The State of Sustainability Initiatives Review: Standards and the Blue Economy

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International Institute for Sustainable Development
Outline

SSI presentation
• What is the State of Sustainability Initiatives (SSI)?
• Seafood Market findings
• Standards Systems findings
• Conclusions
• Policy recommendations

Question and answer period
What is the SSI?

Providing framework for understanding...

• Market trends
• Systems characteristics
SSI Review 2014

Market trends and systems characteristics of 16 voluntary sustainability standards operating across ten commodity sectors

http://www.iisd.org/ssi/
SSI Advisory Panel

<table>
<thead>
<tr>
<th>Institution</th>
<th>Person</th>
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<tr>
<td>Citi</td>
<td>Bruce Schlein</td>
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<tr>
<td>CBD</td>
<td>Ravi Sharma</td>
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<tr>
<td>COSA</td>
<td>Daniele Giovannucci</td>
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<tr>
<td>FAO</td>
<td>Pilar Santacoloma</td>
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<td>FiBL</td>
<td>Lukas Kilcher / Helga Willer</td>
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<td>Hivos</td>
<td>Catherine van der Wees</td>
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<td>ICTSD</td>
<td>Ricardo Melendez</td>
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<td>IFA</td>
<td>Charlotte Hebebrand</td>
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<td>IPC</td>
<td>Ellen Terpstra</td>
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<td>ISEAL</td>
<td>Kristin Komives</td>
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<td>ITC</td>
<td>Joseph Wozniak / Oliver von Hagen</td>
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<td>John Deere</td>
<td>Vanessa Stiffler-Claus</td>
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<td>Product Board MVO</td>
<td>Eddy Esselink</td>
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<td>SECO</td>
<td>Hans-Peter Egler / Martin Peters</td>
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<td>UNCTAD</td>
<td>Ulrich Hoffman / Chris Wunderlich</td>
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<td>UNEP</td>
<td>James Lomax</td>
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<td>Unilever</td>
<td>Jan Kees Vis</td>
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<td>WTO</td>
<td>Lee Ann Jackson</td>
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SSI Implementing Partners

IISD

Finance Alliance for Sustainable Trade

iied

Data Collection Partners

FFBL

International Trade Centre

SSI Funding Partner

Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederazione svizra

Swiss Confederation

Federal Department of Economic Affairs, Education and Research EAER
State Secretariat for Economic Affairs SECO
Market trends and systems characteristics of 9 key voluntary sustainability standards operating in the wild catch and aquaculture sectors
## Data collection

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Data Issue</th>
<th>Data Importance</th>
<th>Data Solution</th>
<th>Sources of discrepancy</th>
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<tbody>
<tr>
<td>Organic (aquaculture)</td>
<td>Incomplete species data</td>
<td>Necessary to observe trends in the adoption of organic certification</td>
<td>Data presented as is, with volumes for specific species available for certain countries, but not all. Although incomplete, the available data helps give an indication of the primary species certified in Organic aquaculture. Species-level data from Naturland, which is a complete set, also helps give an idea of what aquaculture species are being certified Organic more generally.</td>
<td>Incomplete dataset</td>
</tr>
<tr>
<td>Friend of the Sea</td>
<td>Aquaculture production not broken down by country</td>
<td>Necessary to provide an accurate picture of the global distribution of production, which is needed to observe where VSS are having potential impact</td>
<td>Estimated by dividing the 2014 total certified production volumes for each species by the per species and per country number of aquaculture certificate holders, as retrieved from the FOS website. Relative to reported species volumes from the FOS website and public presentations, the dataset provided by FOS left approximately 190,000 tonnes of aquaculture from several species that needed to be accounted for (e.g., sea bass, gilthead, and seabream). To estimate the remaining production per species per country, the resulting volume was divided by the total number of producers per country for all remaining species.</td>
<td>The per-country attribution assumes proportional productivity across aquaculture certificate holders in all countries and for all certified species.</td>
</tr>
<tr>
<td>Friend of the Sea and MSC</td>
<td>Wild catch landings</td>
<td>Necessary to provide an accurate picture of volumes</td>
<td>For species landed in the same country but from multiple fishing zones, the total landings assumes an even distribution of landings across the zones, ensuring accurate data representation.</td>
<td></td>
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Review findings

1. Production
2. Growth
3. Production by species
4. Production by region
5. Supply
6. CARE
Mainstream Market Presence

Production of Certified Seafood has Grown Rapidly over the Past Decade and Now Represents a Significant Portion of Global Production
Rapid Growth

- Certified wild catch = 79 percent of total certified seafood production
- Certified aquaculture growing faster

Certified and non-certified wild catch landings and aquaculture production, 2003-2015
Production by species

Percentage of total production by seafood key species groups, certified (2015), global (2013)

5 species groups account for 69% of certified seafood production.
Production by region


Five countries account for 65 percent of certified seafood production
Supply constraints will limit growth in certified wild catch absent major capacity improvements.

Certified wild catch as a proportion of total wild catch, by fishing zone (2015)
The Economy of CARE

Coverage
Assurance
Responsiveness
Engagement
Coverage: Environmental-wild catch

Wild catch standards by environmental theme
Coverage: Environmental-aquaculture

Aquaculture standards by environmental theme
Coverage: Social-wild catch

Wild catch standards by social theme
Coverage: Social-aquaculture

Aquaculture standards by social theme

- Workers' health and safety: 79%
- Human rights: 66%
- Aquatic animal welfare: 59%
- Labour rights: 55%
- Employment conditions and benefits: 48%
- Community involvement: 38%
- Total average: 57%
# Assurance

<table>
<thead>
<tr>
<th>Standard</th>
<th>Separate CoC standard</th>
<th>Identity preservation</th>
<th>Chain of Custody model</th>
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<tbody>
<tr>
<td>ASC*</td>
<td>✓</td>
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<tr>
<td>ChinaG.A.P.</td>
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<td>FOS</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>GAA BAP**</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>GLOBALG.A.P.</td>
<td>✓</td>
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<td>IRF</td>
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<td>IFOAM</td>
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<td>MSC</td>
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<tr>
<td>Naturland</td>
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* The newest version of the MSC CoC requirements version 2.0 integrates the ASC CoC requirements (see MSC, 2015b). ChinaG.A.P. information provided by ITC, 2015.

** BAP uses mass balance model of traceability for feed components only.

Naturland uses mass balance and book and claim for feed, harvest estimation and larvae.
## Responsiveness

<table>
<thead>
<tr>
<th>Standard</th>
<th>Regional standards and localized indicator development</th>
<th>Local auditors engaged in the certification process</th>
<th>Separate standard for smallholders</th>
<th>Group certification</th>
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**Some local certification bodies used by ChinaG.A.P.: WiT Assessment (China); China Quality Mark Certification Group Co. Ltd.; Beijing Coops Integrity Certification Centre; CQC—China Quality Certification Centre; SGS-SCTC Standards Technical Services Shanghai, China. Co. Ltd. (see GLOBALG.A.P., n.d.-a). The principle of subsidiarity index is not applicable to Iceland Responsible Fisheries as it only operates within Iceland. At the time of writing ASC was in the process of developing group certification processes for its standards.***

***The MSC includes competency requirements for at least one assessment team member to have current knowledge of the country, language and local fishery context.
Engagement

Board representation by stakeholder group

Breakdown of board representation by percentage

ASC  FOS  GAA  GLOBALG.A.P.*  IRF  IFOAM  MSC  Naturland

- Producer
- Industry/private sector
- NGOs/civil society
- Workers’ associations/unions
- Other

Board representation by level of development

Breakdown of board representation by percentage

ASC  FOS  GAA  GLOBALG.A.P.  IRF  IFOAM  MSC  Naturland

Information unavailable for ChinaG.A.P.
Conclusions

• Conceptually aligned with promotion of Blue Economy
• Market forces may limit ability to stimulate change in poorer regions
• Limited market growth and underdeveloped infrastructure contribute to lack of expansion of sustainable seafood production
• Investment required to enable broad inclusiveness within sustainable supply chains
• International restrictions on IUU fishing one of most compelling policy drivers for investment in short term
• Seafood standards offer tool to measure, verify and “lock in” sustainable and legal practices
Policy recommendations

1. **Working with national governments, development and multilateral agencies**: should provide significant and targeted technical assistance to facilitate certification of developing country producers especially smaller producers. Donor countries should consider formation of global fund for sustainable fisheries.

2. **Certification schemes**: should proactively invest in building more equitable representation of developing countries across their governance systems.

3. **National governments, under World Customs Organization**: should establish HST codes for certified seafood products.

4. **The international community, perhaps led by the FAO**: should clearly identify minimum requirements for social sustainability within seafood sector.

5. **National Governments**: should establish minimum transparency, conformity assessment and notification requirements on voluntary systems operating within their borders in accordance with TBT Code of Good Practice and in a manner to ensure equal access to such systems.

6. **National Governments**: should consider implementation of preferential fiscal policies for certified seafood products where Standards have demonstrated full compliance with FAO Guidelines.
Thank you