The ASC's Second TAG Technical Advisory Group Meeting
European Seafood Exposition, Brussels
Thursday May 5, 2011

Agenda:
1 Welcome & Introduction:
- Introductions
- Minutes Vancouver

2 TOR and Rules and Operating Procedures:
- Discussion
- Next steps

3 Listening session/ Q&A

4 Update on accreditation/ certification:
- Introduction to ASI
- Revision of Auditor Guidance Documents, Update
- Technical Working Group on Certification and Accreditation (to be installed), Update

5 Wrap-up & Adjourn
- Chair and Co-Chair, Next steps

6 Private session – TAG members only

1 Welcome & Introduction
Chair welcomes everybody present and on the phone to this second meeting of the ASC's Technical Advisory Group (TAG).

Everybody introduces him- or herself by mentioning name, affiliation, experience and involvement in the Aquaculture Dialogues.

Chair is confirming that the *Chatham House Rules*[1] will be applied to the Vancouver/TAG 1-minutes (and all future meeting notes) and that this version of the Minutes will be posted on the ASC website in line with ASC's value in being open and transparent [action item].

There is a motion to accept the minutes of the Vancouver/TAG 1 meeting as presented. The motion is approved.

2 TOR and Rules and Operating Procedures

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[1] *"When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed."*

TAG Terms of Reference (ToR) and TAG Rules and Operating Procedures are introduced and are on the table for discussion..

Clear Operating Guidelines and ToR are key in carefully and correctly dealing with technical advice about ASC´s certification program. The TAG has the responsibility and right to advice the ASC Supervisory Board (SB) on those technical issues. It is stressed that the ASC is sincere in its ambition to correct flaws in other standards schemes. Unlike the Marine Stewardship Council (MSC) and the Forest Stewardship Council (FSC), when the ASC SB does not follow the advice of the TAG, it must respond in writing requesting or reconsideration of a recommendation.

It is important to stress that it is the ASC SB's responsibility to make the ASC program a successful certification program (incl. CoC). Clearly the ASC SB decision-making in order to achieve this will be better, if this is based on well-thought and good technical advice e.g. provided by the TAG.

Discussion about the Terms of Reference
The typing error in article 7 of the TAG ToR will be corrected. It should be: "… the rules governing the TAG can be…" (and not "… the rules government the TAG can be…") [action item].

A first remark is whether the ToR of the TAG has to refer to the multi-stakeholder context the ASC is operating in (e.g. ISO, ISEAL etc).
- There are no limits in reaching out for TAG members. The better informed and connected the TAG is, the more value it will provide to the ASC. The ASC certification program is embedded in a multi-stakeholder setting, which is referred to in the Deed. The idea is not to replicate this in various Regulations or Terms of References. The Operating Guidelines of the TAG do explicitly address this by allowing the TAG to invite non-voting members or ad-hoc experts when needed (3.8) (taking into account budget considerations). Non-members can also be appointed in Committees of the TAG (6.2).

A second remark is whether there should be an explicit reference in the ToR to how the ASC Executive Board and SB will deal with the advise provided by the TAG.
- As indicated above, the ASC SB can decide not to take the TAG advice, but only by responding in writing as to why not. This principle is covered in the Supervisory Board Regulations since it is an operating requirement of the SB to respond to the TAG.

A third remark is whether the scope as referred to in Article 1 of the ToR remain at 'farm-level' or can also go into a broader value chain responsibility?
- The current Aquaculture Dialogue-standards are farm-based. This was the starting point for all Dialogues. The ASC will include a Chain-of-Custody standard to its program from day 1 of becoming operational, because the consumer has to be sure that the seafood he or she is buying is originally coming from a certified farm. The current scope of the ASC certification program is the species specific standards at the farm-level and a standard for CoC. The TAG may consider to provide advice on application of the standards in any part of the value chain. The TAG can actively put policy issues on the agenda and provide an advice to the ASC SB. The ASC SB has to respond according to the SB Regulations. It is in the interest of the ASC certification program to develop a shared and clear understanding of Policy Issues (and its priority).

A forth remark is a bit beyond the actual wording of the ToR, but stretches to the shared understanding of the role of the TAG. It is clear that the TAG will be the main channel of communication between ASC SB and the eight Aquaculture Dialogues (ADs). The TAG has the role of being the 'knowledge/ expertise house' of the ASC, but on the short term some flexibility is needed to put issues on the table that are relevant for discussion in making the ASC a successful certification program.

- The TAG is indeed the main channel of communication between the stakeholders who participated in the eight ADs and the ASC. The TAG is a key in bringing in the collective memory of the ADs to the ASC in the first place. Since the TAG is the guardian of the accumulated knowledge, the members of the TAG should see the TAG as the vehicle to advocate for the shared understanding of the community represented in the various ADs. This will indeed require some flexibility on the short term. Over time, it is very likely that the TAG will evolve to a more independent technical expertise body that will improve the quality of the standards of the ASC certification program.

A fifth remark is about the broader communities who participated in developing the standards through the Aquaculture Dialogues. Now the first four standards are finished, you see that this communities are gradually 'dying/ fading out'. How to maintain that?

- It is of huge value to the ASC if the 2 TAG-members of respective ADs are willing to play an active role in linking back and reaching out to the entire community of the specific ADs on relevant issues.
- The ASC staff would appreciate it if TAG-members of specific ADs are willing to share the e-mail distribution list of the community of their particular AD with the ASC. These can be added to the ASC's newsletter distribution list, so that these stakeholders will be updated about the progress of the ASC [action item]. NB In the first newsletter, people will be asked whether they want to receive the ASC newsletter.

A sixth remark is about the nature of the TAG, which is not set up as a committee representing stakeholders whereas the development and interpretation of the standards was done within the multi-stakeholder context of the ADs. Taken into account the role and responsibilities of the TAG should there be a little bit more of a governing multi-stakeholder role to the TAG? Is there a little bit more of a safety net needed?

- The stakeholders who participated in the ADs brought their particular intent and interpretation to the standard. It is logical that now the ASC is responsible for the implementation of the standards, there is the fear that the ASC SB will overrule this intentions of the specific AD. The ASC SB wants to stress that it is important to start an intensive dialogue between the ADs and the ASC in order to develop a common understanding/ common ground about the (interpretation of the) standards. Since the TAG is the main technical advisory group bringing in the memory of the ADs, it is needed in developing this common ground but also in providing a balance of control.
- The successful transition of the standards from the ADs to the ASC being responsible for their implementation by means of its certification program requires a degree of trust. We can play around with as many wordings and sentences as we want, but we cannot avoid all eventualities. The ASC is setting up its governance structure to embed their ASC program in the context of stakeholders that bring credibility to the program. The ASC has to be inclusive in nature, but trust is needed among the stakeholders that support the ASC certification program in its mission.
- Because the TAG is the knowledge base of the ASC, the TAG has an even more important role in protecting the ambition and integrity of the ASC certification program in its multi-stakeholder context.

It is clear to both ASC staff, the ASC SB and the TAG-members that there will be future problems (minor and big) around the interpretation of the standards. All see the role of the TAG-members in linking back to their Steering Committee members and broader stakeholder community of the AD in order to improve the quality of ASC certification program.

Discussion about the Rules and Operating Procedures
There is a typo in 6.1. The word 'make' has to be deleted. It should say: "The TAG may appoint and constitute …" [action item].

A first remark is whether there should be an explicit reference in the Rules and Operating Procedures to how the ASC SB will deal with the advise provided by the TAG.
- As indicated above, the ASC SB can decide not to take the TAG advice, but only by responding in writing as to why not. This principle is covered in the Supervisory Board Regulations since it is an operating requirement of the SB to respond to the TAG.

A second remark refers to the right of the ASC SB to remove a TAG member (3.9.2). Should there be any rules for removal?
- Keep in mind that this article is only for drastic situations where the TAG becomes inoperable due to one or more dissenting voices. It is clearly not the intention that the ASC SB uses this a light way without the tacit approval of most of the TAG. It is there for extreme situations.
- The article has to refer to 3.9.1 ('has compromised their position on the TAG as an objective and respectable member by acting in a manner that damages the reputation and image of the TAG and or the ASC').
- If TAG-members want more clarity, they are invited to come up with suggestions [action point].

A third remark is why it is needed to appoint from time to time permanent emeritus members (3.10)?
- It is a valuable option to have. If there is someone who has been involved for a long time and has the respect of others in the knowledge and voice he brings to the TAG, it provides the option of accessing his/ her advice during meetings but in a non-voting capacity. It allows the TAG to strengthen access to a knowledge base.

A forth remark is to fuse article 3.11 and 3.13.
- 3.11 and 3.13 will be combined for clarity [action item].
- A new 3.12 is added to address the issue that under Dutch Law ASC SB cannot be voting members on any committee of the ASC [action item].

A fifth remark is about the rules around refusing a certain agenda item (4.4.). It makes sense that the TAG Executive Council determines whether or not a proposed agenda item lies with TAG ToR and mandate, but whether or not the TAG Executive Council finds it relevant is truly immaterial.
- It is really up the TAG itself to define its rules in setting the agenda. It is really your call, please provide suggestions [action point].

A sixth remark is about article 4.8 referring to the presence of ASC staff during TAG meetings. The suggestion is that this should be only possible at invitation of the TAG EC. The TAG has to be notified in advance.
- The intent of this article is that the ASC wants to get maximum value from the TAG. Quite often this means listening to the debate on an issue – the summary notes/ minutes rarely capture the nuance of discussions. It will be important for the ASC to capture that nuance.

- Because there might be situations where the TAG wants to have a 'close door session' and not to have any ASC staff in the room, this should be possible. Wording can be changed to accommodate this [action point].

A seventh remark is about the possibility of amending the TAG ToR at discretion of the ASC SB (5.2). This should be only possible in mutual agreement between the TAG and the ASC SB.
- Let us be clear, if we end up in a situation where the ASC SB wants to change the TAG ToR that has not been in mutual agreement, we are in a real problematic situation. But, at the end of the day, the ASC SB is responsible for the ASC certification program as a whole and has to have its final word. This principle cannot be changed.
- If TAG-members want to add language in 5.2 referring to mutual agreement, please provide suggestions [action item].
- The issue of final approval of the TAG ToR has to be remained at the sole discretion of the ASC SB. This is covered in the SB Regulations and 7.1 of this TAG Rules and Operating Procedures.

An eight remark highlights potential tension between 6.5 (approval of formation of committees by ASC SB) and 3.8 (co-opt non-voting members or ad-hoc experts). Isn't it up to the TAG to decide whether or not they wish committees, what committees, etc? ASC decisions on this are only relevant if ASC resources are used/requested for this.
- The issue of costs was one consideration in taking up 6.5. But there is also the issue of committee proliferation. Language can be added that says something like the TAG can form committees in consultation with the ASC staff and the ASC SB with an eye to the costs and outside representation of such committees.
- Not with the intent to put a gap on the number of committees, it is preferred to maintain final approval as it is.

A ninth remark is made about the right of the SB to change the TAG Operating Rules and the TAG ToR (7.1). The suggestion is that in principle, the TAG should not be governed by the ASC SB, and therefore revisions should always be in mutual consent.
- Since the TAG is part of ASC's Governance structure and taking into account the ASC SB´s responsibilities, the ASC SB has to have the right to ensure that the TAG's ToR and Rules are acting to make the ASC certification program a better program.
- The remark creates a space between the TAG and the ASC, which is not a solid basis for any organization. As said before, there should be no doubt that the ASC SB sees the TAG as a major resource to improve its decision-making. To underline this, the ASC SB has an obligation codified in the SB Regulations to follow the TAG's advice or explain why it is not, so it cannot ignore the advice of the TAG.
- But as indicated as well, the ASC SB is responsible for making the ASC a successful certification program. Separating the TAG from the ASC will complicate and weaken its governance. Therefore, the formulation in 7.1 stating that `… the ASC SB may modify these rules…` has to be remained unchanged.

Remark ten suggests that the role of the Standards Director (9.1) can be specified clearer e.g. that this is a non-voting role and (presumably) not part of the quorum calculations.
- Specifications will be added [action item].

An eleventh remarks is about the format of the summary report of TAG meeting minutes (e.g. Chatham House Rules) (10.2).
- It is up to the TAG to decide about how much it wants to share [action item].

A twelfth remark is addressing a possible contradiction between 12.2 (confidentiality of some TAG decisions) and 10.2 (public summaries of meetings) and is doubting whether you should have a confidentially clause at all (and otherwise specify qualifications).
- Formulation could be improved to ensure consistency with 10.2 [action item].
- It is good to have a confidential option if the TAG for whatever reason decides it does not want something public.

Remark number thirteen touches upon the fact that TAG members act as individuals, whereas in the Steering Committees of the ADs people were representatives representing a stakeholder. Isn't this incompatible?
- Because of the role and responsibility of the TAG it is important to have people within the TAG that bring specific knowledge and expertise that will improve the quality of the ASC certification program.
- Since TAG-members represent the Aquaculture Dialogue process of developing a species specific standard, they bring the spirit of all stakeholders who contributed. They represent this community and not their specific affiliation.
- Finally, when a member´s term at the TAG ends, this should not automatically being claimed by the organization that he or she was working for. The membership is not transferable.

Remark fourteen addresses the necessity of explicitly addressing a balanced variety in backgrounds of the individuals acting as TAG-member (e.g. indicating chambers). Is that needed?
- An optimal functioning TAG requires most importantly relevant expertise and knowledge, but also a variety and balance in its representation. Such variety will contribute to the quality of the TAG-advices and that is why it is not necessarily needed to come with a formal and fixed chamber divisions or regulations.
- If the TAG wants to add a sentence covering this variety and balance (e.g. minimum level of representation), such a formulation could be added [action item].
- In the Deed there is an umbrella statement about what the ASC wants to contribute to and therefore where e.g. ASC SB members commit themselves to, this can be added to the Rules and Operating Procedures [action item].

A fifteenth remark is addressing the issue that an optimal functioning of the TAG will be easier when there is a strong ASC that can facilitate this TAG to operate in its most professional and knowledgeable way. The ASC is requested to find a way to support the TAG so that it can operate professionally and that it can bring the quality advice the ASC SB is looking for. This requires facilitation and support. Is there e.g. a budget for the TAG?
- The ASC finds the request a reasonable request, though its financial capacities are still challenging. The ASC Executive Board and the AS SB will actively work on creating a separate working budget for the TAG (e.g. in order to facilitate the process, to support the secretariat, to facilitate travelling and maybe also to outsource specific technical tasks and issues).
- It also has to become clear who controls the budget (or various parts of that budget).

The discussion about the TAG ToR and TAG Rules and Operating Procedures is closed. It is stressed that it is important to finalize these documents sooner than later, since a continued discussion about these documents postpones the critical (technical) issues that really deserve TAG-advice.

The ASC staff will revise the TAG ToR and TAG Rules and Operating Procedures based upon the discussion (including remarks in 'private session') [action item]. These documents

will be send to the TAG for final discussion and changes. Hopefully they can be approved rather quickly by the ASC SB.

3 Listening session/ Q&A
Since the relation between the AD-representatives in the TAG and the ASC is still very immature, and since there are questions among various AD-TAG-representatives about the ASC, an agenda item is added to articulate questions and to discuss issues.

The ASC has always said that the ASC is planning to be "operational mid- 2011". From the ShAD (shrimp) there are serious questions whether the ASC is able to do this in a successful way on such a short term, There are also concerns whether the ASC is able to do this in such a way that it does justice to the values and efforts of all stakeholders who invested in developing the standards. The ShAD has questions e.g. about the ASC's staff capacity, its financial budget and e.g. the degree of harmonization between various species specific standards (e.g. on feed). There are questions what the "ASC house of implementation" will look like, since the ShAD Steering Committee really wants a professional and trustworthy home for the standard? The ShAD is curious to hear how other ADs think about some of these concerns.

The ShAD also has questions about the other AD-standards and how they relate on key-issues to the shrimp-standard. Are the values in e.g. the TAD and the PAD similar to the values in the ShAD (or are there big differences in ambition between standards on similar issues)? What is the risk if the ASC launches various species-specific standards with different values? How will that impact the ASC-brand and the success of the ASC? Isn't it better to start with a Business to Business label first creating time where the ASC values are and then make the step to a Consumer label?

Now the bivalve standard was handed over to the ASC, the BAD (bivalves) has questions about the next steps. When will accreditation be opened? What will the training of Certifying Bodies look like? Is field-testing of the standard and the Auditor Guidance Manuals needed? What will such pilot/ field-testing look like and how long should it take? Who can be involved? When is certification possible?

The TAD has been in a silent modus for a while, because the standard was finished in December 2009 already and people that were active in the Steering Committee have moved to other jobs. Compared to PAD, AAD and BAD (also finished) and compared to FTAD, SAD, ShAD and SCAD (still in development), the TAD is already in a 'next phase'; after some pilot-testing it became clear that the original TAD Auditor Guidance Manual (AGM) needs improvement and revision in order to improve future auditability and consistency among audits by various Certifying Bodies. The TAG-members of the TAD are interested to hear from the ASC about this revision of the Auditor Guidance Manual (AGM). What is the status?

Some TAG-members share the concerns articulated by the ShAD (Is the certification program solid enough (incl. staff capacity) to start implementation right now, or is first e.g. a refinement of the AGMs needed, other guarantees to have consistency in performance of CBs or other functional requirements that have to be solid. Especially to be prepared for phasing in standards (such as salmon) that due to their volumes are a much more important carrier for the ASC certification program than e.g. abalone). Other TAG-members see that the ASC has passed the point of no return and that further delay in going live will diminish the transformational power of the tool. For some species (e.g. pangasius) you should not lose the current momentum. There is a risk of losing the effort and investments of all the stakeholders.

Hearing those concerns and questions, it is clear that there is a shared feeling among the TAG whether the ASC is ready. It is also clear that more information and exchange about

ASC's planning and strategies would help TAG-members to understand better where the ASC is and why certain decisions are made/ why is chosen for certain strategies. Reading the questions by various ADs also clearly illustrates the difference in phase of development.
In addition to this, all present are aware that the landscape of certification programs for aquaculture (and interest of e.g. retailers in those schemes) is also evolving. The ASC thinks this is affecting the Window of Opportunity for the ASC and therefore has to be taken seriously. The ASC considers not starting to implement the finished standards now will pose a serious risk to all the efforts and investments of all stakeholders in the ADs (of course under the condition that ASC program for accreditation and certification is robust, operational and reliable).

This leads to the conclusion that the ASC should share a working plan explaining strategies for starting the implementation of the various standards (including a risk analysis), including targets and time-lines. This will be shared with the TAG for exchange and discussion [action item].

4 Update on accreditation/ certification
Accreditation Services International (ASI) is called in. ASI explains the current status of activities:
- A consultant is hired to work on ASC's Certification System Requirements (CSR) These will establish how certification bodies must run their internal systems and processes (based on ISO Guide 65). ASI is cooperating with ASC and the consultant on these documents.
- ASI is preparing its documents to open up accreditation (first tilapia) in the meantime. To prepare, ASI lead auditors have been trained on social standards SA 8000 (December 2010). ASI concluded that the training of auditing in social standards is quite different from a typical natural resources training. Auditing on social issues involves another skill-set of auditors.
- ASI is revising the Auditor Guidance Manual of Tilapia (May – June 2011). Based on a pilot-audit in December 2010, the ASC and ASI have agreed to rewrite the AGM by making a physical split between Compliance requirements for clients and requirements for CBs. This will ensure an unambiguous assignment of responsibilities to the parties and should greatly improve the overall readability and auditability.
- An important issue that was raised during the TAD pilot-audit in December 2010 was how auditors have to deal with non-conformities. The current standard interpretation is black/white for all standards included; as a company you comply or you do not. It is common practice in certification schemes to work with non-conformities and time-bound corrective action plans. Taking into account the number of standards within the TAD-standard and a likely difference in importance between the standards for the different species, ASI advised ASC to give this issue serious thinking.
- The strategy is to open up accreditation in phases. It is advisable to do a pilot-audit for various standards before opening up accreditation. It seems also valuable to have a distinct period of continued testing once accreditation is open; the experiences can then be used to further improve the Auditor Guidance Manuals.

The ASC thanks ASI for this introduction and explanation to the TAG-members.

ASI's introduction closely links to the two documents that were attached to the agenda on agenda item 4:
- Revision of the Auditor Guidance Manuals for Tilapia (TAD) by Accreditation Services International
- Working Group on Certification and Accreditation

Status of these documents is to inform TAG-members. Due to time limitations a further discussion about them was not possible. All TAG members are asked to take a look at them and provide feedback to the ASC.

<u>5 Wrap-up & Adjourn</u>
The chairmen closes the meeting by saying that the ASC is happy that TAG-members took the effort to be present here or dial in from various parts of the world. ASC;s Standards Director is now on board and providing a clear communication channel and resources to the TAG.

There is a clear call from TAG-members to make it possible to meet in person with all TAG-members (and e.g. discuss Chair and co-Chair). The efforts to meet both in Vancouver and in Brussels are appreciated, but to get started with this group of people it would help to physically meet. The ASC acknowledges this need and commits itself to find the funding to make this possible (travel and subsidence expenses).

The meeting is closed.

Action item	What?	Who?	When
Vancouver TAG 1 meeting			
3	Suggestions for Asian candidates for the SB	TAG members	a.s.a.p.
4	Involving AD Steering Committee members in CB trainings	ASC	Q1 2011
Brussel TAG 2 meeting			
1	*Chattemhouse Rules* will be applied to the Vancouver-minutes (TAG 1). This version will be posted on the ASC website.	ASC staff	June 2011
2	The ASC staff will update the TAG ToR and TAG operating rules based upon the discussion (including remarks in 'private session'). This version will be send to the TAG.	TAG members + SD	a.s.a.p.
	Improve typing errors both in ToR and operating rules.	SD	May 2011
	Addition on rules for removal of TAG members (article 3.9.2)	TAG, suggestions?	May 2011
	Article 3.11 and 3.13 in the Rules will be combined.	SD	May 2011
	An article will be added clearly stating that under Dutch Law ASC SB members cannot be voting members of any committee of the ASC.	SD	May 2011
	Additions on rules for setting the agenda (article 4.4)	TAG, suggestions	May 2011
	Wording to accommodate the possibility of having TAG-sessions without ASC-staff (4.8)	TAG, suggestions	May 2011
	Acknowledging that, because of its responsibilities, the ASC SB needs to have a final say in approval the TAG	TAG, suggestions	May 2011

	ToR and TAG Rules, TAG members may come up with suggestions to improve the mutual agreement wording in article 5.2		
	Add specifications on the role of the Standards Director (article 9.1).	SD	May 2011
	Rules for the summary report of the TAG-minutes (article 10.2)	TAG, suggestions	May 2011
	Improve consistency in wording on confidentiality in article 12.2 and 10.2	SD	May 2011
	The ASC does not see the necessity of explicitly adding the need of a balanced variety, if the TAG wants to add a formulation not in conflict with the basic requirement of knowledge and expertise, this is up to the TAG	TAG, suggestions	May 2011
	Add the umbrella statement from the Deed on ASC's role and ambition	SD	May 2011
3	Send the e-mail distribution list of your AD to ASC staff to include all contact-details in ASC's distribution list.	TAG-members → ASC staff	a.s.a.p.
4	Exchange and discuss ASC working plan.	ASC staff	June 2011
5	The TAG request that a professional operation of the TAG requires budget for process facilitation, its secretariat and reasonable travelling and hotel expenses will be included in ASC's funding activities.	ASC staff	To be determined (immediate action on funding)