

**Shrimp Aquaculture Dialogue
Global Steering Committee Meeting Summary
Amsterdam – February 16 - 18, 2011**

PARTICIPANTS

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- Pete Bridson – Monterey Bay Aquarium
- Teresa Ish – Fish Choice (not present, but included by abstencia protocol)
- Jose Villalon – WWF-US
- Ernesto Jack Morales - Sustainable Fisheries Partnership
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- Flavio Corsin- ICAFIS
- Merrick Hoben – CBI facilitator
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Meeting Goals

The Global Steering Committee (GSC) met for 3 days in Amsterdam (hosted by IUCN) for its last face-to-face meeting before draft standards are ready for guidance development and field-testing. The purpose of the meeting was to:

- Clarify the roadmap to completion;
- Review and understand public comments from the second public comment period; and
- Address outstanding issues with respect to public input and formulate proposals for final standards.

This summary captures key points and outcomes per discussion topic. All errors and omissions are the sole responsibility of the Consensus Building Institute (www.cbuilt.org) that facilitated the meeting.

Overview of Public Comments

The group reviewed key feedback themes and issues from the second public comment period. Broadly, they included:

- Request for inclusion of species from the genera *Metapenaeus* and *Macrobrachium*.
- Balance of representation on the GSC (i.e. too many NGOs and not enough private sector or geographically balanced GSC members)

- Challenges to the theory of change for the dialogue regarding whether and how it works
- Inadequate consideration for community impacts (social and environmental)
- Request for processing plant, feed plant, and hatchery standards to be included
- Inconsistency across dialogues on cross-cutting issues (such as feed)
- Cost implications and auditing for BEIA, P-SIA, etc.
- Unfair burden of hatchery and feed requirements on farmer

There were over 80 pages of comments. The GSC dealt with thematic and outstanding issues, with a commitment to respond to individual comments via the web.

Revising the Roadmap to Completion

The group debated how to credibly manage the competing risks of completing the standards in a timely manner while credibly addressing practicality, implementation and audibility concerns which are key to personal and organizational integrity. The following points were made:

- The group decided it will complete revisions of standards before the development of guidance by April 1. From April to September 2011 the guidance for auditing will be developed by the GSC with support from consultants used in other dialogues. Field-testing will take place between October and November 2011 to ensure auditing feasibility, effective interpretation of the standards and guidance, and as a means to outreach to local stakeholders. Any subsequent modifications will be made via the Technical Advisory Group in conjunction with the ASC. The GSC will set the field-testing methodology. Final GSC sign off and handover of the standards to the ASC will not occur until field-testing is complete, and will not extend past November 2011, and a final meeting will likely be needed at the end of November.
- There was also some support for a B2B period for the standards until many of the outstanding issues related to the ASC are resolved.
- A key challenge of a testing phase is to determine a feasible way of addressing administrative and support concerns (e.g. funding, coordination, and facilitation).
- There is also a need to define the critical elements that are needed in that testing phase to make it credible.
- Recent testing in Vietnam shows that costs for small holders in Asia are a significant barrier that must be addressed.

- The results of field-testing the standards (Oct. & Nov) will assist in clarifying the Auditor Guidance Manual. This is an integral but separate document to clearly define how the Standards document is interpreted.

Scoping Discussion

The group discussed and clarified that the scope of the standards is to certify the top 20% of producers in order to drive the market toward higher levels of responsibility across the industry. The standards should be achievable through a cost effective manner for the farmer that is compensated by the added value or better visibility on the market that results from production changes. The role of the ASC, in part, is to help support these shifts. Ultimately, the standards are intended to leverage the industry as a whole towards more responsible practices by promoting the top performers on social and environmental responsibility through this voluntary certification.

Farm vs. Pond Certification

The group debated how to create necessary contingencies to account for pond-level variations while maintaining consistency across the dialogues with a farm-based standard. The group agreed on the farm-level approach with the understanding that, on larger farms or on clusters/cooperatives, audits will use a sampling approach by checking data and then checking representative ponds. Auditors can also check feed labels and use averages as much as possible to set the performance level. Farmers must also have a traceability system to the pond-level that allows for checks regarding which feed was used.

Allowance for non-compliance with some indicators and standards (as limited as possible) will be specified in the guidance. Again, this assumes a sampling approach with a traceability system in place for pond-level traceability to ensure that non-compliant product is not marked with the ASC eco-label.

Specifically, the responsible farmer must provide information about all the non-compliant ponds/batches, how they were managed in the field, and demonstrate how the non-compliant products were managed to ensure that they were appropriately separated from compliant products that will be labelled. If an auditor discovers by a sampling approach that some non-compliant ponds/batches were not declared by the farmer, the farm shall lose its certification, as these activities are considered fraudulent.

This model works for small holders certified as a cluster. Further discussion will likely be needed during the guidance development. Derogations for issues beyond farmers' control will be clarified.

Principle 6 + 7 - Auditing

The GSC discussed the challenges of auditing feed sourcing and traceability standards at the farm level without developing feed mill standards (i.e. certified feed). Agreement was reached on the need to clarify the messaging to the consumers about what compliance with the standards actually means on the ground and to ensure consumer transparency, by keeping communication on responsible shrimp feed and post-larvae on a B2B level until certified by an independent audit. Specifically the GSC will need to clarify that Principles 6 and 7 are not supply chain certifications standards (i.e. level of control) at this time and confirm with the ASC that hatchery and feed standards will be developed in the near future. The group also discussed interest in a B2B period for the ASC before going B2C to address this particular issue, though no consensus agreement was reached.

GMOs

The group discussed traceability and transparency requirements necessary to allow GSC members to feel that the GM issues have been adequately addressed. The group agreed (by majority but not unanimity) that:

- Both GM and non-GM ingredients are permitted.
- Full disclosure to the end-consumer on the packaging is mandatory, achieved through the product's ingredient list with criterion on transparency regarding the distinction between the use of permissible GMs and a GM-free diet¹; the ASC cannot be obligated to go beyond the law if the legal limitations do not allow the ASC to enforce this issue.
- Co-labeling of GMO status should also be pursued when available. The GSC must work with the ASC to make this possible (including developing a clear framework, guidance, rules, auditing, etc.).
- A GSC values statement on GMs must be included in the standards and communicated proactively by the ASC (as well as on other milestone issues). This will include support for phase out of GMs [within 2 years] that cannot disprove negative impacts [via multi-stakeholder science-based, transparent, and participatory consensus]. This issue is to be revisited in 3-5 years, with the expectation that with every cycle of standards revision the GSC expects to see less GM feed volume as long as it can demonstrate that doing so does not render it a "niche" standard.
- The GSC recognized that there is no intent to turn the ShAD standard into a "niche" category due to compliance challenges associated with limited non-GMO feed ingredients. Global limitation of non-GMO ingredients must be part of the equation when revisiting this indicator.

¹ The GSC will collaborate with the ASC (via its TAG representation) to help resolve possible legal challenges of requiring retailers to be transparent about ingredients in their packaging.

- Attempts to align feed issues and other similar Indicators across multiple species (Dialogue Standards) should be conducted in the ASC through the Technical Advisory Group (TAG) and be conducted in a multi-stakeholder process within the TAG.
- Audit reports must be available to retailers – with non-commercial elements available. This includes specific information that is mandatory for the consumer (e.g. the use of terrestrial animal feed is information that should be provided to the retailer only.)

FCR

The group discussed whether an FCR standard is needed as FCR has many interacting factors that make it complicated. It was agreed that an FCR needs to account for a number of variables and be set in accordance with various criteria in order to be useful. Data needs to be collected to set an FCR standard during the next iteration of the standard.

An alternative proposal being considered is to use protein in / out as a metric, set the range now, and collect data over time to set a specific value. Another option is to find better and more well adapted indicators for concerns to be addressed by the FCR approach (i.e. energy efficiency, impacts of released organic matter through feeds, etc.).

Principle 5 -- Survival

The group discussed the complexity of setting a high survival rate given the variability in production and the need for flexibility. The standards must have a precise way of prescribing a method for calculating survival and tying this to an overall health plan.

The group agreed to specifying its method for stocking post larvae (PLs) and creating a table for three evidence-based systems with minimum survival rate thresholds (e.g. 25, 45, 60) that reward good management. The standard should also mandate the recording and disclosing of actual survival and performance to allow the ShAD to set a standard based on evidence. Guidance needs to clarify that any ponds showing 95%+ survival will be discarded from the average based on the assumption that such outcomes result from an inaccurate count of PLs at stocking.²

Antibiotics

The group revisited the issue of antibiotic use. There was unanimous support for the allowance of antibiotics use in ponds for emergency treatment on a farm as

² This merits reference in the guidance document such that producers can benchmark their own method for counting PLs.

long as these products were not sold under the ASC label, provided products are traceable to individual ponds [with conditions for use clearly specified].³ The guidance must also address incentives for prevention (since most problems result from bad management).

Principle 4

Child Labor and Living Wage Issues

The group discussed age limits for employment and agreed to a minimum age of 18 for employees, minimum age of 15 for family workers; with ILO provisions specified and applied. In this latter case, the guidance will also recommend 3rd party oversight of conditions, with clear documentation that conditions are not dangerous and bring value to the child.

Living wage

The group discussed living wage and inequity impacts between shrimp and other rural sectors. The group agreed that shrimp farms should be responsible for raising the wage ladder and should be uncertifiable if they are seen to fall back. The implication is that farms need to start at minimum wage, with subsequent audits for improvement as they move forward. Some concern was noted about where to set limits and the need to check the Fair Trade model to clarify the approach.

Community Engagement

The group agreed to respond to the Critical Outsiders / Polder22 letter by 2/24 with point-by-point responses to the issues raised including clarifying a transition of future contact to the ASC, web posting of community engagement documentation / studies, and description of a new roadmap that includes field testing.

A protocol for proactive communication (with GSC review) on all issues raised will go on the WWF website for use by the GSC as needed.

Principle 2

The group reviewed feedback on Principle 2 and concluded that standards will stay the same, with differentiation in the guidance for large and small farms.

Specifically the group agreed that:

- The BEIA is focused on what the individual can do (farm focus), and does not imply a larger scope of sustainability. Though not feasible now, it should be encouraged going forward.

³ What is expected from the farmer in the case of non-compliance will be clearly stated in the guidance document.

- The BEIA methodology will be simplified for small farms that imply less risk, with clear guidance that defines small holder and expert support.
- Large farms will be expected to use an accredited EIA expert.⁴

Both a working and ideal model were discussed:

Under the working model --

- A 'provincial' mechanism will be developed with data based on national information, carried out by (EIA) accredited institutions, with NGO support.
- There will be two (maybe three) levels of support. Small farms/clusters will follow a checklist exercise and method for data gathering, with the support of a national government staff/extension officer. Work is to be reviewed by a qualified senior person (e.g. university staff).
- Could also be a Helpdesk approach with one national representative who manages collective resources (e.g. ENGO staff).
- Baseline data for main production countries compiled by one person (ASC/IDH) during B2B period.
- International database > National data (stored with Helpdesk) > Local data (collected by farmer/extension officer)

Under the ideal model --

- Support for regional approaches (spatial planning, HCVA) would be implemented by larger ENGOs with resources > feed to Helpdesk representative.

The following outstanding issues were identified as issues to be addressed in the guidance development:

- Accreditation of EIA experts given that ASI accredits certification bodies and this is not within their remit, except to audit EIA report⁵
- Building support capacity
- Ensuring the phase in period is in place - which will be necessary for both small and large scale farmers
- Guidance around who conducts the BEIAs
- Clarify who is accredited and who qualifies.

⁴ Please note that it is crucial to establish a predefined set of minimum requirements/profile for experts, and how their accreditation is given. This also applies to p-SIA experts. The GSC will define the expert accreditation procedure in the guidance document.

⁵ The GSC noted that there are systems to accredit organizations for conducting EIAs. This could be a start (provided B expertise is included).

Mangrove Restoration

The group debated how the GSC formulates compensation requirements for lost mangroves in an appropriate and justifiable way given the controversy around mangrove restoration.

The group agreed that:

- The farmer is responsible to show efforts to restore mangroves.
- There is a need to prioritize methods that focus on loss of ecosystem services.
- The guidance will need to be written by an expert ecologist.
- Where restoration is to take place outside farms and where such programmes are already initiated by government agencies or NGOs, farms could demonstrate compliance through active contributions to such efforts.

Buffer Zones and Corridors

The group agreed that BEIA guidance must clarify the need for buffers and corridors, in alignment with key ecological and ecosystems services. This includes identifying what constitutes a “natural waterway” – and its baseline, as well as how to deal with dynamic delta systems.

Principle 3

The group discussed what constitutes community conflict and how to gauge whether conflicts have been adequately addressed. The group found determining an appropriate proxy for free prior informed consent to be challenging. At present, the standard indicates a resolution of 90% of conflicts over a given period of time. This incorrectly assumes a high number of conflicts. Instead, the GSC recommends developing guidance that requires the support of community representatives who have a long-standing presence in the community and can verify the existence of conflicts and how they are being addressed.

Final steps for Guidance / BMP development / and field testing

The group discussed how the standard document might evolve during the guidance development. The GSC will work closely with the guidance consultant to clarify what needs to be included. This will take place between May and September 2011.

Development of a BMP manual is a funder requirement for WWF that is outside the purview of the GSC. The GSC is willing to provide editing, proofreading and oversight if needed, but will not write the manual.

An external consultant (Mario) will develop the auditing document in close coordination with the GSC. The GSC discussed the challenges of interpretation, the need for closely liaising with the consultant to help him clearly understand the intent of the standards and to ensure efficiency.

Field-testing design and development will take place in parallel with the guidance writing, and will be overseen and coordinated by TAG members. The purpose of the field-testing is to assess the methodology of the audit and the procedure of certification to ensure effective interpretation of the standards and guidance, as well as a means to outreach to local stakeholders.

ASC Request Letter

The GSC discussed its intent to write to the ASC requesting improved and consistent communication with the dialogues around its strategy to launch the standards as well as keeping the GSC informed about procedural and governance issues. A host of concerns will be addressed in the letter, to be drafted by the coordinator and edited / refined by the GSC, and a realistic timeframe for implementation for each step of the certification process will be included. This will need to be addressed before the GSC feels comfortable handing over the standards to the ASC.

Please note that the items listed in the letter do not reflect consensus agreement by all GSC members but rather a compilation of their issues to address under the objective of wanting to ensure a successful launch. There was recognition that some of the initial suggestions are clearly out of the scope of the ShAD or GSC; and some may be out of the scope of the ASC as well.

Southeast Asian Fisheries

A concern was raised about the challenge for Southeast Asian producers to find an ASC compliant feed source and whether or not it was necessary to allow them an alternative interim path to allow them easier access for participation. The key issue is the lack of documentation and fisheries management for many fisheries that supply the raw material for fishmeal and oil. It was agreed that one more attempt would be made to try to develop an alternative compliance scheme, although it is acknowledged that this challenge may be too large for the ShAD at this time. The key idea is to develop a system that encourages the various actors to become participants in the reform, which should include processors and government officials^{6,7}.

⁶ More information is requested in this regard.

⁷ A good method for the interim phase would be to establish a positive list of origins/countries of feed ingredients or even responsible sources, if it can be worked

Principle 6 - New species / Broodstock Fisheries / Escapes / Monitoring Cost

The group supports the addition of other *Penaeid* species based on public input, but not for *Macrobrachium spp.*; a standard for freshwater species and their management will not be written at this time.

The group agreed that no monodon fishery would actually be eligible under the current wording of the standards and also agreed that it is not acceptable to promote the international market for their wild broodstock. In other words, as long as a farmer can prove that their monodon broodstock is coming from a local source (same country) and that a domesticated stock is not commercially available, the use of wild monodon broodstock is tolerated for the duration of the interim period

Small producers find Principle 6 to be one of the most expensive standards with which to comply due to issues related to conductance and seepage when taking the water from rivers.

out by the supporting NGOs and the ASC. It could be revised once a year until credible certifications take place.