Global Conference on Aquaculture 2010

Farming the waters for People and Food

22-25 September 2010, Phuket, Thailand

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1. Author.
2. Title.
3. Presented at the Global Conference on Aquaculture 22-25 September 2010, Phuket, Thailand.

Global Conference on Aquaculture 2010

Expert Panel Presentation II.1:

Improving Aquaculture Governance: What is the Status and Who is Responsible for What?

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22–25 September 2010, Phuket, Thailand

Outline

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    2. Role and;
    3. Goal
2. Current Knowledge in Aquaculture Governance (Current Global Status)
    1. Principles of Good Governance in Aquaculture
    2. Current Types of Governance
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        1. Role and Responsibilities of Governments
        2. Role and Responsibilities of Other Stakeholders

Outline

3. Aquaculture governance in the new Millennium
   : Were the Bangkok Declaration's Expectations Met?
4. Some Most Burning Issues
5. Some Priorities for action

I. Revisiting the Understanding Aquaculture Governance

1. Def:
   - Means by which a Government exercises the authority in managing its country's economic and social resources or a particular industry (Aquaculture);
   - Processes by which decisions are made and implemented &
   - How conflicting interests are reconciled.
2. Role:
   - Allows investments to take place and last;
   - Allows the sector to grow and last ===➔
3. Goal = Sustainability:
   - Technological soundness;
   - Economic viability;
   - Environmental integrity;
   - Social license.

II. Current Global Status:
1. Principles of Good Governance in Aquaculture

1. Accountability:
   - Acknowledgement & Assumption of responsibility for actions, decisions, policies and products by officials; =➔
     1. Openness of administrations for their answerability to the public and to their institutional stakeholders for their actions; ===➔
     2. Performance-based standards for officials and mechanisms for reporting, auditing and enforcement: ===➔
     3. Timely decision making and stakeholder participation
2. Effectiveness and Efficiency of public services:
   - Effectiveness = doing the right thing; ===➔ Measure of the quality and decency of what we do;
   - Efficiency = doing things the right way; =➔ Measure of the speed and the cost at which we do things.

II. Current Global Status:
1. Principles of Good Governance in Aquaculture

3. Equity:
   - Feeling by all members of community/society that they have a stake in and are a part of the mainstream society; =====➔
     1. All groups, especially vulnerable one, have opportunities to improve or maintain their well being through Aquaculture activities;
     2. Guarantying procedural fairness and distributional justice as well as
     3. Participation to priority-setting and decision-making processes to All.
4. Predictability:
   - Fair and consistent application of laws, regulations and implementation of policies.

II. Current Global Status:
2. Types of aquaculture governance

1. Hierarchical Governance:

- Somewhat similar to the traditional concept of "government" with elites and top-down decision-making;
  - Governments develop policies independently &
  - Leave producers to manage their farms. ====➔
  - Enforced by legal force (laws and regulations).
- Merits: authority; provide clear guidelines.
- Disadvantages:
  - Costly and Difficult to enforce;
  - Farmers are not compliant;
  - Ineffective.

II. Current Global Status:
2. Types of aquaculture governance

2. Market Governance:

- Leaves Aquaculture Development to Demand and Supply forces; ======➔
  - Enforced by prices, administrative mechanisms (licences, certification schemes, or other mechanisms).
- Merits:
  - Efficient allocation of resources;
  - Sector Development.
- Disadvantages:
  - Market failures (externalities);
  - Social unrest.

II. Current Global Status:
2. Types of aquaculture governance

3. Participatory Governance:
- Extends from industry self-regulation, to co-management of the sector by industry representatives and government regulators and to community partnerships. ===➔
  - Enforced by peer pressure (code of practice, farmers associations, incentives for product certification, etc..)
- Merits:
  - Low transaction costs;
  - Relatively high degree of compliance; =====➔
  - Relatively effective.
- Disadvantages:
  - Lack authority;
  - Difficult to coordinate.

II. Current Global Status:
3. Some Governance Tools

1. Laws and Regulations;
2. Administrative Instruments:
   1. Licences; Certification Schemes; etc...
   2. Peer pressure (self-regulation).
3. Policy Instruments:
   1. Policies;
   2. Strategies;
   3. Plans;
   4. Economic and fiscal incentives.,

II. Current Global Status: 4. Who Does What ?

1. Public Sector (Governments):
    1. Provide enabling environment:
        1. Securing Property rights;
        2. Ensuring political stability;
        3. Providing some public goods (roads, ...) and Services (Research & Devpt);
        4. Support the industry (seed, monetary, fiscal, technology, ...);
        - Goal is:

            Reduce costs and risks to entrepreneurs;
    - Regulate, administer and guide the management of the industry;
        - Goal is:
        1. Reduce market failures (externalities, asymmetry in information, non-excludability of research, ...);
        2. Protect the Community at large.

II. Current Global Status: 4. Who Does What ?

1. Private Sector (Other Stakeholders):

1.1. The Industry (Producer Associations):

- Producer associations act as:
    1. Lobby groups to represent Aqua farmers' interests.
    2. A means of exchanging information and diffusing technical knowledge.
    3. An institution for managing shared natural resources and acting as financial intermediaries issuing credit;
    4. Marketing agents and monitors for environmental self-policing .

II. Current Global Status: 4. Who Does What ?

1. **Private Sector (Other Stakeholders):**

1.2. Local Communities:

- Participate in decision-making processes;

- **Economic rationale for adopting participatory approach:**
  1. **Participation:**
  2. **Reduce transaction and enforcement costs by increasing acceptance and compliance by farmers;**
  3. **Improves aquaculture's public image by educating the public;**
  4. **Enhances productivity by incorporating local (indigenous) knowledge in decision-making**
- **Problem: questions about its effectiveness and cost-efficiency.**

II. Current Global Status: 4. Who Does What ?

1. **Private Sector (Other Stakeholders):**

1.2. Local Communities:

1. Participate in decision-making processes;
2. **Where there are neither externalities nor economies of scale as with site selection, local communities are usually able to make their own decisions based on their own priorities (Decentralization).=➔**
3. Determine the **route that much aquaculture governance will follow in the future.**

Problem:

1. **Decentralisation requires not only local decision-making but also local fiscal capacity;**
2. **Most developing countries have experimented with decentralisation, but have faced resistance to the move of personnel from central to local jurisdictions.**

II. Current Global Status: 4. Who Does What ?

1. Private Sector (Other Stakeholders):

1.3. NGOs (Non-Governmental Organizations):

NGOs can have a constructive role and be a useful counter-weight in Aquaculture Governance by Acting as:

1. Environmental and social watchdogs by:
2. Putting pressure on business to increase transparency and Improve working conditions;
3. Lobby groups putting pressure on business with short-time horizons;
4. Participants in decision-making processes (Part of Aquaculture Advisory Boards);
5. Develop and disseminate Guidelines for Better Management Practices (BMPs).

II. Current Global Status: 4. Who Does What ?

1. Private Sector (Other Stakeholders):

1.3. NGOs (Non-Governmental Organizations):

Issue:

- Not accountable, unlike politicians who are often democratically elected.
- Do not compromise: narrowly satisfy single-issue partisans who may not be representative of the broader society.
- Reliance on donor funding can lead to sensationalism in order to attract media attention. ===➔
- The result may be vociferous rejection of aquaculture without weighing benefits that accrue from aquaculture.

III. Aquaculture Governance in the Millennium: Were the Bangkok Declaration's Expectations Met?

3.1. What were the Expectations?:

A. Countries and Organizations were expected to:

1. Strengthen institutional capacity;
2. Establish and implement transparent and enforceable policy and regulatory frameworks;
3. Establish and implement consistent and responsible policies and goals which encourage sustainable development of the sector.

III. Aquaculture Governance in the Millennium: Were the Bangkok Declaration's Expectations Met?

3.1. What were the Expectations?:

B. To so by:

1. Improving co-operation and amongst stakeholders at national, regional and inter-regional levels;
2. Involving Organizations and Institutions representing the private sector including NGOs, consumers and other stakeholders in the management of the sector;
3. Identifying a lead agency with adequate organisational stature to play a strong co-ordinating role.

III. Aquaculture Governance in the Millennium: Were the Bangkok Declaration's Expectations Met?

3.2. Assessment:

1. A "Yes" or "No" answer is not possible; ==➔
2. Aquaculture Governance improved tremendously be it in Asia, Africa, Europe and the Americas; Ex:
    1. FAO Code of Conduct for Responsible Fisheries (CCRF) became a guide to National Codes of Practice;
    2. FAO published guidelines for reducing administrative burdens and for improving planning and policy development in aquaculture;
    3. National Aquaculture Development Laws,

III. Aquaculture Governance in the Millennium: Were the Bangkok Declaration's Expectations Met?

3.2. Assessment:

4. Better Management Practices (BMPs) were encouraged and/or adopted in many countries;
5. Communication through Networking developed (ANAF, Europe, Latin America, …);
6. Institutions were strengthened in many countries;
7. Producer Associations were encouraged and/or created;
8. Lead Agencies were created in many areas;

III. Aquaculture Governance in the Millennium: Were the Bangkok Declaration's Expectations Met?

3.2. Assessment:

9. With Hierarchical and Market-driven Governance progressively giving way to Participatory Governance, stakeholder involvement in decision-making is increasingly becoming the norm;
10. With increased participation come enhanced transparency, equity and stability of policies and regulatory frameworks.
11. But,

III. Aquaculture Governance in the Millennium: Were the Bangkok Declaration's Expectations Met?

3.3. Governance remains an issue in many countries

1. Conflicts over sites;
2. Disease outbreaks which could have been avoided;
3. Still important public mistrust of aquaculture;
4. Inability of small-scale producers to meet stringent market standards;
5. Inadequate development of the sector in certain jurisdictions despite good supply conditions and high demand for aquatic products. ===➔

- The road is still long!

IV. Burning Issues

4.1. Over-Regulation in some places: ===➔

1. Deters investments
2. Leads to lack of enforcement .

1. Ways to avoid Over-regulation
   1. A mandatory regulatory appraisal process prior to law enactment ;
   2. Use economic incentives as an alternative or complement to environmental regulations;
   3. Self-regulation and co-management may be the best policy except for severe and irreversible impacts.

IV. Burning Issues

4.2. Resource constraints limit participation:

- Participatory methods involve expenditure of money, time and skills.
- These resources are not always readily available, especially in developing countries.

IV. Burning Issues

4.3. Information remains a big issue:

- The Bangkok Declaration stated that "the collection and dissemination of accurate and verifiable information on aquaculture may help to improve its public image and should be given attention". ====➔
- In many countries, data collection is often overlooked, incomplete or otherwise unreliable due to inadequate quality assurance/quality control, and typically lacks any form of independent audit to validate outputs.

IV. Burning Issues

4.4. Research is generally Under-funded:

- The Bangkok Declaration emphasized the ""Need to increase investment in aquaculture research, whilst making efficient use of research resources".

====➔ Very limited resources are allocated to Aquaculture research, especially in developing countries.

IV. Burning Issues

4.5. Social license (Acceptability):

- Could be trigged by jealousy, concern over resources, and resentment over hiring practices.

- To counter public opposition, ==➔:
- More transparency and less secrecy on issues such as fish health and pollution;
- Information on escapees, on diseases and on any health risk must be open to the public ;
- Pro-active media communication strategies to ensure that sound information is available from credible sources;
- Widespread participation in aquaculture planning to induce trust.

IV. Burning Issues

4.6. Trade:

- Increasing public interest in food safety and animal welfare and
- Stronger influence of the retail sector in dictating standards of Aquaculture products ====➔
- Limit Access to markets (and therefore the development of the sector), especially for small-scale farmers.

IV. Burning Issues

4.7. Climate Change:

Could lead to, inter-alia,:

1. Increased virulence of pathogens and animal diseases;
2. Reduced ecosystem productivity in warmer waters;
3. Damage of onshore and offshore facilities;
4. Escapees, possibly leading to loss of bio-diversity.

===➔

- Good governance is essential to facilitate strategies designed to adapt to and or mitigate the effects of climate change in aquaculture (Data gathering and information exchange on fish diseases, review supply chains of aquaculture products, …).

IV. Burning Issues

4.8. Financial imbalances resulting from the global recession:

===➔

1. Further cuts in funding for Aquaculture;
2. Cause governance of the sector to adapt.

IV. Burning Issues

4.9. Emergence of Oligopolies (Industry Concentration) for certain species:

======➔:

1. Dominance of individual monopsonies in local communities;
2. Social and/or environmental dumping (in case of shocks).

IV. Burning Issues

4. 10. Offshore Aquaculture

- Land and freshwater available for Aquaculture are becoming more and more scarce in most countries around the world; ======➔
- Most aquaculture expansion in the coming decades is likely to occur in the seas and oceans;
- Improved technologies will induce a movement of Aquac. activities away from coastal to deeper, offshore waters;
- These waters could be within the EEZ of countries, or even further, beyond the 200 miles belt of national jurisdiction.
- The challenge = come up with international policy, institutional, legal and regulatory regimes for use to govern aquaculture operations that occurs in waters that are beyond national jurisdiction.

V. Some Priority Actions

1. Need to develop Guidelines for Aquaculture Governance;
2. Enhance intuitional capacity in order to enable countries to establish, implement, monitor and enforce regulations;
3. Need to continue empowering local communities in aquaculture governance and to improve collaborative management.
4. Continue working on Means to mitigate the impacts of climate change in Aquaculture;
5. Need to improve research and development, and information gathering and sharing;
6. Continue looking for ways of pushing Aquaculture further offshore in a sustainable manner.

END

THANK YOU FOR YOUR ATTENTION