*Chapter 19*

# Private Certification of a Fishery as Sustainable

This chapter describes the development of a voluntary, third-party certification scheme based on standards for sustainable fishing practices. First proposed by an environmental group and a large corporation, the scheme has gradually gained supporters through its efforts to inform the various stakeholders and convince the fishing industry of the value of certification, which requires abiding by a set of principles and criteria and gives the right to use the scheme's logo.

## Introduction

In its 1996 edition of *The State of the World Fisheries and Aquaculture* (SOFIA), the Food and Agriculture Organization of the United Nations (FAO) reported that of the top 200 most important commercial fish species, 35% were in the senescent phase (*i.e.* characterised by declining landings), 25% were in the mature phase (*i.e.* characterised by a high level of exploitation), and 40% were still being developed. To many observers, these figures suggested that 60% of the world's fish stocks were in urgent need of more effective management. More recent figures from the FAO suggest that the situation has not changed markedly.[1]

It was against this background that in 1996 the World Wide Fund for Nature (WWF) and Unilever, one of the world's largest buyers of frozen fish, launched a joint initiative that eventually led to the creation of a voluntary, third-party certification scheme based on standards for sustainable fishing practices. A new independent body, the Marine Stewardship Council (MSC), was created in order to accredit certifiers, and a new logo was developed for use on certified products. For the idea to work, informed consumers would have to be willing to pay a premium for labelled fish or fish products that they could trust had come from a sustainable source. It would also require convincing fishers that it was in their interest to participate in the scheme.

The initiative was applauded by numerous individuals, businesses and non-governmental organisations across the globe. Nonetheless, many governments and groups representing the fish-harvesting segment of the industry were initially highly sceptical of, and in a few cases actively hostile towards, the MSC. The very notion that a single set of standards could be developed and applied to the diverse conditions under which fish were harvested around the world, and even within the same fisheries, was ridiculed, even though these standards had drawn heavily on an agreed set of international norms, the FAO Code of Conduct for Responsible Fisheries (CCRF). Developing countries were particularly concerned that their small-scale, "artisanal", fisheries would either fail to meet the criteria for certification or not be able to afford to undergo the process. Questions were also raised about whether a centralised, private entity — especially one established by two organisations considered by some producers to be intrinsically antithetical to the interests of fishermen (the one a large buyer, the other known to oppose commercial whaling) — could be trusted to apply its standards objectively.

Over the years since it was conceived, the MSC has gradually gained new supporters in the seafood industry, and has made earnest efforts to address the particular concerns of developing-country exporters. However, applying its certification methodology in the "data-poor" fisheries that are characteristic of many developing countries presents a formidable challenge. As even the WWF itself has openly admitted, unless this and other hurdles can be overcome, the MSC's reputation in developing states will be undermined (WWF, 2001).

1. The latest FAO (2000) report estimates that 25% of the world's fisheries are under-exploited, 47% are fully fished, 15% are over-exploited, and 10% are depleted or slowly recovering.

## Development of the measure

The origins of the MSC date to February 1996, when the WWF and Unilever Plc/Nv formed a conservation partnership with the purpose of creating market incentives to encourage sustainable fisheries. The two organisations had different motivations but the same goal. Unilever, which markets seafood under several brand names,[2] realised that the commercial future of its companies would be jeopardised if efforts were not stepped up to reverse the threat posed by over-fishing. The WWF, a leading international conservation organisation, was concerned about the eco-system effects of over-fishing and the environmental problems that could arise if something was not done to reverse the trends.

The MSC spent its first two years developing the standards against which certification would be judged.[3] In September 1996 it invited a group of more than 20 experts to a three-day meeting in Bagshot, England, for the purpose of drafting a set of guidelines for defining "sustainable" fisheries. Among those attending were some of the world's leading authorities in fisheries economics, fish-stock assessment, marine ecosystem analysis and conservation, as well as experts in related social and legal disciplines. In developing what came to be called the MSC's Principles and Criteria, the experts considered a broad range of formal and informal international standards and documents, including the FAO CXRF (FAO, 1995), the United Nations Agreement on Straddling Fish Stocks, and the Principles for the Conservation of Wild Living Resources (Mangel *et al.*, 1996).

Once this initial "Draft Principles and Criteria for Sustainable Fisheries" was drawn up, the MSC organised eight regional consultative workshops in the Americas, Europe, Australasia and Africa at which the principles and criteria were presented and debated. These workshops brought together those considered by the MSC to be its future stakeholders: fishers, regulators, fish processors, fish retailers, consumer organisations, NGOs and other interested parties. The MSC's aim in holding these consultations was to obtain constructive feedback on its draft principles and criteria, while ensuring that the standard remained internationally relevant. In December 1997, the MSC convened a final workshop, outside of Washington, DC, which once again gathered international experts on various aspects of fisheries. It was at this meeting that the first public draft of the principles and criteria was agreed and presented to the MSC Board.[4]

Certification of a fishery, which is carried out by an independent certifier, involves several steps. The process starts when a fishery — or, to use the MSC terminology, a "client" — decides that it wishes to be considered for certification. The client for an MSC Fishery Certification can be one or more groups of fishery stakeholders. Examples of clients from recent and current certifications include a fishing industry association, a local government authority and a government fishery management agency (Peacey, 2000). It then chooses a certifier to carry out a pre-assessment according to the MSC principles and criteria. These principles relate to: *i)* the condition of the fish stock; *ii)* the impact of the fishery on the marine ecosystem; and *iii)* the robustness of the fishery management

2. Including Findus®, Birds Eye® and Iglo®.

3. Although the MSC was informally established in 1996, it did not become a separate legal entity until 1997.

4. During this period, Unilever and the WWF took steps to put the MSC on a separate legal and financial footing. By 1999 the MSC had become independent of its two founders, with its own Board of Trustees, and was being funded by a wide range of charitable foundations, private companies, individuals, and even one government agency (the Swedish International Development Agency).

system. The MSC's role is to accredit the certifier to ensure its competence to carry out the required procedures and to administer the standards and the use of the logo.

The assessment process leading to certification of a fishery is carried out in two stages: pre-assessment and full assessment (Humphreys, 2002). Pre-assessment involves an initial scoping study to identify the major issues in, and potential barriers to, certification of the fishery. It is based on qualitative information gathered through interviews with experts, stakeholders and others, and results in an evaluation of the likely outcome if the client proceeds with the remaining steps towards certification. The next stage, full assessment, involves a comprehensive peer-reviewed scientific appraisal of the fishery against the MSC Principles and Criteria for Sustainable Fisheries. For each of these stages, the MSC has set specific requirements for the conduct of the assessment and the qualifications of the assessment team members. In assessing the fishery against the MSC standards, the certifier develops criteria, indicators and scoring guidelines specifically for the fishery. This is a necessary step because the same standards cannot be applied to fisheries as fundamentally different as salmon and lobster.[5] Before evaluation, these criteria, indicators and guidelines are made available for public review and comment.

If the certifier is satisfied that the fishery achieves a satisfactory score on its performance indicators (the minimum score for each principle is 80%), the certifying team issues an assessment report, which is then validated by peer reviewers. After the peer review, opportunity is again provided for public input into the report before the certifier declares intention to certify or not. Certified fisheries are awarded a Fisheries Management Certificate, which is valid for up to five years. Products from the fishery are eligible to display the MSC logo and to advertise the MSC Claim: "This product comes from a fishery which has been certified to the Marine Stewardship Council's environmental standard for a well-managed and sustainable fishery". Between renewals, the fishery must undergo a monitoring inspection by the certifier at least once a year.

Although participants in a certified fishery may display the MSC logo on fish sold directly to consumers, in practice this is only the case for lobsters and other marine products normally sold in a fresh state. As most fish are further processed and packaged, this introduces the possibility of labelling. Participants in downstream supply chains may display the MSC logo on products sourced from certified fisheries only if they successfully undertake regular "chain of custody" audits. This ensures that the product originated from a certified fishery and has not been co-mingled with non-certified product, *i.e.* that there is traceability from the fishery to the final consumer. Currently, over 280 product lines sold in various forms (fresh, smoked and canned) in 24 countries display the MSC logo (Figure 19.1).

5. The scoring system is not generic, as sometimes implied, though certifiers do build on previous scoring guidelines in developing guidelines for new fishery assessments.

**Figure 19.1. The Marine Stewardship Council Logo[6]**


*Source*: Marine Stewardship Council (www.msc.org).

Although the MSC has no control over the costs of certification, which normally must be borne by the client, it has provided rough estimates based on limited experience to date. According to Peacey (2000), depending on the size and complexity of the fishery, the costs for pre-assessments may range from a few thousand USD to over USD 20 000. The next step, full fishery certification, ranges from about USD 10 000 for a small, simple fishery to more than USD 100 000 for a large, complex fishery.[7] The cost for the annual audit is expected to be small compared with the cost of initial certification.

The cost of a chain of custody assessment, which is normally commissioned and paid for by companies wanting to use the MSC logo, will vary depending on the size and complexity of the supply chain. Peacey (2000) estimates the cost at anywhere from under USD 1 000 to over USD 5 000. Companies wanting to use the MSC logo must also enter into a licence agreement with MSC International (the trading arm of the MSC). The fee for on-product use of the logo has been set at 0.1% of product value, *i.e.* USD 1 000 per million USD of product, with a minimum fee of USD 2 000.[8]

One of the first fisheries the MSC chose to try out its principles and criteria was the Thames Blackwater herring fishery,[9] located less than 100 kilometres east of the MSC's London headquarters. An assessment was undertaken in September 1997, and in March 2000 it earned the right to use the MSC logo. Certification of the much larger, export-oriented West Australian rock-lobster fishery was awarded at the same time. Neither of these fisheries contributed to Unilever's fish-brand portfolio. The third fishery to receive full certification, Alaska's wild salmon fishery, did produce a product that Unilever could sell. In November 2000, Unilever launched its first product carrying the MSC logo: Filegro Wild Salmon, which it marketed in Switzerland under the Iglo® brand name.

6. The help of the MSC in supplying the logo is gratefully acknowledged.

7. Some observers have estimated that the costs can run to much more than USD 100 000 for large, complex fisheries.

8. The MSC originally contemplated that these revenues would eventually sustain the organisation.

9. Thames herring is distinguished from other herring species, such as North Sea herring, by having one less vertebra.

## Issues raised by developing-country exporters

Fish and fishery products rank among the most widely traded goods derived from natural resources. According to the FAO (2000), about 37% of global fisheries production enters international trade, and about half comes from developing countries. In 1997, when the MSC was officially established, the net foreign exchange earnings of developing countries from exports of fish and fish products stood at around USD 16 billion annually, which, according to the FAO, was larger than their combined net export earnings from coffee, tea, rice and rubber.

Given the importance of fish trade to developing countries, it is perhaps not surprising that the MSC, and its concept of fisheries certification, was initially regarded with suspicion by leaders in the fishing industry throughout much of the developing world. Already by the end of 1996, the FAO, in a report prepared for its Committee for Fisheries (FAO, 1996), observed that industry associations such as the International Fishmeal & Oil Manufacturers Association (IFOMA) and the International Coalition of Fisheries Associations (ICFA) had expressed "very serious reservations" about the MSC and similar initiatives. Likewise, the Latin American Fisheries Development Organisation rejected the MSC initiative in a resolution adopted at its Ministerial Meeting in Havana, on 6 November 1996.[10] Among the most vocal and consistent sceptics of the MSC, at least initially, was the International Collective in Support of Fishworkers (ICSF), an India-based organisation mainly representing fishworkers in developing countries.

In 1997, the ICSF expressed several concerns about the MSC's certification process and its potential implications for artisanal and small-scale fisheries in developing countries. Over 90% of fishworkers in developing countries are employed in the artisanal or small-scale segments of the industry. The ICSF's first concern was the practicability of applying universal standards which, in the ICSF's view, had been developed without due consultation with fishworker organisations[11] and which did not take into consideration the diversity of fisheries in the developing countries. "It would", wrote the ICSF's Executive Director, Sebastian Mathew (2000), "be almost impossible to show, as required by the MSC Principles and Criteria, that a developing-country fishery is subject to an effective management system." The FAO (2000) suggests several reasons why this could be so: the preponderance of small-scale and artisanal fisheries, where management is more complex because of the large number of participants and their lack of alternative remunerative employment opportunities; the multi-species characteristics of tropical fisheries; the lack of financial resources needed to retire significant amounts of excess fishing capacity; and the limited technical and managerial capacities of government agencies, many of which face reductions in their budgetary allocations.

Complaints were also made about the cost of certification and of the chain of custody audit. As mentioned, these costs vary widely, depending on the size and complexity of the fishery, and the amount and quality of biological and economic information already available. At the time that its certification scheme was first mooted, the MSC was

10. The initiative, on the other hand, was seen in a positive light by countries such as Australia and New Zealand, which had made major efforts to improve their fisheries management regimes and therefore believed that they stood a good chance of obtaining a label for one or more of their national fisheries.

11. Mathew (2000) claims that none of the consultations took place in the regions, such as south Asia, that contain the largest number of fishworkers and account for the largest production of food fish in the world. Moreover, the list of signatories and supporters of the MSC mainly includes wholesalers, retailers, environmental groups and consultancy companies; it includes no fishworker organisations from any developing country.

naturally unable to provide more than very rough estimates of what those costs would entail. As estimates of those costs began to take more concrete form, it was clear that fishing communities in many, if not most, developing countries would find the process so elaborate and expensive that on their own they would lack the means to fund the certification process and provide the necessary documentation. Lack of financial means to be certified could make it more difficult for a fishery to defend its claim that it is indeed well-managed and that it maintains the integrity of the ecosystem.

Even though the scheme is purely voluntary, critics have worried that the MSC label might have a negative effect on the market access of non-participants. The fear is that, should eco-labelled fish grow to command a major share of the market, especially in Europe and the United States, developing-country exporters who could not, or chose not to, certify would find themselves competing for shares in an ever-shrinking non-certified market. Exporters in the Americas were particularly sensitive on this point, as their only other previous experience with eco-labelling of fish — the private and then US government-sanctioned labelling of tuna as "dolphin-safe" — had been a contentious one.

Related to this has been the concern that the MSC approach could potentially limit the autonomy of small-scale fishers, who would feel compelled to seek MSC certification because of the market power of the large buyers (Mathew, 2000). Unilever's commitment to buy all fish from sustainable sources by 2005 (announced when it joined forces with the WWF in 1996), and its subsequent commercial relationships with certified fisheries, only seemed to confirm the critics' fears. However, this fear to some extent reflected a misunderstanding of Unilever's relationship with the MSC: in fact, Unilever's product line was and still is based mainly on white-fleshed fish sourced from cold-water fisheries, which are fished largely by developed country fleets. Moreover, of the certified fish that Unilever buys, only part is MSC-certified; the company also buys fish certified under other eco-labelling schemes.[12]

Finally, especially during the early days of the scheme, many fish producers wondered about the benefits of undergoing MSC certification while there was still no clear signal from the market that the price consumers would be willing to pay for eco-labelled fish could more than compensate producers for the costs of certification. Since then, the MSC has reported that both the Thames herring fishery and the New Zealand Hoki fishery (another MSC-certified fishery) have experienced increases prices for their fish (Oloruntuyi, 2002).[13] Whether other certified fish or fish products can yield such a large differential at the retail level is a question that continues to be hotly debated. Indeed, it may be retailers, who are looking for ways to demonstrate a sense of corporate responsibility to shareholders and critics, more than final consumers, who are driving the demand for eco-labelled products. Purchasing and identifying with eco-labelled seafood products presents an opportunity to do just that.

In addition to these market access concerns, some experts have questioned whether the certification of sustainable fisheries would even achieve its desired environmental aim. In its 2000 edition of *SOFIA*, for example, the FAO suggested that, rather than

12. The MSC remains the only operating, third-party eco-labelling scheme for marine fish that is global in scope. A few other eco-labelling schemes have emerged, generally related to a specific aspect of the fishery and limited in geographical scope. Many are based on first-party assessments (*i.e.* self declared).

13. In the Thames fishery, the MSC reports a 50% producer price increase following certification.

"greening" trade, eco-labelling schemes for fish products might simply shift problems elsewhere:

> There is no guarantee that the widespread adoption of eco-labelling programmes for marine fisheries would result in the better management of global fisheries *in toto*. At present, only a small fraction of global fish consumers (most of them living in Europe and North America) are likely to be responsive to eco-labels. Most of the future growth in global fish demand, however, will be in Asia, Latin America and Africa. The private sector is likely to react by directing to eco-sensitive markets only those products that can be certified at a low cost, while other products will be directed to markets that are not eco-sensitive. It cannot be guaranteed therefore, that when a particular fishery fulfils the certification criteria, excess fishing capacity will not be redirected to other uncertified fisheries. This could increase the pressure on some fish stocks in favour of those for which certification is profitably applied. Such negative spillover effects are not unique to eco-labelling schemes and can arise from any fisheries management approach that does not encompass specific measures to avoid the undesirable transfer of excess fishing capacity.[14]

## Responses to concerns raised by developing countries

From its inception, the MSC has found itself having to engage in constant dialogue with its critics. In responding to what it regarded as legitimate concerns, it has put considerable effort into trying to make its principles and criteria relevant to fisheries in developing countries. As early as 1998, for example, it had engaged a consultant to help it devise "a strategy for the South"; in September 1999 it hired a fishery scientist to work full time on expanding the MSC's outreach in developing countries.

That strategy, above all, required adapting the Principles and Criteria to facilitate certification of community fisheries.[15] In 2000 the WWF (actively supported by the MSC) started working on a community-based certification methodology; the first public draft of the methodology was issued in June 2001. The approach, which aims to maximise the use of local knowledge in the certification process, depends on partnerships with fishers and other stakeholders to assess the state of a fishery. To overcome the barrier of the cost of undergoing a pre-assessment, the WWF set up a Small Grants Fund for Community Fishers. Grant requests may be up to USD 15 000, and proposals from developing countries are given precedence. Applicants must be able to show a willingness to engage in WWF's Community Fisheries Programme Monitoring and Evaluation regime, which entails tracking a few indicators over time, such as the health of the stock or the income of fishers.

14. The MSC regards this suggestion as speculative and difficult to justify at this early stage of the MSC programme. They feel that, judging from the level of interest shown in the programme from other stakeholders, it is quite likely that non-market benefits would be an additional driving force for fisheries to undergo certification in the future. This would have significant potential for application in regions of the world that may not be as "eco-sensitive" as OECD countries.

15. The MSC stresses that this strategy is expected to benefit fisheries in developed, as well as developing, countries. Traditional knowledge plays a large role in community fisheries in all parts of the world, and is widely recognised as a potential source of valuable information. The essence of the guidelines that the MSC are trying to develop is to provide a framework for assessing fisheries, regardless of their location, that may not be as rich in historical data as other fisheries, but which can be assessed by other acceptable means.

Several fisheries have been chosen to test the methodology. Part of the MSC process requires determining the health of the stock for the fishery in question. This step, known as biological assessment, has raised some knotty issues for community-based fisheries.

One of the first to participate in this experiment was a small, community-based lobster fishery near Prainha do Canto Verde (PCV), in northern Brazil, a community with a venerable history of promoting sustainable fishing.[16] The pre-assessment phase got underway in 1999, and in 2001 the certifier reported on its initial findings. "Through no fault of its own," the certifier concluded, "the PCV fishery at this time would not meet the MSC requirements, as the stock is in serious decline, with what appears to be little or no effort being made to reverse the situation" (Chafee, 2001, p. 36). Essentially, the stock that the community fished could not be evaluated in isolation from the larger ecosystem (which was threatened by illegal fishing), and it could exert only partial control over the management of the fishery.

### Box 19.1. Applying the MSC certification: an example from Mexico

In May 2001 a fishery certification process got under way in Mexico for two lobster fisheries — the Baja California spiny-lobster (*Panulirus interruptus*; also known as red rock lobster or California lobster) fishery and the *banco chinchorro* lobster (*Panulirus argus*, or common Caribbean spiny lobster) fishery — when the Baja California Regional Federation of the Fishing Co-operative Societies (*Federación Regional de Sociedades Co-operativas de la Industria Pesquera Baja California F.C.L.*), which fishes in Baja California, and three co-operatives fishing at Banco Chinchorro, applied to the MSC for certification of their respective lobster fisheries.

Both of these fisheries are small by world standards. The Baja California spiny lobster fishery produces less than 2 000 tonnes annually from an area of approximately 2 400 square kilometres, and the *banco chinchorro* lobster fishery produces less than 50 tonnes from an area of 1 444 $km^2$. Moreover, both of these fishing grounds are contained within officially designated biosphere reserves: the Vizcaíno Biosphere Reserve and the Banco Chinchorro Biosphere Reserve (RBBCH), respectively. The RBBCH was decreed a natural protected area on 19 July 1996 and is classified by Mexico's National Biodiversity Commission as a priority region; the WWF includes it among its global list of 200 priority areas, and the Nature Conservancy considers it one of the two priority areas of the Mesoamerican barrier reef system.

The certification body contracted to assess this fishery is Scientific Certification Systems, Inc. (SCS), an MSC-accredited independent certifier. Informative meetings about the MSC programme were held with all co-operatives in July and August 2000, by *Comunidad y Biodiversidad*, a local NGO working to support biodiversity conservation and fishery improvements in Baja California. A MSC pre-assessment was completed in early 2001.

Results of the pre-assessment were positive, and the fishery began a full assessment process late in 2001. After a temporary halt to the process in 2002, the fishery finally received full MSC certification in April 2004. The fishing co-operatives perceive MSC certification as an opportunity to differentiate their product in the marketplace, and have committed some of their own funds to support the cost of full assessment. Already, new market arrangements are being established with a tour company operating in the region, as well as more distant importers.

16. According to the WWF. See www.panda.org/about_wwf/what_we_do/marine/what_we_do/sustainable_fisheries/market/certification/field2.cfm.

Similar problems have frustrated efforts to certify the blue crab fishery in the Philippines' Sulu Sea. According to the fisheries biologist hired to conduct an assessment of the blue crab stock, the deep bodies of water that surround this fishery are presumed to isolate this population of crabs from other areas. This means that good management by the community could ensure the health of the stock and certification could be possible even without a full biological assessment of the stock. Unfortunately for the blue crab fishers, the only way to absolutely determine if this is a distinct population is to undertake genetic testing, "which," the WWF notes on its Web site, "at this point is inadvisable due to the high costs involved".[17]

Lack of the data needed to assess the health of the targeted fish stocks has proved a sticking point in both of the above fisheries, as well as in several others. In order to improve the chances for developing country clients to overcome the hurdles to certification, the MSC has responded in three ways. First, it is trying to identify indicators of sustainability that are as rigorous as those used to assess larger, more industrial fisheries, but that require fewer bio-economic data or other quantitative data that are less expensive to obtain.[18] The project aims at developing guidelines that would facilitate the integration of traditional knowledge and management systems as measurable parameters within the context of the MSC's standard. Some preliminary studies have already been undertaken (see, *e.g.* WWF Australia, 2000), and in 2003 the MSC's Technical Advisory Board began work to develop guidelines for the assessment of small-scale and data-deficient fisheries (MSC, 2004). In its current phase of work, qualitative assessment and rapid appraisal methods will be tested in selected test-case fisheries. The results of this work are expected to be incorporated into future guidance documents for certification bodies involved in the assessment of data-deficient fisheries (www.isealalliance.org/initiatives/index.htm).

Second, the MSC is pursuing new avenues of funding to cover the costs of certification, both for individual projects and more generally. As an example of the former, the Netherlands Organization for International Development Co-operation contributed to the costs of undertaking a pre-assessment study of a hand-line and long-line mixed fishery in Eritrea. This marked the first time that a government agency from an OECD country has provided assistance to a fishery in a developing country to help it secure MSC certification. In addition, the MSC, in co-operation with the Resources Legacy Fund, established a new Sustainable Fisheries Fund (SFF) to help provide support for fisheries that wish to be assessed for possible certification, thanks to a generous grant from the David and Lucile Packard Foundation. As described by Humphreys (2002):

> When a fishery moves through the assessment process, opportunities may emerge or deficiencies may become apparent that can not be immediately resolved. For example, a fishery may lack information on the size, status and health of the target population. The SFF may provide some limited and targeted support to help fill such

17. WWF, "Biological Assessment of the Blue Crab Fishery, Sulu Sea", www.panda.org/about_wwf/what_we_do/marine/what_we_do/sustainable_fisheries/market/certification/field3.cfm, accessed 16 June 2002.

18. It must be stressed, however, that the demand for data in assessments that apply the MSC standard is meant to be appropriate to the size, scale and nature of the fishery. The general concept is that, the more intensive and sensitive a fishery, the higher the risks to the continuing existence of the fishery, and the more there needs to be a proven system backed by data. Such information is required not only to assess the current state of the fishery, but also to enable certifiers to verify that efforts are made to reduce risks to the fishery.

> gaps, fund limited data collection and leverage larger projects. The new fund will not, [however], be in a position to support large-scale research projects or other programmes that might typically receive funding from development agencies.

Third, the MSC is working to facilitate the certification process at global level, and has initiated a programme to enhance the auditing and certification infrastructure in various fishing regions, particularly those that do not currently possess organisations capable of undertaking these tasks. Only a few of the five companies that it has accredited to certify fisheries have offices located in developing countries. As part of that programme, the MSC has for several years been carrying out annual workshops, which focus on training and the upgrading of fishery certification skills. More generally, the MSC is working to encourage companies already in the certification business to branch into fisheries. One outcome it hopes to achieve through these efforts is greater competition among certifiers and thus lower costs of certification.

As of September 2005, 12 fisheries were certified to use the MSC logo, and another 20, including Chilean hake and Patagonian scallops, were undergoing a full assessment (www.msc.org). The MSC estimates that around 40 other fisheries are in the initial stages of exploring MSC certification, of which several are small-scale fisheries from developing countries.

At its June 2005 meeting, the MSC's Technical Advisory Board discussed a broad range of assessment and certification issues in the current MSC programme. As a result of this discussion, the Board requested that MSC staff begin preparing draft revisions to the current Fishery Certification Methodology (FCM), which outlines the procedural requirements for conducting fishery assessments and post-certification audits against the MSC's Principles and Criteria for Sustainable Fishing. The Board generally concluded that the FCM should more explicitly and logically address these topics to consistently guide independent, third party certification bodies and ensure a stronger underpinning of MSC's continuous improvement model. A new draft FCM (Version 6) is expected to be ready for external review and comment by January 2006.

## Concluding observations

It would probably not be an exaggeration to say that the MSC has been one of the most controversial private labelling schemes with global aspirations to appear in recent years. The very idea of certifying an industry activity carried out under diverse conditions, often in remote (and difficult to monitor) locations, was regarded even by many of its supporters as ambitious. Its sceptics have been many, and have included governments from both the North and the South, several intergovernmental organisations, and even rival environmental NGOs. But, backed by not insignificant financial resources, the MSC (and its founders) has persevered and, over time, gained new supporters. Indeed, many of its former critics are now taking a "wait and see" attitude towards this scheme. Importantly, it has taken the concerns of developing country exporters seriously, and has worked hard to address the most problematic issues related to certification: data and costs.

Parallels can be found with attempts to certify products from other primary industries in developing countries. As with organically produced food, many developing countries feel that some of the best-managed marine fisheries in the world can be found within their own territories (or, strictly speaking, their exclusive economic zones). Yet, in general, these countries, particularly the poorest ones, face greater difficulties in achieving

effective fisheries management and, therefore, in participating in eco-labelling programmes, than industrialised countries (FAO, 2000). Lack of scientific data required by the MSC certification process has presented an especially daunting challenge, requiring in several cases new research to fill information gaps. Such studies require time and money, which, WWF funding notwithstanding, limits the pace and number of fisheries that can run the gauntlet of certification and win the right to use the MSC logo. In this regard, the increasing interest in the scheme shown by development co-operation agencies is significant.

At the beginning of 2005 — eight years after the scheme was established — only one fishery from a developing country had been certified to the MSC standard, though two more were on the way to completing the necessary assessments. Perhaps the more important contributions that the MSC has made to developing country fisheries to date, however, is the focus it has placed on the problem of over-fishing, the impetus it has given to carrying out research to help fisheries improve their management, and the awareness of these issues that it has created among fishing communities. Currently, the market for certified fisheries is a niche one and is likely to remain that way for several more years. However, as that market expands, the MSC will have to redouble its efforts to make its standard relevant to all marine fisheries, including those in developing countries (and not just small well-managed ones), while ensuring that the certification process does not become unduly burdensome for exporters and thus unwittingly a barrier to trade.

To date, the MSC has faced no effective labelling competition in the marketplace. But given that its mandate is limited (it does not deal with aquaculture fisheries), and that "sustainability" may be a message that is too diffuse to be easily understood by all but the most informed consumers, its dominance may not last. There is, for example, a growing consensus worldwide on the need to prevent illegal, unregulated and unreported fishing. As these efforts generate labelling and certification schemes designed to mark and track legally obtained products, it is possible that the MSC's efforts will be overtaken by other labels, particularly if the need for those labels is evident, the meaning easily understood by consumers, and the enterprise underwritten or mandated by participating governments.

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# Acronyms

| | |
|---|---|
| APHIS | Animal and Plant Health Inspection Service (US) |
| AQIS | Australian Quarantine and Inspection Service |
| ASEAN | Association of South-East Asian Nations |
| BAuA | Federal Institute for Occupational Safety and Health (Germany) |
| BGA | Federal Health Office (Germany) |
| BMZ | Ministry of Economic Co-operation and Development (Germany) |
| CAA | Clean Air Act (US) |
| CASCO | Committee on Conformity Assessment (ISO) |
| CBI | Centre for the Promotion of Imports from Developing Countries (Netherlands) |
| CFC | Common Fund for Commodities |
| CFC | Chlorofluorocarbons |
| COLEACP | Europe-Africa-Caribbean-Pacific Liaison Committee |
| CREM | Consultancy and Research for Environmental Management (Netherlands) |
| CsC | Commonwealth Science Council |
| CSE | Centre for Science and Environment (India) |
| CTE | Committee on Trade and Environment (WTO) |
| CTF | Consultative Task Force (UNCTAD) |
| DSB | durian seed borer |
| EEA | European Economic Area |
| EFTA | European Free Trade Association |
| EIA | environmental impact assessment |
| EPA | Environmental Protection Agency (US) |
| EPE | European Partners for the Environment |
| ESA | Endangered Species Act (US) |
| FAO | Food and Agriculture Organization (UN) |
| FDA | Food and Drug Administration (US) |
| FDI | foreign direct investment |
| FSC | Forest Stewardship Council |
| GAA | Global Aquaculture Alliance |
| GATS | General Agreement on Trade in Services |

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|---|---|
| GATT | General Agreement on Tariffs and Trade |
| GTZ | Agency for Technical Co-operation (Germany) |
| HACCP | Hazard Analysis and Critical Control Point |
| IAF | International Accreditation Forum |
| ICSF | International Collective in Support of Fishworkers |
| IDM | integrated disease management |
| IFC | International Finance Corporation |
| IFCO | International Fruit Container Organisation |
| IFOAM | International Federation of Organic Agricultural Movements |
| IGEP | Indo-German Export Promotion Project |
| IGG | Intergovernmental Group on Tea (FAO) |
| IGO | intergovernmental organisation |
| IIED | International Institute for Environment and Development |
| ILAC | International Laboratory Accreditation Cooperation |
| ILO | International Labour Organization |
| IOAS | International Organic Accreditation Service |
| IPCS | International Programme on Chemical Safety |
| IPM | integrated pest management |
| IPPC | integrated pollution prevention and control |
| IRA | import risk analysis |
| ISEAL | International Social and Environmental Accreditation and Labelling Alliance |
| ISO | International Organization for Standardization |
| ITF | International Task Force on Harmonisation and Equivalence in Organic Agriculture |
| ITTO | International Tropical Timber Organization |
| IUC | International Union Chemical testing |
| JAS | Japan Agriculture Standards |
| JETRO | Japan External Trade Organization |
| JWPTE | Joint Working Party on Trade and Environment (OECD) |
| LDC | least-developed country |
| LOD | lower limit of analytical determination (or limit of detection) |
| MAFF | Ministry of Agriculture, Forestry and Fisheries (Japan) |
| MAP | Mangrove Action Project |
| MEA | multilateral environmental agreement |
| MLV | maximum limit value |
| MRA | mutual recognition agreement |
| MRL | maximum residue limit |

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|---|---|
| MSC | Marine Stewardship Council |
| NGO | non-governmental organisation |
| NMFS | National Marine Fisheries Service (US) |
| NOP | National Organic Program (US) |
| NOSB | National Organic Standards Board (US) |
| NTAE | non-traditional agricultural export |
| ODS | ozone-depleting substance |
| OFPA | Organic Foods Production Act (US) |
| PCP | pentachlorophenol |
| ppm | parts per million |
| PVC | polyvinyl chloride |
| RCO | Registered Certification Organisation (Japan) |
| RFCOs | Registered Foreign Certification Organisations (Japan) |
| RIA | regulatory impact analysis |
| SCS | Scientific Certification Systems, Inc. |
| SGS | Société Générale de Surveillance S.A. |
| SMEs | small and medium-sized enterprises |
| SPS | (WTO Agreement on) Sanitary and Phytosanitary Measures |
| STIC | Sustainable Trade and Innovation Centre |
| TBT | (WTO Agreement on) Technical Barriers to Trade |
| TEAP | Technology and Economic Assessment Panel (UNEP) |
| TED | turtle-excluder device |
| UNCED | United Nations Conference on Environment and Development |
| UNCTAD | United Nations Conference on Trade and Development |
| UNDP | United Nations Development Programme |
| UNEP | United Nations Environment Programme |
| UNIDO | United Nations Industrial Development Organization |
| USAID | US Agency for International Development |
| USDA | US Department of Agriculture |
| VOC | volatile organic compound |
| WHO | World Health Organization |
| WSSD | World Summit on Sustainable Development |
| WTO | World Trade Organization |
| WTTC | World Travel and Tourism Council |

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