



*Empowered lives.
Resilient nations.*



Sustainable Fisheries
PARTNERSHIP



OXFAM



Seafood and Social Development

**Engaging the Seafood Industry in the Social Development
of Seafood-Producing Communities in Developing Countries**

The Loews Annapolis Hotel | Annapolis | Maryland (USA)
21-22 September 2015



Introduction

The Sustainable Fisheries Partnership (SFP), in collaboration with the United Nations Development Programme (UNDP) and Oxfam, hosted an invitation-only forum sponsored by the Rockefeller Foundation in Annapolis, Maryland, on 21 and 22 September 2015. The event was initiated in light of the increasing realization that the seafood industry is not paying sufficient attention to social development as one of the three pillars of sustainability.

The forum explored ways in which the seafood industry is currently engaged in social development and sought to identify future opportunities to support the social and economic wellbeing of fishing/fish farming communities.

A capacity audience heard from NGOs, public- and private-sector representatives, regulators, funders, scientists, and seafood businesses about their experiences of social development, and took part in productive discussion sessions to identify opportunities where improvements could be made.

The forum focused on short presentations that allowed the audience to build their knowledge base and explore the many complex issues and challenges around social development in the industry. *"We face a daunting task working collaboratively to pull all the strings together and decide on a more strategic direction,"* said Blake Lee-Harwood, SFP Strategy Director, in his opening remarks.

This report draws together the themes of the forum and identifies broad areas for future action:

- How are seafood industry and other stakeholders currently engaged in the fishing/fish farming social development arena?
- Do stakeholders want to improve/increase their level of engagement?
- What are the principal barriers to change and the actions required to overcome them?
- What tools and innovations are available to mobilize the seafood supply chain to support the development goals of fishing and fish farming communities?

How are stakeholders currently engaged in the social development arena?

There was general consensus that social engagement and support is important for the entire seafood supply chain, given that the industry is a critical source of livelihood for 150 million people worldwide and a source of income for up to 820 million workers and their families. The majority of these are in developing and emerging countries.



Engaging in collaborative and effective partnerships that redirect wild fisheries and aquaculture towards sustainable and responsible management practices (those that include both social and business development) was cited by the majority of stakeholders as the most effective means by which they are involved in the social development arena. Carrie Thompson from USAID defined “social development” as putting people at the center of development, particularly, but not only, the poor. However there is no internationally agreed definition for the term.

“It recognizes that people, their interactions and social norms, shape development and therefore the business climate: that is, whether business transactions are transparent, management institutions are legitimate and capable, and police and legal systems are trusted and respected. Social cohesion, stability, and rule of law are therefore essential elements for reducing business and investment risk in developing countries,” said Ms. Thompson.

USAID invests USD 40 million per year in 17 countries to strengthen fisheries management and combat illegal, unreported, and unregulated (IUU) fishing, recognizing that IUU is bad for development and legitimate business.

A growing number of companies are abiding by the UN Guiding Principles on Business and Human Rights, which were formed by global consensus. These aim

to prevent and address negative impacts on people arising through the company’s operations or business relationships. The Principles extend beyond the immediate company to others in the supply chain with whom it does business, either directly or through third parties.

“Based on the UN “Protect, Respect and Remedy” framework, the Principles are not legally binding but are reflected in national consumer, environment, and employment law, and apply to all companies, everywhere,” said Rachel Davis, Managing Director of Shift, the leading center of expertise on the UN’s Guiding Principles on Business and Human Rights.

“They are beginning to make a difference to the way businesses are thinking, because their responsibility is defined by impacts and not influence, and it ensures that they have more meaningful engagement with stakeholders,” Ms. Davis explained.

“Global fisheries underpin our aspirations for food security and the picture can be bleak,” said Fred Boltz, Managing Director of Ecosystems for the Rockefeller Foundation. *“Our aim is to help build resilience within the communities by promoting sound finance-based management, economies of scale, incentives for sustainable production, social integrity, improved technology, and safety nets for the poor and vulnerable.”*

The Food and Agriculture Organization of the United Nations (FAO), working with civil society organizations such as the International Collective in Support of Fishworkers, has developed a set of Voluntary Guidelines for Securing Sustainable Small-Scale Fisheries, which bring together social development and responsible fisheries, grounded in human rights principles. The Guidelines include provision for social development, employment and decent work, value chain, post-harvest and trade, and gender equality. FAO is also increasingly engaging with the private sector in an integrated approach to empower small-scale producers.

Other organizations such as the Global Environment Facility are working with partners, including World Wide Fund for Nature (WWF), UNDP, World Bank, and FAO, to foster socioeconomic stability in fishing-dependent areas and empower communities by giving them a voice.

The Network of Aquaculture Centres in Asia-Pacific has a strong focus on gender issues to help improve the social and economic welfare of communities.

Bill DiMento, Vice President of Quality Assurance, Sustainability, and Government Affairs for High Liner Foods, the leading North American processor and marketer of value-added frozen seafood, explained that his company

has always put considerable effort into both sustainability and social development. *“That did not stop us getting on the wrong side of bad publicity for unwittingly dealing with suppliers who were taking fish from vessels where forced labor was used. However, we publicly accepted responsibility, undertook a USD 100,000 audit, and ensured that it would never happen again, and I am proud that we took positive steps and got involved,”* he said.

Many companies now rely on platforms such as Sedex, which was set up to share ethical supply chain data and drive improvements in responsible business practices in global supply chains.

US company ANOVA, a leader in the global sourcing of wild, sustainably harvested tuna, set up a Fishing and Living program that aims to improve fisheries sustainability, while improving the social aspects of the tuna industry and life in fishing communities. This is achieved through the support of ground activities, community capacity building, creating market incentives, and increasing awareness. The program helps fisheries to undertake Marine Stewardship Council (MSC) pre-assessment, set up fishery improvement projects (FIPs), and ultimately achieve MSC certification. It partners with the International Labor Organization, Fair Trade, the Ethical Trading Initiative and Sedex.



Do stakeholders want to improve/increase their level of engagement?

The majority of stakeholders expressed a willingness to increase their level of engagement, but cited time, lack of dedicated personnel, and funds as restricting factors. However, these would not necessarily preclude greater involvement; instead, they were willing to explore ways to get involved, perhaps through greater collaboration with others or by seeking out economies of scale.

The majority of stakeholders expressed a willingness to increase their level of engagement, but cited time, lack of dedicated personnel, and funds as restricting factors. However, these would not necessarily preclude greater involvement; instead, they were willing to explore ways to get involved, perhaps through greater collaboration with others or by seeking out economies of scale.

It was agreed that a lot of small-scale effort is going on around the world, but change is often only brought about once corporate and retail engagement are introduced through the supply chain.

Using supply chain leverage to demand improvements on IUU and traceability, forced labor, and human trafficking has already been found to be an effective means to achieve change, and stakeholders pledged to increase their efforts in this arena.

Delegates also expressed a moral imperative to increase their level of engagement, citing the fact that seafood is important nutritionally for developing countries to help tackle malnutrition. *"This dimension has been neglected in the past,"* said Christophe Béné of the International Center for Tropical Aquaculture.

The retailers and wholesalers present agreed that everyone needs to do more to ensure a safe and ethical supply chain, and that greater efforts should be made to talk to their customers about social compliance requirements.

"High Liner are committed to ensuring working conditions are safe, and we share a code of conduct with our suppliers, who all have to agree to social audits, wherever they are based in the world. If they don't comply, we no longer deal with them, and I urge others to take the same stance," said Bill DiMento.

According to Huw Thomas, Fisheries and Aquaculture Manager for UK retailer Morrisons, social issues and social development should be a prerequisite to supply. *"Supply chains are finally getting better connected, such as through this conference, and it is clear that we all want the same thing. So I hope that there is an opportunity to do greater things together in the future,"* he said.

Joe Hamby from Trimarine spoke about the difficulties of working with foreign companies, governments, and local legislative systems, and advised that patience and persistence were needed in abundance to make effective changes, but that the rewards could be worthwhile for the business, its employees, and the wider community. *"There also has to be trust on both sides and that can be hard won,"* he said.

Local efforts such as the Blue Label Brand project in Thailand, which is working with a fishing community to produce premium organic seafood products direct for a new market, have been able to substantially increase the income of fisherfolk. However, to scale up such enterprises and provide long-term sustainability, key skills training is needed, along with consumer education and thought given to long-term pricing structure.



What are the principal barriers to change and the actions required to overcome them?

Gawain Kripke, Policy Director for Oxfam, pointed out that the ongoing decline in the natural resource has led to increasingly destructive methods used to catch it. In addition, many countries have failed to get on top of bycatch and discards, let alone looked at the potential future problems that could be caused by climate change and the destruction of habitats.

To compound the issues, continued fishing subsidies are creating over-capacity in fishing fleets. *“All of these factors drive negative behaviors in the supply chain, which can be a threat to improving both the environmental and social performance of fisheries,”* he said.

In order to help overcome these issues, Oxfam, along with a growing number of other NGOs working in the field, has a requirement that any new program has a rounded approach that includes social development as well as environmental and economic factors.

According to SFP Chief Executive Jim Cannon, for effective change to occur, protagonists must first engage with both the retail and the production sector.

“In order to sell the concept of change, it is first necessary to make the business-to-business case, because without reward on both sides, there will be no progress,” he advised.

Dealing with small-scale fisheries necessarily means working with complex supply chains, with potential issues relating to food safety and quality, unreliable supplies, and a high cost of compliance, as well as social issues such as IUU and poor working conditions. While it is important to maintain the livelihoods of the many small-scale fisheries and aquaculture operators in the supply chain, it can be a real challenge undertaking social audits back to the vessel or pond.

One perceived barrier to change is a fear that requiring suppliers to pay living wages, comply with social audits, ensure full traceability, etc., will result in increased costs that need to be passed on to the customer. One way to overcome this is to reduce the number of suppliers, but this in turn can have a negative impact on small-scale fisheries.

As the industry moves toward ever tighter controls, stakeholders believe that audit overload could become a real problem, and agree that there needs to be more joined-up thinking and collaboration between organizations to develop a more integrated approach.

“Translating increasing market demand for seafood into economic incentives for better practices in fisheries and aquaculture is a big challenge,” said Carrie Thompson. *“Businesses and communities do better when they are secure in knowing that the fish stocks they rely on are well managed and will be sustained into the future.”*



There were concerns about a lack of expertise of both governments and companies in understanding the social dimension of seafood supply and a lack of incentives for long-term development goals in fishing communities.

Increased foundation funding to help develop FIPs until they become self-financing through the value chain was seen as an important step in removing barriers to implementing more improvement projects.

Top of the list of priorities for stakeholders is the development of an international standard or guidelines for social development by a credible agency such as FAO. Other priorities include training programs to help empower communities through a greater understanding of the importance of sustainability and traceability, and specific funding for capacity building linked to both nutritional need and income streams.

Governments and regulatory bodies also received criticism over inconsistencies in enforcing regulations that enable an improved business environment for dealing with social issues, and weak and ineffective governance. The application of supply chain pressure through collaboration, on FIPs and aquaculture improvement projects (AIPs) for example, was seen as one potential action to stimulate change.

Seafood companies expressed frustration that the industry is not a level playing field, and that not everyone follows the same rules related to transparency, sustainability, social responsibility, etc. Those that avoid “playing fair” do not share the same burden of costs in doing business. Creating an overarching set of rules to encompass all of these aspects would be one solution to encouraging greater compliance.



What tools and innovations are available to mobilize the seafood supply chain to support the development goals of fishing and fish farming communities?

Sustainability certification programs for fisheries and aquaculture offer voluntary, third-party-assessed standards, which relate to a combination of environmental, social, ethical and food safety issues. These are adopted by fisheries/aquaculture companies wishing to demonstrate the credentials of their operations.

Certification is the verification process that evaluates whether an enterprise complies with a standard, and verifies that a traceability process is in operation for certified products to be sold along the supply chain. This is frequently accompanied by a consumer-facing label.

There are a number of programs in operation within the seafood industry and these are increasingly recognized as an important tool in raising awareness of social development. The majority of them already have, or are currently busy including, an element of social provision within their standards.

However, it was interesting to note that a straw poll of attendees found them ambivalent about the importance of certification in supporting the social development of seafood-producing communities in the future.

The following list is not exclusive, but is a sample of globally recognized programs that have a social element within their standards:

Fisheries:

- MSC has ongoing engagement with other social standards. Within its own standard, it excludes companies involved in forced labor practices, non-transparent management practices, or without a legal framework for worker rights.
- As of 2015, the Seafish Responsible Fishing Scheme has a new focus on crew welfare, as well as general health and safety conditions on board fishing vessels.
- Fair Trade USA focuses on social empowerment as well as environmental sustainability and economic development. This standard applies to both fisheries and aquaculture.

Aquaculture:

- The Aquaculture Stewardship Council (ASC) is very strong on social accountability and audits farms for child labor, forced labor, discrimination, abusive discipline, excessive working hours, fair wages, and other issues.
- Global Aquaculture Alliance's (GAA's) Best Aquaculture Practices (BAP) has 48 social responsibility audit clauses related to worker safety and health; employee relations; wages; use of child, forced, or bonded labor; and human trafficking.
- GLOBALG.A.P.'s aquaculture certification program includes a risk assessment on social practice plus sector-specific social requirements.

Certification programs focus on capacity building and working with partners and other organizations to support small-scale producers to make the social and environmental improvements needed to meet a standard.

The seafood industry, NGOs, UN agencies, and governments, are increasingly working together on a number of programs, particularly with FIPs and AIPs, which encourage and facilitate fisheries/aquaculture concerns to undertake certification.

FIPs work from the bottom up and the top down, and the process meets in the middle to create stable catches for the future. The social impact of empowering farmers to improve their own fisheries and aquaculture operations is huge.

SFP-led FIPs for example have seen the organization engage with local fishermen, while at the same time supporting retailers and wholesalers to drive change through talking to governments and regulators.

Dessy Anggraeni, SE Asia Fisheries Director for SFP, told delegates about the Indonesia Blue Swimming Crab FIP, which aims to stabilize and build stocks, improve landings and market access, and consequently increase income to the local community.

However, she warned that short-term problems can occur with FIPs when, for example, quotas have to be reduced to get a fishery back on the road to recovery. Such action can result in a lack of cooperation from local communities because of the potential for a temporary reduction in fishing incomes.

There is also an issue of the time it can take to get results from a FIP, and retailers and wholesalers need encouragement to play the longer game if progress is slow. Agencies working at different speeds can be a problem when trying to get things moving quickly.

Delegates acknowledged that engaging all stakeholders in a project is necessary for its success, yet bringing people together on the ground can be very difficult.

“Communication about the process is key to keeping people engaged, so that they understand both the long- and short-term implications and benefits,” said Dessy Anggraeni.

SFP now wants to see socioeconomic indicators included when assessing the sustainability of a fishery, and are working with researchers to identify the socioeconomic impacts of some tools used in FIPs.

AIPs are a relatively new innovation and an important tool for improving aquaculture production. At a minimum, an AIP can involve multiple farms aiming to reach group certification that includes validation of internal control mechanisms. It can also encompass entire zones of producers and associated stakeholders, such as feed suppliers, all moving towards broader, more effective resource management.



This latter approach, known as “zonal management,” is an innovative approach to working with multiple producers and stakeholders, and SFP is working with suppliers to some of the world’s major retailers to deliver AIPs that specifically involve small-scale producers.

Anton Immink, SFP’s Aquaculture Director, explained that AIPs have resulted in many benefits to local communities, but one in particular was unforeseen. *“Investment, and most notably insurance, for shrimp aquaculture in Asia is not forthcoming, in part because industry planning, management, and regulation is not effective at reducing risk, but also because shrimp farming and aquaculture in developing countries generally remains the domain of risk takers rather than serious investors,”* he said.

“However, by encouraging a zonal approach to management and consequently reducing risk, the value of aquaculture to individual producers and entire national economies is increased, and aquaculture becomes more ‘investable’.”

The media was cited as a key tool to help move the social development agenda forward, not just through negative portrayals of stories about illegal fishing and slave labor, but also through positive articles about greater local food security and the benefits that are being brought to communities through improvements in fisheries and aquaculture, together with the consequent “guilt-free” products available for consumers.

Andrew Hudson, who leads the Water and Ocean Governance Programme at the UNDP, looked at the many threats to the ocean, including Invasive aquatic species, nutrient overenrichment, overfishing, plastic pollution, and ocean acidification. He warned that more urgent action is needed to find solutions for such threats, any one of which can have serious consequences for seafood production, as well as a detrimental effect on jobs and coastal communities.

“There is a growing body of evidence to show that restoring the oceans is a powerful engine for sustainable economic development, creating new jobs and helping to reduce poverty.

“We also all need to do more to support artisanal operations, because small-scale fisheries and aquaculture create considerably more jobs per tonne than large-scale fisheries,” he said.

Delegates were encouraged to hear so many positive examples of supply chains working together, and felt that greater transparency/communication about how this was achieved would be useful. While many of the tools are already prescribed, it was agreed that they are not necessarily implemented, and information about what is available has never been drawn together in one place.

Helen van Hoeven from Oxfam spoke for many when she called for greater cooperation and teamwork between stakeholders, and for agencies to look at building on existing initiatives rather than always seeking to carve out their own niche projects.

“We can achieve a great deal more through collaboration, by learning from each other and building on successes, and it would be really useful to work in a pre-competitive way to create models that show how change can happen,” she said.

Jim Cannon argued that communication is one of the key tools to progress. *“Some developing countries have made considerable investment in fisheries and aquaculture management and are doing better in terms of the resource, access, conflict resolution, etc. For those who have not yet embraced this way of thinking, we need to talk to their governments to help them understand that well managed fisheries and aquaculture are an effective way to provide jobs, keep politicians in office, and provide food security for the population, as well as earn revenue from exports. We need them to embrace monitoring, compliance, governance, etc., and to be open and transparent about their industries,”* he said.



Areas for future action

A number of points for future action arose from the two days of discussions. The action points below are in no particular order.

Government

- Include the role of seafood production in national development strategies; too many countries perceive it as a small, irrelevant sector.
- Demand traceability in the sector to incentivize reforms to fisheries management.
- Promote and defend labor rights (e.g., ILO Convention 188) and improve working conditions and wages of workers in the sector.
- Disaggregate gender data to show the true value of women to the sector, particularly in processing and trading in developing countries.
- Eliminate illegal practices in fishing, aquaculture, and labor.
- Leverage technology to improve transparency, traceability, enforcement, and ecosystem-based fisheries management.

Stakeholders

- Encourage use of zonal management for AIPs and FIPs to gain wider benefit for the fishery, reduce the risk of the spread of disease in aquaculture, and, as a result, provide greater benefit to communities.
- Build a new image for the seafood sector based on its contribution to food security, nutrition, and social development.

- Engage more with the news media to help move the social development agenda forward.
- Use supply chain leverage to demand improvements on IUU and traceability, forced labor, and human trafficking.
- Develop an international standard or a framework for social development in fisheries and aquaculture.
- Educate supply chain middlemen on social issues and encourage them to take part in social development projects.
- Demand responsible management practices throughout the supply chain that include social, economic, and environmental development.
- Incorporate workers in social audits to improve transparency.
- Support supply chains that include small-scale fisheries and aquaculture to overcome accountability/transparency/audit issues, as these create considerably greater potential for employment/community welfare.
- Foster sustainability, stewardship, and shared responsibilities.
- Use on-the-ground teams to support community-based solutions for supply, especially at the bottom of the supply chain, and include local actors in the decision-making process.
- Encourage greater collaboration between stakeholders with experience on social development.



FURTHER INFORMATION

Presentations from the conference can be found at <http://www.sustainablefish.org/global-programs/seafood-industry-conference>

For additional information about the conference please contact Blake Lee-Harwood at blake.lee-harwood@sustainablefish.org