NGO perspectives on aquaculture, aquaculture certification, and the responsibility of commodity buyers

Input to FAO Expert Workshop on Guidelines for Aquaculture Certification
London, 28-29 February 2007

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The inclusion of affected stakeholders but who are seldom seen

Responsible buying
1. About the problem with shrimp aquaculture:
   The impacts on the poor and where lack of adequate governance comes from

2. About how NGOs in the ‘south’ perceive aquaculture certification:
   The need for transparency and local stakeholder involvement

3. About chains of custody and ‘buyer’ responsibility:
   Indiscriminative buying makes indiscriminative producing a viability
1. About the problem with shrimp aquaculture:

The impacts on the poor and where lack of adequate governance comes from
Example of small, gradual, but for poor people serious, diminished livelihood options as result of aquaculture.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Previous</th>
<th>Present</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>Own agricultural land available</td>
<td>Vastly reduced</td>
</tr>
<tr>
<td>Cattle</td>
<td>Previously cattle were kept in almost all households.</td>
<td>Shortage of grazing land, straw, and fresh water</td>
</tr>
<tr>
<td>Poultry</td>
<td>Poultry farming</td>
<td>Ban on poultry keeping because they ‘eat the shrimps’.</td>
</tr>
<tr>
<td>Vegetables in the homesteads</td>
<td>Most of the households used to cultivate vegetables on their homestead lands</td>
<td>Due to salinity of the soil, vegetables cannot be cultivated.</td>
</tr>
<tr>
<td>Fishing</td>
<td>Fisheries</td>
<td>Fish have gone</td>
</tr>
<tr>
<td>Rice</td>
<td>Small wet-rice patches cultivated</td>
<td>Salinity in irrigation water reduces growth or inhibits rice cultivation altogether</td>
</tr>
</tbody>
</table>

(Source: Munju, 1996 in Wistrand 2003)
Examples of impacts on ecosystems

Mangrove loss:
38% of global losses attributed to shrimp aquaculture alone
700,000 ha lost in ASEAN;
This alone is costing ASEAN 11-14 billion US$/yr!

Environmental impacts:
Discharge of effluents, sediments and pollutants
Affecting salinisation of surrounding fresh water

Feed and overfishing:
Shrimp culture cost 1.5-2.6 kg per kg
Overfishing of small pelagics for feed and associated by-catch issues

Biodiversity impacts:
Introduced varieties (and associated pathogens) leading to loss of native species and/or genetic diversity

(From a variety of sources; all cited in van Mulekom et al 2006)
Examples of impacts on the poor

Land and displacements:

- 200,000 coastal people displaced in a single year (1996, Philippines)
- Land access and use right issues (everywhere)
- Re-mortgaged previously owned land in contract farming (Indonesia, Thailand)

Local livelihood:

- Rice fields lose 50% production (Thailand, Bangladesh, Vietnam)
- Mangroves lost = local fishery and gleaning lost (everywhere)

Local consumption:

- Shrimp prices up 600% in 1997-1998 (Indonesia)
- Shrimp consumption from 1.37 to 0.67 in last 5 years (Philippines)

Shaky livelihood alternatives:

- 80% small-scale shrimp farmers in debt (Vietnam)

(From a variety of sources; all cited in van Mulekom et al 2006)
Fish biomass stock down to 25%

Mangroves down to about half of former levels

and in Southeast Asia...

Fish biomass stock down to 25%
Southern NGOs perspectives

Fears on impact of implementation

External costs

Who pays?

Political power realities

Range of views from criticisms to rejection

External costs

Who pays?
Southern NGOs experience:

Decision makers do not really understand rural poverty

Consultation attempts haphazard and incomplete

The poor are not politically empowered

NGOs own analyses anchored in local perspectives

NGOs are seeking access to the dialogues, but NOT only after objectives and approaches have been decided
2. About how NGOs in the ‘south’ perceive aquaculture certification:

The need for transparency and local stakeholder involvement
On standard-setting

*Defined as that which public institutions do or need to achieve*

Any code is only a partial solution. Current codes are too voluntary in nature and do too little on social and socio-economic impacts.

The FAO can and should provide a global framework, but its member-governments should make it strict and binding.

National governments need to strictly regulate.

And do that via community shared decision making.

Good to talk about environmental impacts; also discussion on social and socio-economic concerns necessary.
On Certification

*Defined as that which brings consumer labels and/or that what the private sector does*

- Serious fears of ‘white wash’
- Too many loopholes and too much hidden from public view
- Close loopholes first before developing certification any further
- And take the responsibility: buyers too are responsible for a ‘clean’ and equitable supply chain
What NGOs seek in standard/certification developments

Fully open disclosures

Transparancy that allows external verification by those who seek it

Inclusion of all stakeholders from the beginning

“All” also includes “the affected neighbors”

Audited schemes (even private sector to private sector ones) to include:

public authorities to decide on accreditation
public dissemination of auditing processes
principally based on public verification
3. About chains of custody and ‘buyer’ responsibility:

Indiscriminative buying makes indiscriminative producing a viability
Tropical shrimps: a south to north supply chain with poverty issues

Around 1 million ha farms; 80% small scale
Producing just over 2 million MT (aquaculture only)
50 exporting countries; almost all MICs or LICs
Top 10 exporters: 5 from SE Asia
Rapid expansion: 9% annually average
Increasingly driven by input suppliers and ‘first world’ demand

Before 70s: small-scale for local markets
1980s: public investments for production
1990s: public-private investments for export

More local damage and also driving out the small-scale farm
The supply chain in shrimps: impacts and complementary NGO actions

Benefits go up

Costs go up

Campaigns on governments to take action

Campaigns on private sector to take responsibility

Consumers, small farms, and surrounding poor communities

Large farmers and national and local elites

Consumer awareness

Campaignment on private sector to take responsibility
To influence the whole north-south chain in shrimp production and trade, so that, MINIMALLY, effective changes take place within this industry to neutralise the negative impact on coastal ecosystems and marginalised coastal communities
Dialogue with GLOBALG.A.P.

- Broader Stakeholder Involvement
- Additional social and environmental criteria
- Active investment in implementation

GlobalGAP has just released a new set of criteria for shrimp aquaculture.

In the current set, many of Novib/IUCN NL inputs are included. Some with the status of ‘not yet required for certificate’.

On governance and implementation the dialogues continue.
Some social criteria (summary)

Legitimacy of land-rights/land-use
- land-title documents
- legitimacy check with local authorities and neighbours

Locally negotiated planning processes
- participatory SIAs
- evidence (records) of farm - community meetings
- evidence of compensation/mitigation measures

Labour and contract-farming arrangements
- ILO standards
- contracts on paper, collectively negotiated process
- transparent financial arrangements (loan, harvest)
- risk and exit arrangements
Our advocacy: responsible buying includes buying into systems that operate as follows:

- **Governance:** Multi Stakeholder Initiative
- **Criteria:** Include social and environmental aspects (on and off-farm!)
- **Defining criteria:** Local stakeholder participation
- **Monitoring compliance:** Use independent community assessments
- **Audits:** Partially public, transparent reporting
- **Chain transparency:** Public information
- **Chain equity:** Pursuit of equity; assistance to smallholders
Thank you for listening
I hope you will act on it.