CHAPTER

03

Ecolabelling in Fisheries: Boon or Bane in Improving Trade?

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Introduction

This document is a collation of information, mainly from FAO documents on fisheries ecolabelling (FAO, 2001; Sainsbury, 2010; Washington and Ababouch, 2011). Fish is one of the most highly traded commodities in the world, and as a natural resource, there is worldwide concern about long-term sustainability of the resources. Ecolabels are a new and growing feature of international fish trade and marketing. They have emerged in the context of increased demand for fish and seafood, and a perception that many governments are failing to manage the sustainability of marine resources adequately. Many mechanisms to ensure the sustainability of fish stocks have been introduced by international bodies which are binding on national governments. These include:

- The United Nations Convention on the Law of the Sea (UNCLOS) (1982);
- The FAO Code of Conduct for Responsible Fisheries (the Code) (1995);
- The United Nations Fish Stocks Agreement (1995); and
- Various regional fisheries management organizations (RFMOs).

The RFMOs facilitate international cooperation at the regional level for the conservation and management of highly migratory and straddling fish stocks. At the national level, governments are attempting to embed the principles and goals of the Code– now in its second decade of implementation – into their national fisheries management policies (FAO, 2009a). However, they are having varying degrees of success. Disappointment with the pace of regulatory measures to curb overfishing and to improve fisheries sustainability has led environmental groups to develop alternative market-based strategies for protecting marine life and promoting sustainability. These private market mechanisms are designed to influence the purchasing decisions of consumers and the procurement policies of retailers selling fish and seafood products, as well as to reward producers using responsible fishing practices. Ecolabels are one such market-based mechanism.

The FAO Guidelines for the Ecolabelling of Fish and Fishery Products from Marine Capture Fisheries state that voluntary standards, including environmental standards, should not distort global markets and should not create unnecessary obstacles to international trade. Under the general principles and definitions, they state that any ecolabelling scheme should be consistent with inter alia the World Trade Organization (WTO) rules and mechanisms.

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What is an Ecolabel ?

Ecolabelling is a market-based tool to promote the sustainable use of natural resources. Ecolabels are seals of approval given to products that are deemed to have fewer impacts on the environment than functionally or competitively similar products. The ecolabel itself is a tag or label placed on a product that certifies that the product was produced in an environmentally friendly way. The label provides information at the point of sale that links the product to the state of the resource and/or its related management regime. Sitting behind the label is a certification process. Organizations developing and managing an ecolabel set standards against which applicants wishing to use the label will be judged and, if found to be in compliance, eventually certified. The parent organization also markets the label to consumers to ensure recognition and demand for labelled products. The theory is that ecolabels provide consumers with sufficient information to enable them to recognize and choose environmentally friendly products.

A range of ecolabelling and certification schemes exists in the fisheries sector, with each scheme having its own criteria, assessment processes, levels of transparency and sponsors. What is covered by the schemes can vary considerably: bycatch issues, fishing methods and gear, sustainability of stocks, conservation of ecosystems, and even social and economic development. The sponsors or developers of standards and certification schemes for fisheries sustainability also vary: private companies, industry groups, NGOs, and even some combinations of stakeholders. A few governments have also developed national ecolabels.

The first fisheries ecolabelling initiatives appeared in the early 1990s and were largely concerned with incidental catch, or bycatch, during fishing. For example, the “Dolphin-Safe” label was based on standards developed by the United States NGO Earth Island Institute and is focused on dolphin bycatch in the tuna industry (rather than the sustainability of tuna stocks).

Marine Stewardship Council (MSC)

One of the first scientifically developed ecolabelling schemes, the MSC was set up by the WWF and Unilever in 1997, but has been independent of them for more than ten years. The MSC is arguably the most comprehensive fisheries certification scheme in that it covers a range of species and deals with all aspects of the management of a fishery. MSC sets the standard for the ecolabel through its board, supported by a Technical Advisory Board.

The MSC has qualified for membership of the ISEAL (International Social and Environmental Accreditation and Labelling Alliance) as being consistent with its “Code of good practice for setting social and environmental standards”. The MSC has two standards: on “sustainable fishing” and on “seafood trace ability”. The MSC owns the standards against which independent third-party certifiers assess conformance. Its “Fisheries Assessment Methodology”, and “standardized assessment tree” focus on three pillars: independent scientific verification of the sustainability of the stock; the ecosystem impact of the fishery; and the effective management of the fishery. All three pillars are assessed on the basis of a range of indicators. Aspects related to the species, the fishing gear used, and the geographical area, are all included in the assessment. A study by Caswell and Anders (2009) concluded that it is the scheme most often referred to in the seafood industry media,

and has variously been described as the "industry standard". Another recent study (MRAG, 2009) revealed that a significant number of retailers and brand owners refer to the MSC in their sea food sustainability procurement policies.

Some 150 fisheries around the world are engaged in some stage of the MSC assessment process (including pre-assessment) (MSC, 2009). Fifty-six fisheries have so far been certified. The MSC claims to cover "about 7 per cent of the annual global wild harvest" of fish and seafood, accounting for 42 per cent of the global wild salmon catch and 40 per cent of the global white fish catch. However, not all fish from a certified fishery will end up with the MSC label attached. The actual volume of MSC-labelled product on the market as a proportion of overall traded fish products is likely to be considerably less significant in terms of global trade. While there are no robust statistics on the proportion of MSC-labelled products on the global market, FAO estimates suggest that the volume of MSC- labelled products on the market may only be statistically significant in the context of specific European markets. Ina study carried out for FAO in 2007, Poseidon Ltd. estimated MSC products as then accounting for 0.3 per cent of globally traded seafood by value. Sales of MSC-labelled fish and seafood of an estimated US$1.5 billion is minor when seen against a fisheries commodity market amounting to US$101 billion in global export sales (FAO, 2010).

As of late 2009, more than 2 500 MSC-labelled products were available on the market (MSC, 2009); this is double the number (1 200) on sale at the beginning of 2008,and more than four times the number (600) available in early 2007,24 showing just how dynamic the market for certified fish and seafood is. Today, MSC products are sold in52 countries around the world.

Friend of the Sea

Friend of the Sea (FOS) has its origins in the Earth Island Institute. Set up in 2006, its founder is also the European Director of Dolphin Safe. It covers both wild and farmed fish and its criteria also include requirements related to carbon footprint and "social accountability". Certification is based on the sustainability of the stock, rather than whether the fishery is sustainably managed. Its certification methodology is based on existing official data in terms of stock assessment. Friend of the Sea says it will not certify stocks that are "overexploited" (based on FAO definitions of levels of exploitation), fisheries using methods that affect the seabed and those that generate more than 8 percent discards. Certification is undertaken by independent third-party certifiers. Friend of the Sea claims to be "the main sustainable seafood certification scheme in the world" covering some 10 per cent of the world's wild capture fisheries. It should be noted that 80 per cent of the 10 million tonnes of landed FOS certified product from capture fisheries (8 million tonnes) comes from Peruvian anchovies. Again, it is unclear what proportion of that product ends up as labelled products for retail sale. There are about 600 FOS products (including fish oil and omega-3 supplements) sold in 26 countries28 and covering 70 species both from wild capture and aquaculture.

Marine Aquarium Council

The Marine Aquarium Council (MAC) was established in 1998 and by 2001 had adopted a standard and process to certify the wild capture and subsequent treatment of fish for the ornamental aquarium trade. In 2004, a standard for live fish for human consumption was developed because many of the operators and communities involved with the aquarium trade are also involved in the

trade of live fish for consumption. However, this standard for live fish for human consumption was not formally adopted by the MAC and no fisheries have been certified for this trade.

Other NGO schemes

Other NGO-driven schemes include KRAV, a Swedish NGO that specializes in organic farming but which has recently developed a "standard for sustainable fishing" and Naturland in Germany also with a background in certifying organic farmed seafood but now with a "Scheme for the Certification of Capture Fishery Project", which includes social, economic and ecological sustainability criteria. To date, Naturland has only certified one fishery (Nile perch from Buboka in the United Republic of Tanzania).

Fishing company in-house ecolabels

A few individual fishing companies have created their own ecolabels. For example, the Spanish group Pescanova, one of Europe's largest fishing companies, which fishes globally and has interests in the processing sector, has created a logo that appears on a limited range of its packaged products. The logo states that the fish concerned has been caught in a way that "preserves the aquatic and marine ecosystem for maintaining the quality, diversity and availability of fish resources for today and future generations". This in-house scheme claims to be based on the Code.

Fishing industry association ecolabelling schemes

The Japan Fisheries Association, an umbrella group for some 400 fishing companies, founded the Marine EcoLabel- Japan (MEL) in December 2007. The MEL operates as a non-profit part of that association. It could be seen as a response to a developing interest in ecolabelled fish and seafood in the Japanese market. Indeed the stated rationale behind the label was to "respond to the situation proactively and establish their own ecolabelling scheme, which is most suitable to the situation of the Japanese fisheries". As of January 2010, only three fisheries have been certified to the fledgling label. It is likely to have significance only in the Japanese market.

Public ecolabelling schemes

Recently, some public authorities, most notably the Government of France and Iceland, have set up their own ecolabels. The Government of France has chosen to create its own national ecolabel and related certification scheme. This decision was based on a feasibility study undertaken in 2008 by the French authority, FranceAgriMer. As part of that process, it examined existing private ecolabels, including for consistency with the FAO Guidelines for the Ecolabelling of Fish and Fishery Products from Marine Capture Fisheries. It concluded that, of the existing ecolabels, only the MSC was fully compliant with those guidelines. However, it also concluded that the MSC model would not fit all fisheries. It decided to adopt a public framework to meet the needs of its fishing industry as defined by the feasibility study; a scheme that was less costly than the MSC, easily recognized by consumers, and one that was consistent with the FAO guidelines but went beyond them with the inclusion of social and economic criteria.

The public label does not preclude the certification of French fisheries to other private ecolabels. Indeed, certification to other labels has been encouraged; a number of French fisheries are currently in assessment with the MSC.

Most of the descriptions provided in this document refers most often to the MSC and FOS, as the two schemes that – on the basis of their international scope, the number of fisheries certified and the claimed volumes of certified fish and seafood products entering international markets – stand out as the most internationally significant private voluntary ecolabelling schemes.

Principles and Criteria for Sustainable Fishing of MSC

At the centre of the MSC is a set of Principles and Criteria for Sustainable Fishing which is used as a standard in a third party, independent and voluntary certification programme. These were developed by means of an extensive, international consultative process through which the views of stakeholders in fisheries were gathered.

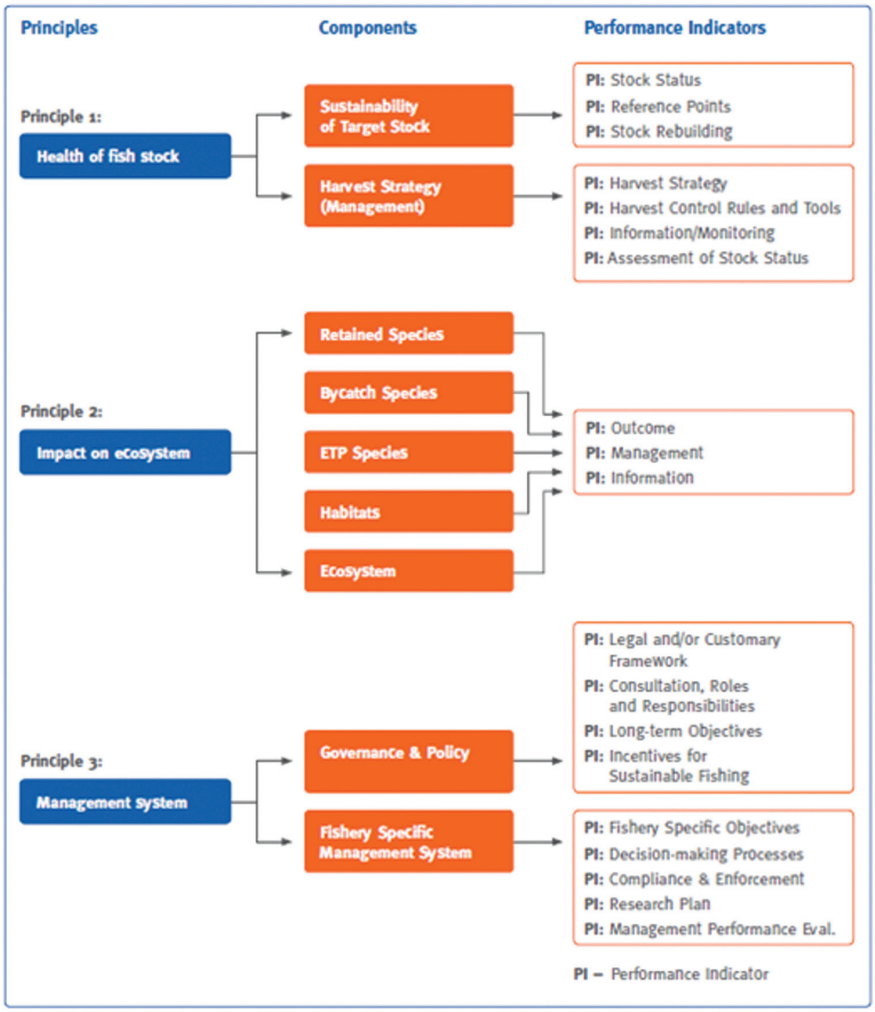

Fig. 1. Principles and Criteria for Sustainable Fishing of MSC

These Principles reflect a recognition that a sustainable fishery should be based upon:

- The maintenance and re-establishment of healthy populations of targeted species;
- The maintenance of the integrity of ecosystems;
- The development and maintenance of effective fisheries management systems, taking into account all relevant biological, technological, economic, social, environmental and commercial aspects; and
- Compliance with relevant local and national local laws and standards and international understandings and agreements.

MSC's Risk Based Framework

The MSC began work to develop suitable methodology to assess data-limited fisheries in 2005. A series of expert workshops and consultations were undertaken. These led to the development of a set of risk-based tools referred to at the time as the Guidance for the Assessment of Data-Deficient and Small-Scale Fisheries. In early 2008, a pilot project commenced to test these tools using seven pilot fisheries from around the globe, resulting in the Risk-Based Framework (RBF). In February 2009, Version One of the RBF was released for public consultation and provisional use by certifiers. Following this consultation and a subsequent final revision, the RBF was integrated into the MSC Fisheries Assessment Methodology (FAM), Version Two, and approved by the MSC Technical Advisory Board and MSC Board of Trustees for official use as of 31 July 2009. The RBF can now be used in any fishery assessment that uses the default assessment tree in the FAM as its basis.

Criteria for FOS Ecolabel

Friend of the Sea Criteria are categorical in nature and based on the most restrictive and worldwide acknowledged and accepted definition of 'sustainable fisheries'. On this matter Friend of the Sea has taken in due consideration requests from stakeholders, such as NGOs and traditional and artisanal fisheries, for a more limitative definition of 'sustainable fisheries'.

A Sustainable Fishery, of FOS is one that:

1. Does not insist on an overexploited, depleted or data deficient stock;
2. Has no impact on the seabed;
3. Has lower than average discard level;
4. Complies with all local national and international legislation
5. Apply a management system that assures the respect of above mentioned requirements.

An example of legal criteria of FOS is shown below.

Price premium – myth or reality ?

4 – LEGAL CRITERIA: TAC, IUU, FOC and legislation

n°	Requirement	Level
	The fleet fishing the audited product must :	
4.1	Respect Total Allowable Catches (TACs), if in place. Last year's TAC has been respected or, in case it has not been respected, at least 2 out of the past 3 years TACs have been respected.	Essential
4.2	Include NO IUU (Illegal, Unreported, Unregulated) fishing vessels.	Essential
4.3	Include NO FOC (Flag Of Convenience) fishing vessels.	Essential
4.4	Respect national and international legislation, in particular legislation related to the reduction of the environmental impact of the fishery (such as, but not limited to:	Essential
	- vessel registration,	
	- mesh size,	
	- net size,	
	- minimum size,	
	- distance from the coast,	
	- by-catch reduction measures,	
	- no fishing on protected habitat	
	- verify onboard equipment and absence of banned fishing gears and methods, chemical substances, explosives	
	- log book if compulsory)	

There is only spotty evidence of price premiums accruing to certified fish and seafood. Research by the URI Sustainable Seafood Initiative (Asche, Insignares and Roheim, 2009) found price premiums at the retail level but acknowledged that this did not necessarily imply that any premium would accrue to fishers. At the 2009 OECD/FAO Round Table, some participants reported, if not price premiums, then less price volatility at the ex-vessel stage of the supply chain. Often, this was related to more direct supply relationships. The MSC's recent publication, Net Benefits (MSC, 2009),which describes the experiences of the first 42 fisheries to be certified, concludes that the main beneficiaries of price premiums have been smaller-scale artisanal fisheries (all in developed countries) selling into niche markets. The price premiums described are all associated with more secure supply relationships, either with restaurants or, to a lesser extent, supermarkets.

Impact of Ecolabels on trade

It is difficult to estimate the volume of ecolabelled certified products on the international market. The MSC and FOS claim 7 per cent and 10 per cent respectively of world's capture fisheries – when put together they account for less than one-fifth of wild capture product. It is certain that the real volume of traded ecolabelled products is significantly less than that. Indeed, of the MSC's 6 million tonnes of seafood landed from certified fisheries, only about 2.5 million tonnes ends up carrying the MSC label (MSC, 2009). A significant proportion of FOS-certified fish goes into products such as fishmeal and fish food that will not end up as labelled products on supermarket shelves(although the farmed fish they feed may do). Other schemes in existence currently cover

fairly insignificant volumes of product. Overall, the market presence of ecolabelled products is likely to be modest, and significantly lower than the publicity surrounding such products would suggest (Washington and Ababouch, 2011).

Boon or Bane ?

In a world in which the demand for fishery products are increasing in leaps and bounds, and the pressure on the natural resources are rising, ecolabelling appears to be a possible way to bring about a greater degree of control and sanity in the system. The increasing proportion of aquaculture in the production system for aquatic products is also being addressed by global organizations. Following on from its involvement in the certification of sustainable forestry (Forestry Stewardship Council - FSC) and wild-capture fisheries (Marine Stewardship Council - MSC), the WWF has developed standards for aquaculture certification, with an emphasis on eliminating the negative environmental and social impacts of aquaculture called the Aquaculture Stewardship Council (ASC). It has organized a range of round tables involving aquaculture producers, buyers, NGOs and other stakeholders in an attempt to develop standards for aquaculture certification. The first ASC certificate is expected to be issued in 2012.

A recent study evaluating the effectiveness of certified seafood showed that though there are debatable shortcomings, for a consumer, it is reasonable to buy certified seafood, because the percentage of moderately exploited, healthy stocks is 3–4 times higher in certified than in non-certified seafood (Froese and Proelss, 2012).