrate expertise and competency in covering the following key areas:

* Traceability Systems and Mass Balance calculation
* Good manufacturing practices to cover TACCP and VACCP
* Product Authenticity testing
* Environmental Assessment Impacts
* Social and Welfare Assessment Criteria
* Standard setting requirements to meet ISO 17065 and ISEAL criteria

Once formed, the V2 CoC Technical Working Group will be governed by a bespoke Terms of Reference for the role they will be required to perform. The V2 CoC TAC will be overseen by the IFFO RS GB to ensure that the approved ToR for the new version of the IFFO RS CoC standard is being adhered to.

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| **Key Steps** | **Apr/May 2018** | **June** | **July** | **Aug** | **Sep** | **Oct** | **Nov** | **Dec** | **Jan - 2019** | **Feb** | **Mar** | **April** | **May** | **June- Oct** |
| Review Chile Workshop Feedback and create Trial Standard V2 CoC |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Conduct 2 Trials one in China and one in Thailand |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Start and complete Benchmark of Current IFFO RS standard to BRC, GAA BAP, IFFO RS CoC and Global Gap  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Complete ToR for discussion with TAC |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Complete Impact Assessments on current CoC holders to requirements for CoC development to meet this TOR |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Complete 30-day Consultation on the TOR |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Finalise TOR for GB  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Commence development of V2  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Pilot Testing |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Sign off by TAC |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Training Auditors and CB |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Sign off by GB |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

Appendix Key stages for the agreement of the IFFO RS COC Standard V2