

When The World Demands Supply Chain Reform, Survival Depends On Fundamental Change

How the Shrimp Sustainable Supply Chain Task Force is leading Thailand's seafood supply chain towards a more sustainable pathway.

Progress update - October 2015





Foreword

We have reached a critical point in the life of the Task Force. A tipping point.

This booklet explains our progress to date and the critical point that we have reached. With the momentum and growing interest it is now receiving, the Task Force now has the potential to create fundamental change forever.

This booklet is designed in two parts

Part One gives the background and summarises the Task Force's progress to date.

Part Two explains the work we are now doing in more detail, through the formation of sub-groups. It also covers a summary and the key action points from the formal review that took in place in Bangkok during October 2015.



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Part One



The Task Force, Action Plans And Delivery

About

Established in July 2014, the Shrimp Sustainable Supply Chain Task Force (Task Force) is a leading international industry alliance including major US and EU retailers, Thai manufacturers, governments and NGOs.

Its aim is to drive fundamental change in the seafood industry by ensuring Thailand's seafood supply chain is free from illegal and forced labour through accountability, verification and transparency.

Its unique combination of stakeholders and growing membership means it already commands annual seafood purchases from Thailand exceeding \$10 Billion US and \$6 Billion EU.

And with a membership that now includes over 80% of Thai feed manufacturers, it's a powerful force for change.

The Task Force met in October for a formal face to face review and this booklet is written following the outputs of this highly productive session.

The Task Force, Action Plans And Delivery



Tackle
IUU
Fishing

SOCIAL

Key Issue

Allegations of human trafficking & forced labour in off-shore fishing vessels fishing International waters

ENVIRONMENTAL

Key Issue

Overfishing in Gulf of Thailand and Andaman Sea – depleted fish stocks – harming marine ecosystem

Approach

The Task Force takes a strategic approach. It recognizes that illegal and forced labour (human rights issues) and marine conservation problems are closely linked with illegal, unreported and unregulated fishing (IUU) and its objectives are set based on this fundamental understanding.

Accepting that there's a lot to do - short and longer term, it's a group focussed on action, strongly believing in a step-by-step and pragmatic approach. Its ambition is that its work is fully scalable and that, over time, its outputs will serve as replicable models for similar impact across the globe.

As it grows, The Task Force is introducing essential Governance and Terms of Reference that will help shape the membership and ensure the correct levels of oversight and due process are fully embraced. But this must never hinder the progress we make.

The Task Force has 3 Core Objectives



#1. Implement track and trace systems with international verification from vessel to feed mill.



#2. Drive Thai Port Codes of Conduct with international recognition.



#3. Drive fishery Improvement Projects - Gulf of Thailand /Andaman Sea.



- An independent, internationally recognised Feed Supply Chain Validation Programme for adoption by all.



- A successful vessel monitoring system (VMS) trial and roll out.
- A standard code of conduct model for Thailand - all ports, brokers and vessels. (Social compliance and traceability from vessel to feed mill.)
- New Fishery and labour law reform through lobby action.



- Successful Fishery Improvement Projects (FIP's).
- Fishery Pre-assessment Pre assessment – Gulf of Thailand & Andaman Sea - Business case, costings and suitable funding proposals leading to successful FIP programme implementation.

Deliverables

The Task Force, Action Plans And Delivery

Whilst we are considering a broader scope, all current activity is deliberately focussed on Thailand with three core objectives and deliverables:

Objective 1

Implement track and trace systems with international verification from vessel to feed mill.

The Deliverable

- An independent, internationally recognized benchmark industry supply chain model for adoption by all.

Why will this drive fundamental change?

- **Because nothing of this type currently exists in Thailand.** Whilst we recognize that this is not the be all and end all, by building a fit-for-purpose model created and rigor tested by the leading manufacturers and independent specialists, there will be a benchmark freely available for all to follow. It can then be used as the requirement for Thailand related purchases across the supply chain. And longer term we will have a concept protocol system that is scalable and adaptable for use worldwide.



The Task Force, Action Plans And Delivery

Objective 2

Drive Thai Port Codes of Conduct with international recognition.

The Deliverables

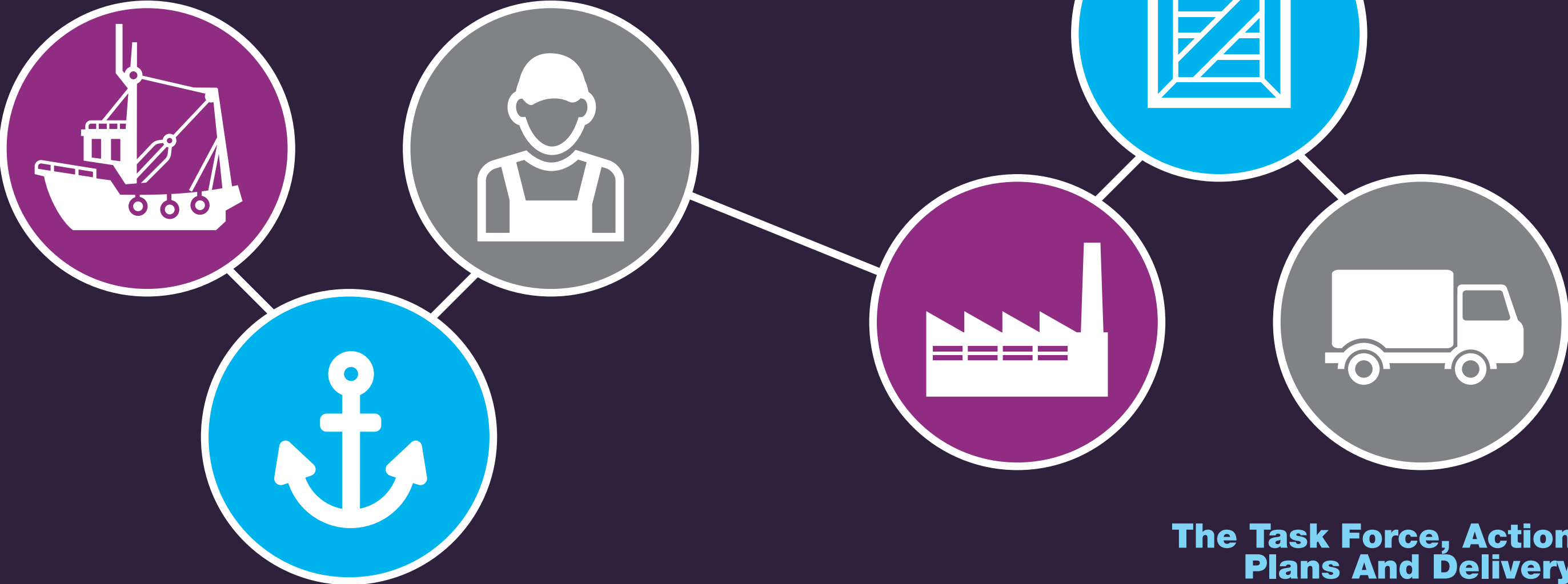
- A standard code of conduct model for Thailand – all ports, brokers and vessels – Social compliance and traceability from vessel to feed mill.
- A successful vessel monitoring system (VMS) trial and roll out.
- New fishery law and labour reform through lobby action.

Why will this drive fundamental change?

- **VMS is recognized by industry experts worldwide as an essential tool** for the comprehensive tracking of fishing vessels at sea. A combination of satellite technology and software that manages by exception can identify illegal fishing activity in milliseconds providing governments with the intelligence to react fast.
- **There is no current standard code of conduct in Thailand.** By creating a standard code written by experts and rigor tested for its practicality and suitability down to vessel level, we will have a powerful tool that can be utilized by all.
- **Current Thai Fishery Law is old and outdated.** New laws are being introduced and by influencing their content, we will have surety that they are truly fit for purpose.



"A Standard code of conduct model for Thailand - ports, brokers and vessels - Social compliance and traceability from vessel to feed mill"



The Task Force, Action Plans And Delivery





The Task Force, Action Plans And Delivery

Objective 3

Assist in driving Fishery Improvement Projects (FIP's) for the Gulf of Thailand and the Andaman Sea.

The Deliverables

- Successful fishery pre-assessment.
- Business case, costings and suitable funding proposals leading to successful FIP implementation.
- Credible 3rd Party Certification

Why will this drive fundamental change?

- **Industry experts recognize** that the key to long term sustainability of Thailand's seas sits with properly managed fisheries and that FIP's can provide the structure behind suitable reform.







What We've Delivered To Date

Objective 1

In our drive to implement track and trace systems with international verification from vessel to feed mill the Task Force has:

- **Successfully combined the strengths of all leading seafood manufacturers**, working together for the first time in history.
- **Appointed independent auditors** – UL to work with the membership in developing a robust and comprehensive Track and Trace programme.
- **Conducted the first round of supply chain audits** and is on target for completion by July 2016 by which time each and every vessel in the Task Force membership supply chain will have been fully audited.
- **Secured funding from NFI** - the United States industry trade group representing the seafood industry to help support vessel audit activity.
- **Secured funding via WWF** - and the Moore Foundation to support the electronic documentation gathering for our traceability work.



Objective 2

In our drive to develop Thai port Codes of Conduct with international recognition the Task Force has:

- Formed Vessel Watch – an action sub-group focussed on creating and implementing fit-for-purpose monitoring systems for social compliance codes of conduct and supply chain traceability monitoring. Vessel Watch is currently developing code of conduct and Auditable Standards with a code that will incorporate the entire chain - vessel | fishmeal plant | feed mill | farm and processor.



What We've Delivered To Date

- Researched VMS systems worldwide and shared its findings with the Thai Government.
- Worked with the Pew Charitable Trust and The Satellite Applications Catapult to scope a VMS trial for the Thai Government to fast track its ability to monitor illegal fishing activities - this with a view to rolling out the successful elements across the entire fleet following the trial period.
- Facilitated a UK research visit in May '15 for senior Thai Government and influential Thai Fishers to observe leading VMS technology in action and to visit a mixed fishery in the South West of England. The Thai Government delegation shared experiences of UK fishers who are leading an innovative fishing gear modification project – 50% Beam Trawlers modified fishing gear to reduce sea bed impact, non-target by-catch and improve fuel costs.
- Showed the Thai delegation how the Cornish Fish Producers Organisation (CPFO) has successfully represented Cornish fishermen in discussions with the regulators and how it has managed quota use with its members. This demonstrated to the Thai delegation the importance of scientists working together with fishermen and government.



Objective 2 (Cont.)

In our drive to develop Thai port Codes of Conduct with international recognition the Task Force has:

- **Planned a further senior Thai delegation visit to EU.** This follow-up from previous visit will focus on visit to Centre for Environment, Fisheries and Aquaculture Science (CEFAS) and Seafish in Grimsby.



What We've Delivered To Date

Lobbied the Thai Government regarding new fishery law which is now making significant headway. IUU Roadmap has now been issued by the Prime Minister with the following key points to note;

- Revisions to Fishery Act to increase IUU emphasis – Port State Measures Clause 61.
- 30 Port-in Port-out centres (including extensive spot check visits by the Task Force this year).
- Soft Loans being provided by the Government for vessel owners not able to achieve new license criteria.
- 2,000 vessels now fitted with VMS and fully operational – 15 people in control centres and 18 provinces active.
- MoU's with neighbors' in progress - for information exchange
- Flag State and Port Measures – Thai Fishers operating anywhere in the World will now be held to account.
- New set of laws drafted for Royal Approval – September '15.
- **Presented the progress of the Task Force to DG MARE** in Brussels (in light of Yellow Card) and the Task Force has been asked to revisit with an update.
- **Conducted four rounds of fishermen interviews in Thailand** – last 18 months – Songkhla Port (Thai Overseas Fishery Association – TOFA) and Fishing Association of Mae Klong Port seeking to understand the situation from the fisher's point of view.





What We've Delivered To Date

Objective 3

And in our drive to assist in driving Fishery Improvement Projects (FIP's) for the Gulf of Thailand and the Andaman Sea the Task Force has:

- **Helped to bring together eight seafood industry associations in Thailand** to form the Thai Sustainable Fisheries Roundtable (TSFR).
- **Worked with the TSFR to engage directly with the Thai Government.** Since January 2015, TSFR has been granted direct access to the Prime Minister.
- **Worked with TSFR and NGOs – WWF and the Sustainable Fish Partnership (SFP)** to drive the initial pre-assessment work for the Andaman Sea and the Gulf of Thailand.
- **Worked with TSFR to deliver the pre-assessment work required.** Preliminary assessment for the Andaman Sea now been completed by MRAG.
- **Scheduled a follow up Task Force session with TSFR in November '15 - BKK** to review progress and to discuss business case / presentation requirements for funding discussions next year.



Part Two



Step-Changing Our Action Plans Following The October 2015 Review

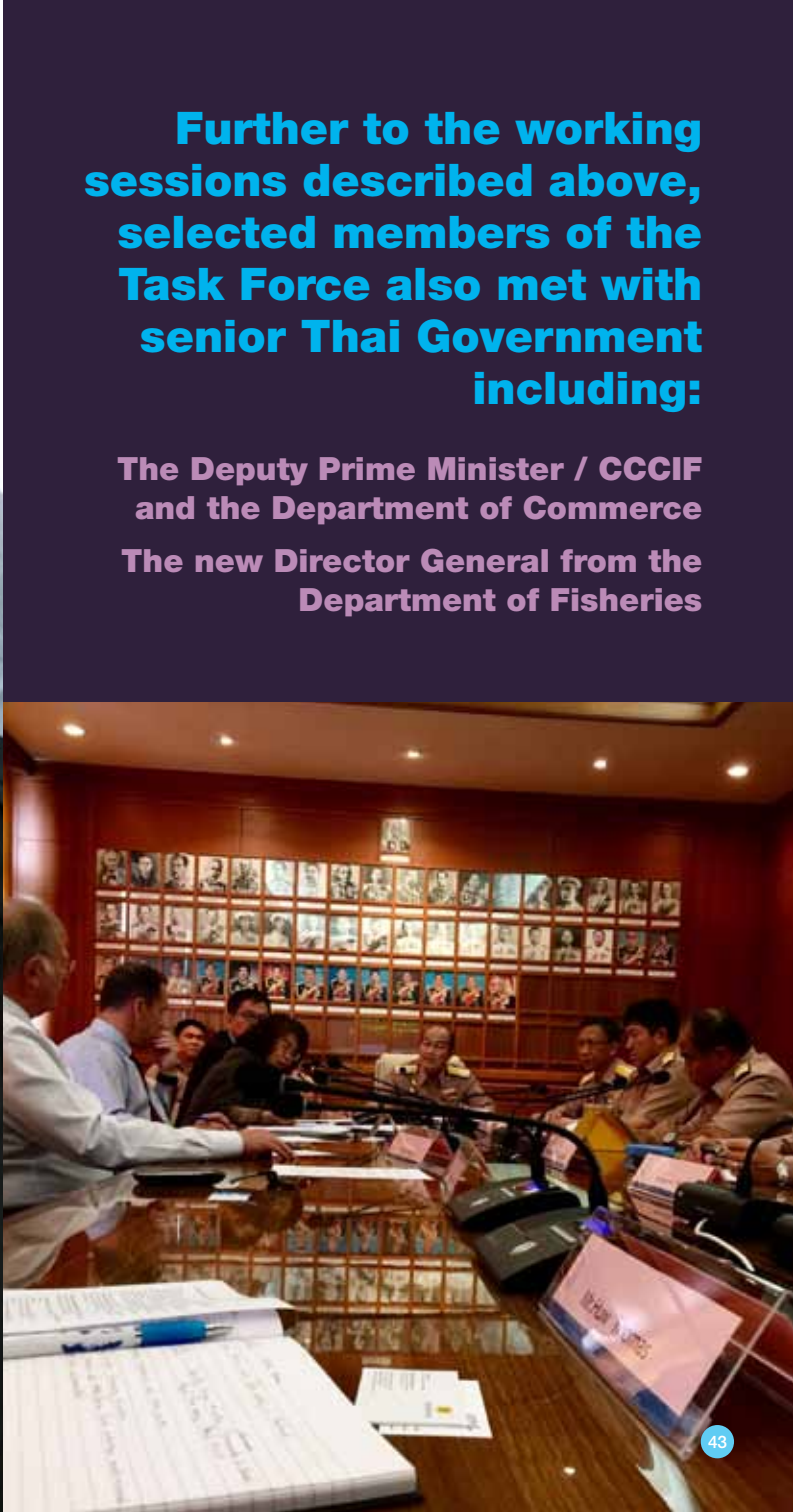
In October, the membership held its inaugural face-to-face progress review in Bangkok.

Alongside comprehensive membership participation (40 members), the Task Force benefitted from guest attendances including the US State Government, Verite and the International Labour Organization (ILO).

This week-long series of interactive working sessions included;

- Full on-boarding for new members.
- Strategy sessions to define the direction of the Task Force - short and longer term.
- The formation of action-oriented sub-groups to accelerate the delivery of initial phase objectives.
- The formation of fit-for-purpose Governance and Terms of Reference with full membership participation.
- The creation of a sub-group focused on credibility and improvement which will, over time, recommend to the membership the appropriate level of independent verification and validation needed in its processes to ensure credibility of the Task Force's work and continuous improvement in its processes.
- Member and guest presentations including WWF, Sodexo and the Tim Moore of Oceans & Fisheries Partnership.

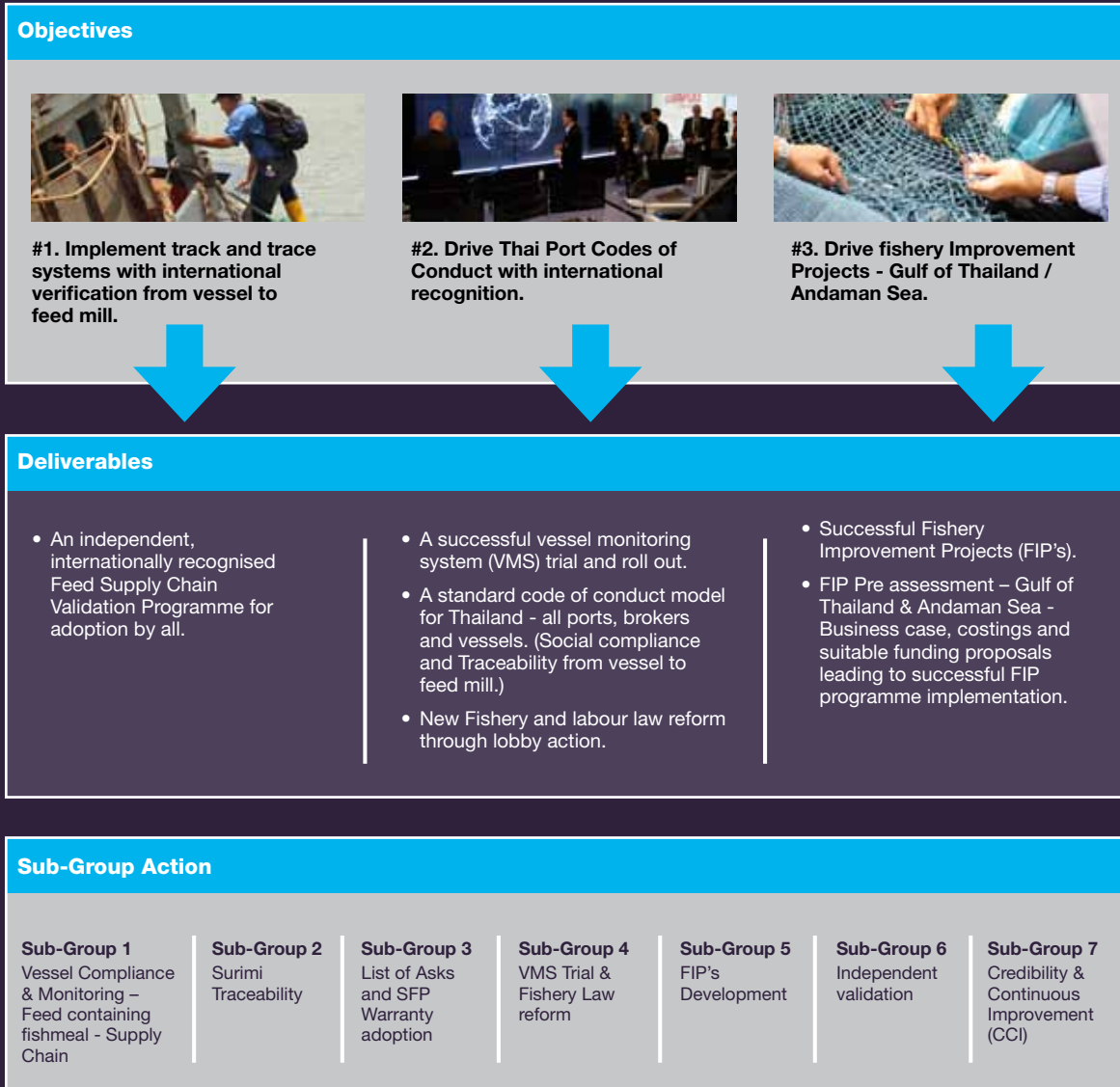




Further to the working sessions described above, selected members of the Task Force also met with senior Thai Government including:

- The Deputy Prime Minister / CCCIF and the Department of Commerce**
- The new Director General from the Department of Fisheries**

Putting Objectives, Deliverables and Sub-Group Action into Context



The Formation Of Sub-Groups

The Task Force is now exploiting the extensive horsepower of its membership through formation of powerful sub-groups. It is moving from a few doing a lot to a lot doing a lot.

Each sub-group is now tasked with a specific brief and accountable to the membership for the delivery of specific, measurable and timely goals.

There are six sub-groups focussed on delivering individual work plans geared to ensure the Task Force meets its three core objectives.

And there is an additional sub-group focussed on Governance and Terms of Reference.



Details Of The Six Sub-Groups Activity

Sub-Group 1 Vessel Watch

Sub-Objectives

- Create an independently accredited Social Compliance Code of Conduct for vessels, ports and labour providers within the seafood supply chain.
- Create an independently accredited Supply Chain Traceability Monitoring Programme.
- Create and implement fit-for-purpose monitoring systems for the social Compliance Code of Conduct and the Supply Chain Traceability Monitoring Programme.

Scope

- Social Compliance and Traceability from vessel to port to feed mill.

Key Milestones

- Raw material supply chain sources; by-product completed by Q1 '16.
- Independent, internationally recognized Feed Supply Chain Validation Programme for adoption by all – July '16.







Details Of The Six Sub-Groups Activity

Sub-Group 2 Surimi & Traceability

Sub-Objectives

- Conduct surimi processor traceability and compliance audit using UL Protocol.

Key Milestones

- Raw material supply chain sources for Surimi completed by Jan '16.
- Incorporation of surimi into independent internationally recognized Feed Supply Chain Validation Programme for adoption by all – July '16.



Details Of The Six Sub-Groups Activity

Sub-Group 3 List of Asks and Control Document

Sub-Objectives

- The ensure that all members of the Task Force (with supply chain responsibilities) embrace and enforce the Task Force List of Asks through the SFP Control Document.

Key Milestones

- Signature and inaugural adoption of Control Document – Q1 '16



Details Of The Six Sub-Groups Activity

Sub-Group 4 VMS Trial & Thai Fishery Reform

Sub-Objectives

- Encourage the Thai Government to exploit world-leading VMS technology to demonstrate how it can help with cost-effective monitoring and detecting of illegal fishing in the Gulf of Thailand and the Andaman Sea.
- Drive the Implementation of a VMS trial to facilitate learnings that can be incorporated into a broader roll out.
- Lobby and engage with senior Thai Government, helping to drive the successful introduction and implementation of the new fisheries act.
- Share knowledge and experiences from other fisheries from around the world that have faced similar challenges.

Key Milestones

- Pilot design and preparation – Oct '15.
- MoU between DoF, Catapult and Pew – Nov '15.
- Pilot Implementation – November – Jun '16.
- Trial assessment – Aug '16.
- Task Force Follow up with Thai Government re Fishery Act – Nov '15.
- Follow up EU Government visit – senior delegation of Thai Government to visit Europe to look at Scientific/ Fishing Associations / Governance in the area of Conservation of Fishing Grounds – Feb '16.



Details Of The Six Sub-Groups Activity

Sub-Group 5 Fishery Improvement Projects (FIP's) Development

Sub-Objectives

- To support the TSFR* in the planning and implementation of FIP's through FIP pre assessment – Gulf of Thailand and Andaman Sea.
- To support TSFR in planning of the business case, costings analysis and suitable funding proposals leading to successful FIP Implementation.

Key Milestones

- Pre assessment initial scoping document and report prepared by MRAG for Andaman Sea - Sep '15 (Gulf of Thailand pre assessment to follow)
- Report on baseline study - socio-economic – artisanal fishing – Dec '15
- Final scoping documents – Dec '15
- FIP framework finalized – Mar '16
- Final FIP action plan – Apr '16
- Business case proposals ready for initial presentations – Q2 '16
- Business case presentations for funding – Q3 '16
- Target for initial funding in place – Q4 '16.

**NOTE: This work is being led by Thai Sustainable Fisheries Roundtable (TSFR) in Thailand of which members of the Shrimp Sustainable Supply Chain Task Force are actively involved.*



Details Of The Six Sub-Groups Activity

Sub-Group 6 Independent Validation

Sub-Objectives

- To recommend to the membership, the appropriate level of independent verification and validation required in its processes to ensure credibility of the Task Force's work and continuous improvement in its processes. This will be done through a combination of credible partnerships (established through a stakeholder mapping exercise), 2nd party and process checks, and gap analysis.

Scope

- Both local and western representation of labour with the interests of migrant workers an essential element.

Key Milestones

- Establish stakeholder criteria and complete stakeholder mapping - Q4 '15 - Q1 '16
- Draft verification and validation processes - Q1 '16
- Draft outcome KPI's - Q1 - '16.



Fit-For-Purpose Governance and Terms Of Reference

During the October review in Bangkok, detailed consideration was given to the development of robust Governance and suitable Terms of Reference for the Task Force. A 'strawman' was presented to the membership for consideration by a seventh sub-group who were tasked with the following objectives:

Drafting robust Governance and Terms of Reference for the Task Force.

Developing clear criteria and obligations for Task Force members.

Proposing effective mechanisms for stakeholder engagement.

... focal point serves as the coordinating
... independent of the membership, and are
... retariat services which are paid from the

... structures and controls will be subject
... steering Committee or exceptionally at the
... membership to ensure they remain

Full Consideration Was Given To;

- **The purpose & objectives** of the Task Force and how its activities help address illegal, unreported and unregulated fisheries and labour abuse in Thai shrimp supply chains.
- **The Governance structure of the Task Force** and how decisions are made and commitments executed in an efficient and transparent manner.
- **How the Task Force sub-groups operate** to deliver high quality outputs against clear, time-bound objectives.
- **The process for new members joining** the Task Force, including their commitments to supporting agreed objectives.
- **Clarifying how decisions are made** and progress communicated to internal and external stakeholders.
- **How the perspectives and priorities of external stakeholders are heard** and reflected in our work.
- **How sufficient resources are secured** to support our work against the priorities agreed.
- **The process for communicating internally and externally** in a clear, concise and accurate manner.
- **How we act in the best interests of the sector** and its stakeholders and observe regulations pertinent to initiatives such as the Task Force.

In Summary The Governance Sub-Group Proposed:

An outline Governance structure including the formation of a Steering Committee and the sub-groups described above.

Clear Terms of Reference outlining the scope of our work and the principles and procedures by which we operate.

A secretariat to co-ordinate and support Task Force activities.

An annual review to ensure we are meeting our commitments on an ongoing basis.





Next Steps For Task Force Governance

Following consultation with Task Force membership at our October meeting in Bangkok, the Governance sub-group is currently tasked with:

- Drafting a final structure for the membership review and legal approval
- Developing a process for the election of Steering Committee members
- Clarifying members commitment to the Task Force.

These tasks will be completed and shared with Task Force members during December 2015, with a view to confirming the structure and appointments of Steering Committee members and sub-group participants by the end of Q1 - 2016.





The Task Force And Its Journey To The Future

Opportunities, aspirations, headlines and common themes.

The October review provided membership an opportunity to consider Task Force ambitions not only in the short term but for two years and beyond.

Apart from Governance, healthy debate included questions around the naming of the group and scope beyond shrimp, geography and species.

It was generally agreed that the Task Force must focus on successful completion of its original three objectives but that naming and scope should be formally considered and developed following the successful election and confirmation of elected chair and Task Force Steering Committee in Q1 2016.

