

# **Shrimp Aquaculture Dialogue Global Steering Committee Meeting Paris – September 28-October 1, 2010**

## **PARTICIPANTS**

- Dominique Gautier – Aqua star
- Eric Bernard – OSO, R&O
- Marc Legroumellec –UNIMA
- Sian Morgan – FishWise
- Pete Bridson – Monterey Bay Aquarium
- Teresa Ish – Fish Choice
- Jose Villalon -- WWF
- Ernesto Jack Morales - Sustainable Fisheries Partnership
- S.Jahangir Hasan Masum - Coastal Development Partnership (CDP)
- Mathew Parr – IUCN NL
- Leo Van Mulekom – Oxfam NOVIB
- Flavio Corsin – ICAFIS/ MARD (via skype)
- Merrick Hoben – CBI facilitator
- Corey Peet - Coordinator

## **Meeting Goals and outcomes**

The GSC met for the 8<sup>th</sup> time to 1) finalize draft standards and address outstanding issues; 2) review and agree on draft responses to public comments; and 3) clarify remaining work plan through final public comment period and completion of the ShAD process.

Though significant progress was made at this meeting, the group was unable to reach a finalization of the standards. A clear work plan has been created to complete several outstanding issues across the principle areas before the next public comment period begins. The 2<sup>nd</sup> public comment period will take place around November 15, 2010 – February 15, 2011 and, in order to meet this deadline, significant small group work will be required up to and during the public comment period.

The remainder of this summary details the main issues discussed at our last meeting and the remaining tasks to be completed by key topic and principle area.

## **Aquaculture Stewardship Council (ASC) Engagement**

The GSC continues to seek greater clarity from the ASC regarding its plans for governance and standards holding plans. A series of expectations were developed and shared with ASC CEO Phillip Smith, however, the GSC chose not to meet with him in order to preserve time for standards development. The GSC expects to engage with the ASC once it has answers to the GSC's questions.

## **EXPECTATIONS of the ShAD GSC for the ASC**

### **CLARIFY APPROACH TO ALIGNMENT AMONG DIALOGUE STANDARDS, CONTINUOUS IMPROVEMENT, AND SMALL HOLDER CAPACITY**

There is a concern among the ShAD GSC about how the ASC will harmonize the dialogue standards where needed (e.g. feed standards) and affirm those changes with the original multi-stakeholder group that created them. This concern also applies to the mechanisms for continuous improvement that the ASC will use given that the dialogue steering committees will disband once the handover of the standards has taken place. Other concerns surrounding how the ASC will address issues for small holder compliance as the GSC sees creative development of support options as a critical piece to ensuring that the ShAD standards are applicable to a wide audience.

### **DEVELOP COMMUNICATION & OUTREACH PLANS**

The GSC also expressed the importance of clearly communicating with stakeholders involved in or affected by the farms certified under the ASC standards. The GSC believes it important to ensure that there is clear communication about plans to build the ASC and how the spirit in which the standards were created will be maintained.

### **COMPLETE DUE DILIGENCE**

The SHAD identified the need for due diligence to be carried out by the ASC in terms of learning from past processes (i.e. not reinventing the wheel) before proceeding in its own organization a development. The GSC advises that the ASC seeks out people from other similar minded certification systems to tap current expertise on certification bodies for their insights and guidance.

### **CLARIFY RESOURCES AND LOGISTICS**

The GSC discussed the funding proposal, timelines, overall strategy, and staffing strategy for ASC development. The group is most concerned about what the ASC will do if guidance documents are not developed by the GSCs. Specifically, what is the plan for the development of an effective and functional Technical Advisory Group and other mechanisms to boost the credibility of the ASC?

### **IMPLICATIONS OF INSUFFICIENT ASC DEVELOPMENT**

- Growing GSC distrust that leads to fewer buyers, farmers, or retailers wanting an ASC product, and no income for the ASC.
- No volunteers from the dialogues for the ASC technical advisors group.
- Loss of market penetration and being out-competed by other labels.
- One or more GSCs may publicly call for resignation of ASC board members and/or senior staff.
- Loss of future funding from foundations due to lack of success.
- Organizations participating in dialogues withdraw support
- No NGO support and/or proactive public smearing.
- Undermining of ISEAL and WWF credibility.

## **Process Document**

The GSC process document was reviewed and revised during the meeting. The group approved revisions and agreed that the history of RSCs should be added as well as clarifying the GSC absentee voting protocol.

## **GSC Membership**

The group agreed that GSC membership will be officially closed as of October 5, 2010. This announcement and date was posted on the GSC website.

The remainder of this summary details GSC input and suggested changes (by Principle area) to the draft standards prior to the second public comment period.

## **P1 – Comply with all applicable national laws and local regulations**

### **Core issues discussed and decisions taken:**

- Criterion name changed to: “Documented Compliance with Local and National Legal Requirements.”
- Indicator 1.1.1 changed to: “Documents proving compliance with local and national laws or regulations relevant to developing, establishing, and operating a shrimp farm.” Standard: “yes”
- Previous Indicators 1.1.1 – 1.1.4 have been deleted and moved to guidance because they were deemed to specific and too likely to change and be difficult for an auditor to audit
- 1.1.5 has been deleted and moved to P5
- An indicator has been added for public transparency – 1.1.6: “Government issued operational permits and licenses are publicly available.” Standard: “Documented proof, valid, and available to the public upon request OR Yes”
- The rationale will be further elaborated to explain the purpose of the principle more clearly and additional guidance will be added to that effect.

## **P2 – Conserve natural habitat, local biodiversity and ecosystem function**

### **Core issues discussed and decisions taken:**

- Need to figure out how to deal with the problems of old farms.
- RAMSAR definitions are too broad. Therefore, we should use them as a basic definition and then provide further guidance.
- Three Pathways:
  - Exclude old farms
  - Allow old farms with no changes
  - Allow old farms with a path forward to achieve the standard
- We need to narrow down the definition of wetlands of ecological importance. Identify specific definitions of wetlands within RAMSAR that are areas of interest to the ShAD and then identify, via the Biodiversity inclusive Environmental Impact Assessment (BEIA) process. One vital step of a BEIA is an assessment of High Conservation Value Areas

(HCVAs). IUCN uses 6 components to do this and it would be worthwhile to consider this approach. The process requires that biologists and locals assess the value of the habitat together. If they determine that the land does not have great ecological value then the farm may be sited there.

- Key Question: Do you value the ecological integrity of systems over the social naivety of the history of siting? The GSC perceives this differently.
- Need to consider how farmers can take responsibility and mitigate the impacts of their farm's siting. CHALLENGE: How to write standards and guidance to make this work?
- Do we reject their participation or do we bring non-compliant / older farms in and get them to make changes that they would not have done otherwise? Some farms will not be able to fully mitigate the ecological impacts of their siting.

### **P3 – Develop and operate farms with consideration for surrounding communities**

#### **Core issues discussed and decisions taken:**

- Agreement that the audit frequency could be lower for parts of this standard, given Participatory Social Impact Assessments may not be necessary on a yearly basis (as doing so would be cost prohibitive). Need to communicate this to the ASC clearly.
- The treatment of historical impacts must be addressed in the rationale and/or guidance. The question is whether and how historical guidance should be dealt with in the PSIA.
- Auditors will need to have two sets of skills (e.g. "social skills"). Some felt this could be cost prohibitive, but there was general alignment that this is the way the CB industry is moving based on demand.
- Further clarification and definition of contract farming is needed.
- More detail is needed to address and describe the implications of risk sharing in association with contract farming.

### **P4 -- Develop and operate farms in a socially responsible manner**

#### **Core issues discussed and decisions taken:**

- Clarify the inclusion of work permits.
- Clarify the right of workers to freedom of movement (e.g. to leave the farm after work or stay on the farm after their series of shifts is over) and the business complications related to this.
- Define hazardous work and ensure those between 15 and 18 years of age are not doing it.
- Clarify the feasibility of a health insurance package for workers. Criteria adjusted and approved.
- Differences for small farmers need to be articulated in the document as much as possible.
- Ensure that farms do not show preference for migratory labor.
- Concern about the implications of making hiring practices open and not biased in favor of locals only.

## **P5 – Manage Shrimp health in a responsible manner**

### **Core issues discussed and decisions taken:**

- Select chemicals were added to 5.2.2 and guidance was added to assist the identification of these chemicals, which include illegal chemicals in the country of production, chemicals on the FAO black list, as well as those listed in the Rotterdam, Stockholm, and Basel Conventions.
- Deleted 5.2.3 and moved it to guidance.

## **P6 – Broodstock Origin, Stock Selection, and Effects on Biodiversity**

### **Core issues discussed and decisions taken:**

- Simplified the standard on use of exotic species to “Non-indigenous shrimp species are in commercial production locally<sup>1</sup> by the date of the publication of the ShAD standards AND there is no evidence of establishment or impact on adjacent ecosystems by non-indigenous culture shrimp species.”
- Eliminated the requirement of “widely used”
- Move escaped criterion (6.3) into 6.1

## **P7 – Use resources in an environmentally efficient and responsible manner**

### **Core issues discussed and decisions taken:**

- Agreement to mandate transparency of ingredients > 1%
- Changed feed sourcing standards to better align with other dialogues including:
  - 5 year timeframe for 90% of ingredients
  - Interim use of IFFO and Fishsource
- Adding traceability indicators and standards under a new criterion to align with other dialogues and improve on this issue.
- Simplified the limitations on byproducts to only prevent byproducts from Penaeid shrimp.
- For non-marine feed inputs, the GSC considered mandating the use of the Roundtables on Soy or Palm Oil and/or the Basel Criteria on soy.

## **GMO Discussion**

### **1. Agreements from Paris (Sept. 2010):**

- Agreement on GSC orientation regarding the GM challenge: “We are working towards a place with no significant environmental and social impact of GM feed ingredients.”
- Options to consider for deletion
  - Complete and immediate ban of GM ingredients - ORGANIC
  - Allow GM without label – TAD and PAD

### **2. Options Articulated by the GMO Leadership Group for the Standards Proposal:**

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- A. Audit must report if GMO feed ingredients are used and the report must be available to the retailer
  - Auditable by taking a sample of feed and running a PCR. Would like to ban GM in 5 years.
  - Respect transparency. A big step is making the report available for the retailer, as it gives the retailers options. It then becomes a commercial decision rather than being mandated by the standard.
  - Agreement that GM feed audits have not developed yet. ASC can call on feed companies to declare if they use GM feed ingredients.
  - Want something practical for producers. It allows for disclosure of information, if it is wanted. Not realistic for retailers to dictate what they want or do not want in feed.
- B. Allow GMO for the time being and ban use of GMO feed ingredients once non-GM feed is widely commercially available (average global price difference is tbd)
- C. Conditional standards based on price feasibility
  - Proposing 20% difference. If farmer cannot access "cheap" non-GMO feed, farmer will be allowed to use conventional feed.
- D. Label (yes or no) if shrimp has been fed with feed that contains GMO ingredients

**OTHER FEEDBACK OR CONCERNS**

- None of the above options work because they are not auditable at the farm level.
- New option: to have a B to B certification by integrating the feed company audit, which will give clarification if feed is GM free or not.