



IDH Aquaculture program in Indonesia

Indonesia is the second largest country in terms of total aquaculture production. The government recognizes the importance and benefits of aquaculture and has consequently set ambitious targets for 2030: the sector can expand up to 12 million hectares, and the most species are expected to grow with 8,5% annually. Although this expansion is considered necessary to meet the future demand for fish, the growth of the sector should remain within environmental and social limits. IDH contributes to the goal of sustainable growth by piloting an aquascape approach.

Since 2010 IDH is orchestrating change towards responsible aquaculture. We co-founded the ASC together with WWF and accelerated ASC certification. We upgraded 630.000 MT, an equivalent of 250 Olympic swimming pools, of shrimp, tilapia and pangasius production towards sustainability.

IDH, The Sustainable Trade Initiative

IDH brings together businesses, companies, governments and NGOs to combine their interests and power in sustainable production and trade of tropical commodities. We co-finance new approaches to sustainable production and trade, and when successful organize new financial arrangements that mix public and private investments to scale them. By working together with companies, we ensure that new models are economically viable and replicable. We make sure there is sufficient demand for sustainable products.

We are endorsed and (financially) supported by numerous European governments and global institutions. Our head office is in the Netherlands. The goal of the [IDH Aquaculture Program](#) is to **develop** and **mainstream** responsible aquaculture that feed people and has social benefits and low environmental impact. We focus on the top 2 challenges in the sector: diseases and feed related issues.

Diseases result in loss of income, waste of inputs, water pollution and irresponsible practices like the excessive use of antibiotics. Diseases hamper producers to think long term, as disease occurrence threatens their long-term business. As a result, investors are reluctant to make long term (sustainable) investments.

Feed is most often the biggest cost in aquaculture production, but it is often used inefficiently. Feed often consists of marine ingredients such as fish oil and fish meal, which may be caught through illegal, unreported and unregulated practices (such as overfishing or illegitimate labor practices on vessels).

Aquascapes

Building on experiences with our [landscape](#) and [commodity](#) programs we are developing **aquascapes**. A geographical area where aquaculture farmers are connected through proximity, jurisdiction or by using the same water.

In these aquaculture areas, we improve production by strengthening **partnerships** as to develop joint strategies that tackle diseases and feed-related issues. We organize cooperation between (e.g.) producers, input suppliers, service providers and local governments and in the supply chain with traders, brands and retailers. We support **innovation** by promoting the use of

technology and data to increase sector efficiency, traceability and transparency.



By strengthening **partnerships** and **innovation** we can reduce production risks, hence attracting **investments**. Together with financial institutions we can share risks and increase the profitability of an aquascape.

At the same time we encourage **market recognition** of better aquaculture areas, leading to **Verified Sourcing Areas** which enable buyers to effortlessly source sustainable products.

Track record in Indonesia

IDH previously partnered with **WorldFish** in Aceh to support the Aceh Aquaculture Cooperative (AAC) of shrimp farmers and its members. The project improved the commercial and technical capacity of the AAC to deal with loans and with shrimp. The AAC received a loan from the Rabobank Foundation for distributing credits to farmers, and the cooperative managed to fully repay the loan and acquired a second loan thereafter.

We learned in this project that the gap between smallholder farmers and financial institutions can be bridged if the right assistance is provided; that proper data collection has led to improved knowledge on farmer practices and productivity; and that there are also considerable challenges to

Partners

Private

Aceh Aquaculture Cooperative

Public

OJK, Otoritas Jasa Keuangan
Ministry of Maritime Affairs and Fisheries of Indonesia

Other

Walton Family Foundation
Hatfield Consultants
Longline Environment
Sustainable Fisheries Partnership

connect smallholder farmers to the international market.

Current Program in Indonesia

Building on these experiences our Aquaculture Program in Indonesia is focused on bridging the gap between financial institutions and the aquaculture sector. Currently financial institutions are reluctant to invest in aquaculture, as it is considered too risky.

IDH received a grant from the **Walton Family Foundation** to write Investment Guidelines for Sustainable Aquaculture, to be adopted by the OJK, the financial authorities of Indonesia. The guidelines explain the risks of the shrimp industry, as well as propose solutions on these risks, and present financial models that mitigate the main risks in aquaculture.

The financial models developed under the guidelines are currently prototyped in East-Java, again under a grant of the Walton Family Foundation. Together with companies, the government and farmers we customize a financial model for one regency and one type of farming.

IDH partners with Conservation International, Longline Environment, and the Sustainable Fisheries Partnership to construct a public private partnership platform for sustainable shrimp in Bagyuwangi.

IDH also aims to lower risks of shrimp farming by plugging in technological solutions at the farm level. Simultaneously, IDH expects to collaborate with individual producers and data companies in Indonesia by linking them to top epidemiological expertise to professionalize the aquaculture industry.

With these efforts we aim to expand the aquaculture sector in Indonesia within environmental and social boundaries.

More Info?

Please contact the Director for Aquaculture, Flavio Corsin Corsin@idhtrade.org
www.idhsustainabletrade.com/sectors/aquaculture/