# Eco-Audits during Covid-19 Retain Credibility, Exacerbate Inequities

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COVID-19 has significantly disrupted global economic output and transnational supply chains. While the direct impacts on production and trade are widely discussed, less attention has been given to the impacts on other practices that ensure the functioning of global markets.

One example of such practices are private regulatory efforts that over the past three decades have emerged in response to environmental and ethical concerns with practices in global production processes and supply chains. Often taking the form of certification and labeling programs, this type of private regulatory governance relies on in-person, field audits to verify that producers comply with the program’s sustainability rules. In normal times, the auditors working under the auspices of private regulators would be busy inspecting participating operators around the world. Yet government-mandated business closures, travel restrictions, and quarantine have made audits nigh impossible for the near future. These disruptions are significant. The [Rainforest Alliance](https://www.rainforest-alliance.org/sites/default/files/2020-05/AR19_data_report-spreads_0.pdf), for instance, which certifies over 16 percent of global tea production and 33 percent of global cocoa production, had 936,981 participating tea farmers and 209,484 cocoa farmers in 2019. The 26 member companies of the [Together for Sustainability](https://tfs-initiative.com/2020/05/06/sustainable-chemical-supply-chains-tfs-state-of-affairs/) initiative, which addresses sustainability concerns in the chemical sector, were involved in 14,000 supplier evaluations in 2019. The [Program for the Endorsement of Forest Certification](https://cdn.pefc.org/pefc.org/media/2020-05/1a524ab5-1ba2-4185-8f8a-9cb16e29150e/22b08b97-31c0-5a60-8ac2-a3d2fb0e9868.pdf) (PEFC) has certified 750,000 forest owners in 53 countries.

How have programs adjusted to the pandemic’s disruptive impacts on audits? Using a dataset of nearly 100 private regulators, we collected information on their audit policy changes since the pandemic began. The data includes the timing and duration of policy changes, as well as the kinds of adjustments made to the standard suite of in-person field audits. A notable and important overall finding is that disclosure has been partial at best, with less than half of these programs making their policy changes publicly available. The earliest policies were announced in late January, but the WHO classifying COVID-19 as a global pandemic in mid-March served as an incentive for programs to announce audit policy changes. The dominant modifications to normal in-person audits focus on postponements, extensions, or remote audits as acceptable temporary measures in light of COVID-19. Programs often included conditions identifying when modifications would be permitted and imposed reporting requirements on the application of the policy by auditors. Very few programs announced changes to their substantive requirements.

There are a wide range of implications of these adjustments. One critical issue involves whether they will make the plight of producers in global South countries worse off. There are a few indications that this may be the case. For instance, certain programs used risk-based analyses to limit the opportunity to modify audits, and the risk analyses either explicitly or implicitly identified global South countries as excluded for reasons of risk. The [Aquaculture Stewardship Council](https://www.asc-aqua.org/wp-content/uploads/2020/03/ASC-POLICY-ON-AUDITING-DURING-THE-COVID-19-OUTBREAK-26032020.pdf), for example, has a risk tool – called the ASC Country Social Profile – that builds a country-level risk score. Producers from countries in the high-risk group (e.g. Bangladesh, Belize, China, Colombia, Ecuador, and others) would not be eligible for remote audits.

Second, the limited flexibility of private programs regarding their substantive requirements may harm vulnerable producers that are already experiencing economic hardship due to operational restrictions and lockdowns, and likely reduced interest in certified products in consumer markets in the global North for the short and potentially medium term. Only four of the programs disclosing their policy changes offered any flexibility on meeting their substantive requirements during the pandemic outbreak. The most explicit of these came from [Worldwide Responsible Accredited Production](http://www.wrapcompliance.org/upload/Documents/documents/WRAP%20Message%20COVID-19.pdf) (WRAP) that offered some flexibility on rules about working hours.

Third, costs to be certified may increase because of shifts to new types of audits, such as remote and virtual audits that require different infrastructure, technologies and competencies to which operators may not have access. Even basic requirements, such as a stable and sufficiently fast Internet connection for the transfer of documents, cannot be taken for granted in many global South countries. If poorer operators have to carry the costs of acquiring these technologies on their own, this places them at the risk of not being able to participate in the program and hence not have access to the market for sustainable goods. In addition, programs show a greater concern for remedying difficulties of operators that are already participating in a program, rather than facilitating access to those that are trying to participate for the first time – a preference that exacerbates existing biases towards high-capacity and well-resourced operators.

Credibility is central to the operation of private regulation. Ensuring audits continue to identify non-compliance is important. But adjustments to COVID-19 also create and [exacerbate inequities](https://www.sciencedirect.com/science/article/abs/pii/S0921800918316173) baked into the process and [logic of private regulation](https://onlinelibrary.wiley.com/doi/abs/10.1111/rego.12075) that ought to be considered. If programs are to retain an emphasis on credible audits, they should consider ways to lessen the burdens and barriers these create. Some programs, such as [Goodweave](https://goodweave.org/covid-19-update-and-response/) or [Fairtrade International](https://www.fairtrade.net/news/bringing-relief-and-resilience-to-producers-3-1m-eur-in-funding-announced-by-fairtrade-international), have formed funds to support participating producers; others, like the [Rainforest Alliance](https://www.rainforest-alliance.org/articles/global-covid-19-report), are also reporting on the hardship facing producers. In light of constraints and capacity gaps, postponing audits is often an option. However, if [remote and virtual audits](https://committee.iso.org/files/live/sites/tc176/files/documents/ISO%209001%20Auditing%20Practices%20Group%20docs/Auditing%20General/APG-Remote_Audits.pdf) are to become more mainstream after COVID-19, the capacity barriers facing producers will require attention to ensure credibility does not undermine equity.