The ASC’s First TAG Technical Advisory Group Meeting
Vancouver Seafood Summit, The Westin Bayshore
Wednesday February 2, 2011

Agenda:
- Opening and Welcome
- Update Governance and Q&A
- Update Verification system and Q&A
- Tasks for the TAG
- Final questions and closing

Opening + Welcome
On 9.05 am Vancouver West Coast time, chair welcomes everybody to this first meeting of the Technical Advisory Group (TAG).

Chair expresses to be very pleased that six of the eight Dialogues are represented through the people present (not present are members of the Pangasius AD and bivalve AD). This first meeting will be an informal meeting. In addition to information exchange, engaging with each other and getting to know each other better are the two major goals.

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

ASC will take care of the minutes of the meeting to inform those people who are not present. The presentation of this morning ASC Breakfast Meeting will be distributed among TAG member together with the minutes [Action 1].

Governance
TAG-members are updated about the current status of ASC’s Governance. It is stressed that governance issues are fundamentally important to an organization such as ASC, working in a multi-stakeholder context and gaining its credibility through the multi-stakeholder support.

ASC is a Dutch foundation. It is important to be aware that are two major foundation documents for the ASC. First of all there is the Deed, a formal document that has to be in accordance with Dutch law and has to be filed under Dutch Law. This Deed is a high level document indicating e.g. the number of Board Members, the role of the Board Members and the responsibility of Executive Board etc.. Secondly, there are the so-called Regulations (comparable to the By-laws in the US) which set down in more detail e.g. the role and responsibilities of the TAG, the relation between the TAG and the Supervisory Board (SB), the relation between the Supervisory Board and the Executive Board etc..

According to the Deed there are 5 to 9 members in the Supervisory Board. The Board has the right to invite experts to Board meetings as necessary. The CEO of ASC is an ex-officio member of the Board. The Board evaluates the CEO/Executive Board and is the decision-making authority regarding the strategy of ASC.
ASC will have two important committees. The TAG is one of them. The second is the Stakeholder Advisory Group (SAG). Regarding the SAG, it is mentioned that ASC’s Board considers this a key vehicle for multi-stakeholder engagement and support (especially through dedicated working groups), though taking into account ASCs financial and capacity limitations, the TAG is the priority committee in the near term.

For the moment, the TAG consists of two people from each of the eight ADs. The TAG has the responsibility and right to advise the Supervisory Board of ASC. Unlike the Marine Stewardship Council (MSC) or Forest Stewardship Council (FSC) and their technical advisory committees, when the Supervisory Board does not follow the advice of the TAG, it must respond in writing requesting clarification or reconsideration of a recommendation. The Board can appoint experts to the TAG or the TAG itself can invite experts but they must be approved by the Supervisory Board. The intention is that two people from the ASC’s Board will be assigned to the TAG as observers who will bring back to the Board those issues of concern and recommendations of the TAG. To be in line with Dutch Law (and the Deed), Voting TAG members cannot be members of the Supervisory Board. TAG members who will be elected in ASC’s Supervisory Board will attend future TAG meetings as (non-voting) observers. The Supervisory Board welcomes nominations from the TAG for any Supervisory Board seat but especially for those two Supervisory Board members who will join the TAG meetings as they are held.

Floor is opened up for questions.

Question: About the possibility for the Board to assign experts to the TAG? How will this work?
It is responded that it is certainly not the intention that the Supervisory Board may overrule the responsibility of the TAG itself. It is now the time to have a conversation with actual members of the TAG how this may work out. It is explained that TAG members will be member for a maximum period of three years. They may be on the TAG for two periods. Upon the question whether the TAG itself could also engage experts within the TAG, it is stressed that the Supervisory Board wants the TAG to be as separate as possible. The TAG is a key in bringing memory from the ADs to ASC in the first place, and in time, it is the independent technical expertise body that will improve the performance of ASC’s responsible standards for aquaculture. The better job the TAG can do, the better it is for ASC, gaining in technical strength and credibility.

It is stressed the difference between the short term operation of the TAG and its longer term role. The TAG is really the guardian of the accumulated knowledge in the ADs. It is important that we have this presence of the ADs within ASC. At some point, the TAG must be able to evolve to the next phase after the Dialogue history.

It is asked for the Terms of Reference for the TAG. They will be forthcoming along with the Rules for the TAG’s Operation. These will both be in DRAFT form to allow the TAG to respond before finalization.

It is asked about relation between the TAG and SAG taking into account the different mandates of these two constituencies.

It is stressed once more that the TAG brings in the technical history of the ADs and that the TAG is the ‘knowledge/ expertise house’ of ASC regarding ASC’s core products, the standards. The TAG is really about the interpretation and evolution of the standards. ASC cannot do without the TAG. The SAG is likely to provide a high-level advice to the Supervisory Board based on discussions among the stakeholders on critical issues. The idea is that Working Groups will bring together stakeholders on issues that are relevant in time.
Current thinking is that the set up of the SAG (and its Working Groups) will evolve based on issues that are at this moment already listed / or will emerge.

It is asked where there is a place for Certifying Bodies (CBs)?
Taking into account that CBs have a business stake in certification, there is an issue of conflict for a CB to be part of ASCs Governance structure.

It is asked for the procedures for replacement after three years. How will it work? It is asked whether the two periods of three years will cause discontinuity in the composition and expertise of the TAG?

The initial terms of the TAG members will be staggered for 1, 2, and 3 year terms to prevent a situation where the entire initial TAG is up for re-appointment. After this initial term, all terms will be three years. The TAG membership itself will determine the 1, 2, or 3 year terms for its individual members. The TAG can also build into the Operating Rules for the TAG those rules that guarantee continued expertise on the TAG.

It is asked whether it is an idea to use ‘Chambers’ for a balanced composition of the TAG?
Again, It is said that there is no formal structure for ‘chamber balance’ on either the TAG or the Supervisory Board. But, clearly, we will seek balance of some nature to ensure a broad set of perspectives is part of the discussions and decision making. As far as the TAG, the TAG has an own voice in how to organize and structure. It is added that key for an optimal functioning of the TAG is relevant expertise and a balanced representation.

The current involvement of stakeholders from Southern hemisphere/ Asian producer countries (e.g. countries producing shrimp, Pangasius and tilapia) is challenged. How can we ensure that the composition of the TAG also reflects these producing countries? It is underlined that having the perspective of stakeholders from these countries is critical to the performance of the TAG (and thus ASC).
It is agreed by participant and participant can only say that ASC also needs that perspective within the Supervisory Board itself. Participant admits that the Asian perspective is lacking.

The Board is interested if you have recommendations for a qualified person coming from this region [Action 3]. It is a responsibility for the Supervisory Board to make financial resources available for convening the TAG also allowing that stakeholders from the Southern hemisphere are financially facilitated to be a member. It is underlined that there will be other vehicles, such as the Working Groups of the SAG, where stakeholders also from the Asian region can bring their perspectives onboard. The TAG members are reminded that the interpretation and evolution of the standards is the key task of the TAG.

Participant gets back to his question by rewording that he/she thinks active participation of stakeholders is crucial in sharing and creating the values of the ASC-brand. Taking into account the importance of Asian countries in farming seafood, their active participation in developing the ASC-Brand and its core values cannot be ignored. It is stressed that there is no limitation in issues that the TAG takes up to advice the Board.

It is asked whether the Deed and the Regulations indicate government explicitly as a stakeholder?
No that is not the case, government is considered to be a stakeholder, just like any other stakeholder. Members of the ASC Supervisory Board are elected as individuals on the basis of skills and competencies required to complement other members of the Board in order to meet the needs of the ASC. They do not represent organizations for whom they work.

It is summarized that membership of the TAG is based on personal technical expertise, whereas membership of the SAG and Working Group has more the nature of institutional representation.
Two participants confirm that Board has not said it explicitly like this, but this is indeed the idea.

**Verification system**

TAG members are updated about the status of the Verification system. As probably all TAG members know Accreditation Services International (ASI) has been assigned as the accreditation body. ASI is an ISEAL member. The ASC chose ASI because ASI has an international scope. ASI is therefore a major partner in global alignment of CBs performance in applying the Standards.

Since ASC has appointed ASI, 15 CBs have requested to be considered for registration as ASC Certifying Body. The majority of the CBs interested are also accredited for MSC, Global GAP and often also organic aquaculture standards. They show great experience in agriculture certification. Some of these 15 CBs have already taken steps to understand the Standards, some of them already enlarged capacity in Asia and invested trainings in SA8000 recognizing the social content of the Standards.

ASC has engaged a consultant to map and document the ASC’s Scheme requirements. This work is in progress.

ASI has been gearing up to deliver the accreditation of CBs. They have been present during the 2nd pilot audit in Indonesia performed under the temporarily framework of WWF and GlobalGAP in order to conform the CBs performance (i.e. IMO), and assess the auditability of the International Standards for Responsible Tilapia Aquaculture (ISRTA). ASI has provided ASC with quite some remarks regarding the auditability of the ISRTA.

Due to ASI’s presence during the audit, they could also provide feedback to the available Guidance documentation. It is the basic premise that all ADs deliver a Standard and also Guidance documentation for CBs. The active participation of ASI on this tilapia test of compliance, made ASC conclude that it will be valuable to have two separate pieces of Guidance documentation, one for the farmer and one for the CB. Extra work is needed to achieve this. Such a revision of Guidance documents should not result in losing the intent of the original AD. It is likely that to further improve the Guidance documents four to six months work is needed.

ASC is also deciding about the training of CBs and has the intention to outsource training to GlobalGAP. By using their existing knowledge and infrastructure (e.g. training capacity), the costs for certification can be reduced. There is an agreement in principle. Current training will be used to further improve the Guidance documentation. In order to instruct GlobalGAP for the ASC training it is needed to define the competences need/ expertise of CBs based on the Standards and the work done by the ADs. The Supervisory Board would appreciate it of the TAG may provide advice on this.

Floor is opened up the floor for questions.

It is mentioned that quite a bit of the Standards is outside the farm-gate. The CBs trained by Global GAP are used to looking inside the farm gates. To what extent will this impact the quality of the trained CBs? It is stressed that GlobalGAP will provide an ASC-training, based on ASC requirements, we will only use their infrastructure. So yes, indeed, the Dialogue Standards are farm-based but stretch out beyond the farm-gates to feed, seed and water. The auditor has to verify in order what is required by the ASC’s standards. That will be part of the audit system. They have to verify through documented evidence.

It is added that a crucial aspect to the credibility of the Standards is that CBs interpret them in a uniform way. Differences among CBs in applying the Standards should be minimal. ASI has
a role in the evaluation of the performance of the accredited CBs by their annual assessments. The Supervisory Board and the TAG have to follow actively, whether the Standards are applied in a uniform way and in a way that was intended. The Guidance Documents from the ADs are a critical part of this quality assurance program.

A participant is a bit worried about outsourcing the training. Participant wonders whether more control is needed by ASC? Another participant is adding that the Standards include criteria and indicators that are really new for CBs to audit (e.g. cumulative impact on water). It is indicated that ASC has to make very clear what the requirements are for the trainers. The Guidance documents have to make it unambiguously clear to the CBs what they have to audit.

Participant asks another participant to articulate a bit more specific his/her concerns. Participant says that in his/her experience as a CB it is clear that training is the first big chunk in giving direction to the interpretation of Standards. It is appreciated that this type of feedback is provided because this is key insight in improving the Verification system of ASC. It will be taken it into account in further negotiation with GlobalGAP.

It is said that GlobalGAP as a certification system is more focused on documentation and on checking record keeping rather than focused on verification. Auditing according to the Standards will require more than ‘paper work’.

It is replied that the audit needs of the Standards will determine the cost of the certification.

He sees that the need for verification is increasing the costs and asks TAG-members for feedback on this issue of the costs of certification which may create barriers for specific farmers to apply. It is responded that cost for certification will be minimized if the CB organizes its data-gathering in a systematic way. The Standards implicitly ask CBs to create a database in order to reduce costs.

It is stressed that misinterpretation of the Standards by CBs should be avoided. Participant is curious to hear more about the experiences so far with the TAD? Are more witness audits\(^1\) needed for a good interpretation?

ASC is actively setting up pilot-audits to learn about how CBs interpret the standards. It is clear that at this moment the more trials, the better. Time is also needed to update Guidance documentation based upon the findings.

It is suggested that it might be valuable to have AD people present during the trainings of CBs in order to guide the proper interpretation of the Standards and to improve the quality of Guidance documentation.

Participant is thanked for the good suggestion. ASC will follow up on this [Action 4]. In this way, the training can be two-way learning. It is suggested to have two phases in finishing the Guidance documents. The ADs will write and improve the Guidance documents based on training and audit experiences so far. After signing-off, further improvements may occur during the training phase of CBs.

Participant asks for the intended number of audits. Will it be per production cycle (at the moment of maximum biomass) or will it be an annual audit?

It is explained that the Supervisory Board is hesitant to make this decision and would appreciate advice from the TAG. Guidance will need to stipulate the relevant frequency of audits for standards where this is a concern. Participant adds that he/she does not understand why auditing should be done at the moment of maximum biomass. There is no argument (but data may well have to relate to the production cycle – this again is an issue relating to auditability of the standards)

\(^1\) Witness audit = audit of the audit.
Participant acknowledges that CBs who showed interest in ASC are also accredited for other schemes. Participant is wondering whether there will be interaction between CBs and farmers on the different options for certification? Participant also wonders, if the available training capacity for CBs is a critical bottleneck, whether ASC can prioritize among CBs? Can we have a say in whom should be trained first for instance?

It is stated that most of the CBs that showed interest will understand the scope of aquaculture taking into account their experience with other schemes. Other participant stressed that from a Governance point of view it is important that CBs are independent. ASC should avoid the suggestion that ASC favors specific CBs.

Yet another participant is responding from his/her corporate experience. From a company point of view, it is rather valuable if you are working with a CB that has more than one accreditation. Different farms have different certification requirements and it is then cost/effective to work with a CB that is able to audit against all schemes. Another participant is adding from the experience with the TAD- tilapia farm audit under the temporarily framework of WWF and GlobalGAP. The CB did three different audits during one visit.

Participant is asking about the costs of certification and the costs of CoC. Is there a plan to simplify and thus to reduce costs?

It is told that there are pre-contract discussions with MSC for alignment of the CoC-certification in order to reduce costs. Regarding the costs of the farm-based certifications, audit cost is determined by the needs of the standards, not the ASC. Costs are still unclear because the Standards and Guidance documentation have not been finished yet.

Participant is wondering who will do the improvements to the TAD Guidance documentation/auditing guidelines for CBs based upon the pilot/experience so far? It is said that ASC was advised to engage someone with an audit background to rewrite the guidelines. Once again it is stressed that rewriting should not change the intent of the Standard. ASC will do the resourcing for this improvement of the TAD Guidance documentation.

A participant wonders whether a separate feed standard is needed? It is said that this was a question during the Breakfast Meeting this morning as well. There is no commitment yet, but a Feed Dialogue is a priority from WWF’s perspective. WWF is taking initiative in this regard but is more than willing to undertake this initiative with others.

Participant asks whether the SB already discussed the issue of conflict management/resolution? Other Participant considers conflict resolution as a major issue for credible, multi-stakeholder standards such as FSC, MSC and ASC. The SB has not written down ASC’s version for mediation yet. FSC has a 90 page version, MSC has a 60 page document for capturing the situations of conflict in certification. ASC’s Deed provides an opening for it. The SB will be responsible for the ultimate decision, though the SB wants the TAG to play an active role in setting the policy. The resolution has to provide in a fair, timely and transparent process.

Tasks for the TAG
Participant recaps that so far there are clear issues for the TAG to deal with. It is in the interest of ASC that TAG-members pick up the invitation to start thinking about them and to rank them in priority [action 5]. Some of these are summarized:

- Review the guidance documents to increase the auditibility of the Standards.
- Future alignment of the Standards. ASC has not started yet but CBs and retailers are already asking for this. Feed is such an issue that need alignment.
- How to deal with group certification in the case of smallholders.
ISEAL suggest compliance to ISEAL's recent impact code.

The idea behind the Standards was to incorporate a system of continuous improvement. The basic position is that every 5 years the metric-based criteria and indicators will be revised based upon current technology and knowledge.

It is stated that developing this agenda is important, though the Standards have to be finished first. The SB acknowledges the time crunch for some of the ADs, but fears fatigue among the wider stakeholder community that may impact ASC’s future.

Responding to the issues listed above, a participant wonders whether it is a role for ASC to discuss the issue of group certification. Participant stresses that ASC has to be objective and neutral to all farmers. Participant thinks there should not be special focus towards Asian farmers or small-holders. This may be part of GIZs agenda or IDHs agenda, but ASC has to be open for all farmers.

Participant thinks it is a responsibility of the TAG to indicate how to audit a cluster of farmers. Another participant thinks that the TAG needs to the oversight. Yet another participate to think mentally through the TAD in order to analyze whether Criteria and Indicators would have to be formulated differently in the case of group certification.

Participant touches upon the issue of continuous improvement, which is linked to data gathering and filing those insights into a database for setting a baseline. Participant states that this is an issue that has to be discussed and decided upon sooner than later.

A discussion emerges. Participant is stressing that the certification is a contract between the farmer and the CB hired for doing the job. It is not self-evident that the performance data are public. This requires a discussion between ASC, ASI and CBs. Participant indicates that ASI has stated that it is possible to make some of the audit information publicly available.

Two participants stress that an increased complexity in the audit will cause higher cost for certification. There is also an issue of confidentiality. Another participant stresses that transparency is key for third party certification and participant finds the TAG has to think through what kind of information can be gathered to be made public without frustrating the sensitivity of some information. Yet another participant is adding that ASC certification is along the lines of the open and public process of fisheries certification of MSC. The reports are public. Yet another participant sees certification as a tool to improve farmers performance. The rigidness of ASC is harder than MSC. It is a fail or pass based upon annual audit, so it is even more difficult to prove impact. Participant brings in that the Standards are publicly available. It is clear that changes in farmers performance will be smaller post-certification. The real improvements are a pre-certification. We need to create a mechanism to show the impact ASCs certification program has prior to certification. Another participant doubts whether it is a role for ASC to be involved in this improved performance phase of farmers. That is the farmers business. Yet another participant wonders whether it is a wish of retailers to ground and prove the positive impact of certification on their supply base.
participant tells that the New England Aquarium is involved in a data-performance project for GAA/ the BAP-standards. GAA invested in this project because it is the standard holding organization’s interest to prove that the tool of certification actually makes a difference.

Questions and closing of the meeting
At 11.00 am Chair is asking for final questions before closing the meeting.

Chair explains that the Supervisory Board will meet next month and is suggesting that the next meeting of the TAG should focus on the operational guidelines for the TAG and on clarifying priorities. The Supervisory Board will come back to the TAG with suggestions for priorities form their point of view.

Chair reminds the TAG members to think about whom of the TAG members would be willing to serve on the Supervisory Board. Participant adds ‘the sooner, the better’.

Chair is closing with the statement that it is the responsibility of the Supervisory Board to facilitate resources for convening the TAG.

Participant is asking for the current financial resources of ASC. Participant wonders how it is going. Success from a fundraising point of view is critical for building up trust and stakeholder buy-in. Participant is aware that ASC has huge financial challenges, though the robustness and power of ASCs organization is at this moment an indicator for the amount of trust other stakeholders have in ASC as the vehicle for making the change towards responsible aquaculture.

Chair can only say that the SB fully agrees with this view and fundraising is clearly the number one priority. The ASC is embarking in an aggressive strategy for fund raising Participant is offering help on acquisition of funds. Participant explains that all TAG-members invested time and knowledge in those Standards and it is their interest as well that ASC is the robust home for the Standards.

Chair is thanking everybody for the open and positive first meeting of ASC’s TAG. The participants commitment to come to Vancouver and to be on the phone at very awkward times is very much appreciated by ASC’s Supervisory Board and its Executive Office.

Chair closes the meeting.

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<td>Which two TAG member are willing to serve on the SB?</td>
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<td>3</td>
<td>Suggestions for Asian candidates for the SB</td>
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