

# COUNTRY PROJECT Presentations

Integrated Assessment of Trade-Related Policies in  
the Agriculture Sector and Biological Diversity

*Geneva, 18-20 March 2009*

# FOCUS OF THE ASSESSMENT



Focus :

Trade policy :

International trade liberalisation, known as EPA, on shrimp farming sector.

Related secondary norms :

National action plan on fisheries and aquaculture (Plan directeur de la pêche et de l'aquaculture), Ecolabelling.

# FOCUS OF THE ASSESSMENT (cont.)



## Sector:

Semi-intensive shrimp farming.

## Geographical location:

Information coming from all the farms in Madagascar.

Ex ante assessment (International trade of malagasy shrimps still under interim agreements regime)

# METHODOLOGY

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**Documentary analysis** : using pre existing quantitative data.

**Interviews** : collecting qualitative information from governmental and non governmental organisations (MAEP, MECI, GAPCM, WWF, OFC, ASH).

**Workshops** : Discussing and assessing data and analyses.

## METHODOLOGY (cont.)

<b>Criteria</b>	<b>Indicator</b>
<b>Shrimps' prices in the market.</b>	<b>Sales prices on national products and other products.</b>
<b>Production cost</b>	<b>id</b>
<b>Behaviour of consumers.</b>	<b>Preferences of consumers towards high quality products.</b>
<b>Number of employees.</b>	<b>id</b>

# METHODOLOGY



<b>Criteria</b>	<b>Indicator</b>
<b>Social conflicts and control.</b>	<b>Nature, size (number of individuals involved), Frequency of conflicts related to shrimp farming activities.</b>
<b>Migration (local and regional)</b>	<b>Number of migrants.</b>
<b>Application of the code of labour :</b>	<b>Minimum wage, age minimum of workers, working time, etc.</b>

# METHODOLOGY



Criteria	Indicator
Surface of cut mangroves.	Evolution of surfaces of cut mangroves.
Spatial Dynamics of mangroves	Variation of mangroves surfaces.
State of the biodiversity	Present losses (of species, etc.)
Contamination of external environment.	Chemical outputs contaminating external environment.
Occurrence of diseases.	Diseases affecting external environment.
Service provision by mangroves/other vegetation around.	Services provided by mangroves/other vegetation.
(*)Existence of an environmental charge book.	Existence and content (existence of a monitoring structure/ treatment of secondary outputs).
(*)Existence of an EIA	Id.

# METHODOLOGY



- **Baseline : status quo**
  - Under interim agreements' regime: extension hasn't been signed yet, meaning that tariff preferences permitted by ACP are still valid;
  - French norms : «label rouge» and «agriculture biologique»;
- **Scenario 1 : Liberalisation (EPAs)**
  - EPAs should have been signed in 2008, but no agreement was reached. Date of effective application unknown;
  - Unavoidable future loss of tariff preferences, unless shrimps are classified as « sensible products ».
- **Scenario 2 : EPA + Ecolabelling**
  - Ongoing process including WWF and GAPCM;
  - Larger geographic scale validity than previous norms.

# Results of the Integrated Assessment



Indicator	Status quo	EPA	Ecolabelling
Production cost	High PC per Kg : 8,32 € à 9,83€ in 2006		Increasing costs -updating process : 0,2 € per m2 -complete process : 250-2000 \$
Sales' prices	Exportation to European market : expensive : 15 €	Increasing prices ( taxes: around 5,1% of the value of the products)	Unchanged prices (« marché de niche »).
Consumers' behaviour.	Preferences towards bio products/malagasy shrimps.	Changing preferences in favour of cheaper shrimps.	Unchanged preferences.
Number of employees.	Reduction of number of employees.	Increased reduction.	Limited reduction

# Results of the Integrated Assessment (cont.)



<b>Status quo</b>	<b>EPA</b>	<b>Ecocertification</b>
<b>Numeric domination of immigrants</b>	<b>Reduction/disappearance of immigration</b>	<b>Id. status quo or reduction</b>
<b>Non compliance with local tradition (taboo, etc.).</b>	<b>Id.</b>	<b>Id.</b>
<b>Non respect towards local social hierarchy.</b>	<b>Id.</b>	<b>Id.</b>
<b>Conflicts on NRs using rights between community members.</b>	<b>Id.</b>	<b>Id.</b>
<b>Landuse conflicts between farms and local population.</b>	<b>Disappearance, but possible new conflict on access to lands abandoned by farms.</b>	<b>Id.</b>
<b>Generations' conflict.</b>	<b>Reduction but more insecurity due to job losses and weakening of social control.</b>	<b>Id.</b>

# Results of the Integrated Assessment (cont.)



<b>Status quo</b>	<b>EPA</b>	<b>Ecocertification</b>
Gap between rich and poor.	Reduction.	id. status quo or increasing
Empowerment and social participation.	Reduction/disappearance.	Improvement.
Development Partnership research initiatives and capacities.	Id.	Id.
Creation/improvement of scholar and sanitary infrastructures.	Id.	Id.
Flow of immigrant workers.	Unemployment, delinquency, insecurity.	Id. Status quo or reduction.
Respect of labour code : 20days of work / 10 days of rest.	Worsening (if farms remain).	Improvement.

# Results of the Integrated Assessment (cont.)



	Status quo	EPA	Ecolabelling
Spatio dynamics of mangroves	Low rate of cutting trees.	More cutting risks.	Enhanced protection.
State of the biodiversity of mangroves.	Growing utilization rate of wood products.	Wild intensification.	Intensification but more control.
	« Normal » fishing effort for crustacean and other resources.	Enhanced production rate.	Id.
Contamination of external environment.	Lower salinity causing the disappearance of mangrove tree species.	Recovering normal salinity.	Low changes of salinity.

# Results of the Integrated Assessment (cont.)



Contamination of external environment	Less salinity causing massive disappearance of mangrove tree species.	Reduction to disappearance	Low risk
	Eutrophication of water (more C, N, P), shrimps' faeces provoking the proligeration of toxic algae, <i>d'Avicennia marina</i>	Id.	Id.
Existence of diseases.	No diseases (or increasing risks due to « wild farming ».	No diseases.	Id.
Ecological service provided by mangroves/vegetations around.	Perturbation of habitats of diverse species.	More perturbation due to trees explotation.	Controlled and monitored perturbation.

## Results of the Integrated Assessment (cont.)



- Contradictory views about small-scale farming's integration;
- Reproduction cycle of shrimps seriously endangered by traditional fisheries ;
- Despite present crisis, at least one shrimp company seems to have no difficulties ;
- EPA regime might be avoided if malagasy shrimps are classified "produits sensibles".

# POLICY RECOMMENDATIONS



Policy recommendation	To Whom	Problems addressed
Fasten ecolabelling process.	Ministries (MAEP, MEFT, etc.).	Exclusion of some investors.
Enhancing fiscal political incentives.	Ministry of finances.	High production costs.
EPA related structures creation.	Ministries and investors.	Predation of mangroves caused by EPA.
Creation of legal norms for shrimp food's local production.	Universities, Ministry of Agriculture (MAEP).	Expensive imported food. No efforts to exploit valuable local raw materials for food production.
Enhanced security of investments.	Ministries	

# POLICY RECOMMENDATIONS (cont.)



Policy recommendation	To Whom	Problems addressed
Researchs on local food production.	Universities, MAEP	Expensive imported food. No efforts to exploit valuable local raw materials for food production.
Identification of environmental factors and farming parameters to maintain the « premium character » of malagasy shrimps.	Id.	Consumers' preferences might turn to cheaper shrimps.
Reasearchs on involvement of small farmers.	Id.	High potential of unexploited areas Vs. High monopoly risks.

# ACTION PLAN



Recommendations which should have priority	Why?	What actions need to be taken to implement the prioritised	Which actors	time frame	immediate actions that could be taken in the next months
Fasten ecolabelling process.	The State doesn't influence the ecolabelling process despite it's positive impacts (social and environmental).	Promote State's effective involvement .	Steering committee for ecolabelling.	???	Cf. Mrs. Alice, member of the SC and director of aquaculture.

# ACTION PLAN (cont.)



Recommendations which should have priority	Why?	What actions	Which actors	time frame	immediate actions that could be taken in the next months
Monitoring impacts of commercial policies on biodiversity.	Overexploitation of shrimps may increase if measures like ecolabeling /tax free inputs, etc. create substantial benefits.	Create and initiate a monitoring system.	Concerned Ministries (MAEP, MFB, MEFT et MECI), GAPCM, environmental NGOs.	End of June 2009	<ol style="list-style-type: none"> <li>1)Workshop to create the monitoring structure.</li> <li>2)Legal creation.</li> <li>3)Physical installation of the monitoring structure.</li> <li>4)Training for the employees.</li> </ol>

# ACTION PLAN (cont.)



<p>Create a specific shrimp component inside the new national action plan.</p>	<p>The last action plan (2004-2007) should be assessed before designing the next.</p>	<p>Involve the results of the present IA in the next action plan.</p>	<p>MAEP, MEFT, Ministère de l'aménagement du territoire.</p>	<p>Sep 2009</p>	<p>1) Create a joined committee inside MAEP to deal with action plan, 2) Plan and organise working sessions to incorporate social and environmental norms in shrimp aquaculture's expansion plan (national and regional workshops, diffusion of results, local actors' empowerment, etc.).</p>
<p>Integrate those strategies into local development action plans (PRD, PCD).</p>	<p>Nothing has been done yet.</p>			<p>End 2009</p>	

# Achievements and Constraints



## The most important achievement of the project:

Malagasy shrimps have to incorporate social and environmental values in order to hope maintaining the rate of sales on international market, because otherwise, too high production costs affect their competitiveness compared to other Countries' production (China, for ex.).

## The most important constraint experienced during the project:

The gap between actors and stakeholders dealing with shrimp aquaculture sector is so large that the "integrated dialogue" is difficult, particularly about social (difficult access to ecolabelling, State's role in fighting monopoly) and environmental benefits (integration of small farmers into national-international market, promoting mixed aquaculture combining shrimps with other products, etc.). The domination of the private sector makes the dialogue more difficult.