

The Costs of Certification

Despite a dramatic growth in certified fisheries, the Marine Stewardship Council has not been able to convincingly prove that it has reversed the overexploitation of global fisheries

The Marine Stewardship Council (MSC), a non-profit body founded as a joint venture between the environmental organization, World Wide Fund for Nature (WWF), and the food multinational, Unilever, is in its 15th year of existence and has certified 105 fisheries in different parts of the world, even as it has 142 other fisheries currently under various stages of assessment.

Given the stature of this organization and its importance for fisheries worldwide, it is impossible not to wonder whether MSC has helped prevent the overexploitation and depletion of the world's fish stocks. How have MSC's activities benefited different types of fisheries, especially small-scale fisheries in developing countries?

MSC was founded to reverse the crisis of overexploitation and depletion of fish stocks by offering economic incentives for sustainable fishing (see *SAMUDRA Report* No. 15, July 1996). It became an autonomous organization in 1999. Its first set of principles and criteria for sustainable fishing—to be used as a standard in a third-party, independent and voluntary certification programme—was developed in 1998. In 2006 MSC decided to make its ecolabelling programme fully consistent with the guidelines for ecolabelling of fish and fishery products developed in 2005 by the Food and Agriculture Organization of the United Nations (FAO). The most recent set of MSC principles and criteria was developed in 2010. The revised set of criteria recognizes, for the first time, the cultural context, scale and intensity

of a fishery to be certified, and how the fishery observes the legal and customary rights and long-term interests of people dependent on fishing for food and livelihood.

The first fishery to be certified to MSC was the Thames blackwater herring fishery of the United Kingdom (UK) in March 2000, followed by the Australian rock lobster and the Alaska salmon fisheries, in the same year.

...has the MSC helped prevent the overexploitation and depletion of the world's fish stocks?

Then came the Burry inlet cockle and mackerel fisheries of the UK, and the hoki fishery of New Zealand, in 2001. No fisheries were certified in 2002 and 2003, but the total number of MSC-certified fisheries has exponentially grown since 2008, and has crossed the 100-mark in 2010. The 105 fisheries currently certified to MSC originate from 54 species and comprise a catch of nearly six million tonnes, or 7.5 per cent of the global marine capture fisheries production in 2008.

Fisheries certified

Nearly 80 per cent of the fisheries were certified to MSC during 2008-2010. The range of fisheries certified as sustainable by MSC include the cod and haddock fisheries in the Arctic; the krill fishery in the Antarctic; the freshwater pike perch fishery in Sweden; the anadromous salmon fishery in North America;

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the highly migratory albacore tuna fishery in the South Pacific; and the hard clam fishery in the shallow subtidal sand flat areas in Vietnam. MSC's certification has also included enhanced fisheries such as the pink and chum salmon fishery in Russia, and the mussels fishery in the UK.

The client groups who have sought MSC certification include producer organizations, fishermen's associations and co-operatives, fish processors' and exporters' associations, private companies, non-governmental organizations (NGOs), fisheries councils and governments, among others. More than 60 per cent of the client groups are producer organizations or private companies. Fisheries from 18 countries are currently certified, including from the US and Canada, as well as from 10 European countries. Most MSC-certified fisheries, as a result, are in waters bordering Europe and North America, and they account for nearly 90 per cent of MSC-certified fisheries in the world. There are about 10 certification bodies accredited to MSC, of which Moody Marine Ltd—a UK-based company with offices in North America, Scandinavia, France, China and Chile—alone accounts for 61 per cent of all certified fisheries

weirs and traps, and hand or metal rakes. The fishing vessels used in certified fisheries range from beach-launched boats in the UK to Norwegian distant-water trawlers in the Antarctic.

The fisheries for herring (*Clupea harengus*) account for the largest share of a single species (1.4 mn tonnes, or over 23 per cent of total tonnage) certified to MSC, followed by over one mn tonnes of pollock. Thus, herring and pollock combined contribute to nearly 40 per cent of the total catch tonnage certified to MSC. These are mainly caught by pelagic trawlers. The smallest share in catch tonnage is UK sea bass—just seven tonnes—which is caught in intertidal waters with fixed gillnets. Thus, the principal gear in fisheries certified to MSC is trawl, and the principal species benefiting from certification to MSC are herring and pollock.

The MSC-certified fisheries products go mostly for human consumption, although smaller quantities are also converted into animal feed. Thus, some of the certified UK herring and Norwegian Antarctic krill end up as feed for aquaculture. The products from certified krill fisheries also include pharmaceuticals and dietary supplements. While some of the fisheries products from certified UK, Irish and Norwegian fisheries are exported to Africa, Asia (including China), Latin America and the Caribbean islands, most of the fish from certified fisheries—especially whitefish—are traded within, or between, Europe and North America. It is unclear, though, if fish from certified fisheries that are exported to developing countries are being sold as MSC-certified to the final consumer.

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to date (as of February 2011). There is only one certification body from a developing country accredited to MSC that has certified a fishery—the Organización Internacional Agropecuaria (OIA), Argentina.

The main fishing method employed in MSC-certified fisheries is trawling. Over three million tonnes—or 50 per cent—of certified fishery tonnage, are caught by pelagic, mid-water or bottom trawls alone. The other 50 per cent employ fishing gear such as purse-seines, Danish seines, gillnets, trammel nets, handlines, longlines,

Economic benefits

As regards the economic benefits from the MSC ecolabel, some fishermen claim a premium price for fisheries certified to MSC in the domestic market. British fishers claim a 25 per cent premium on their sea bass in the London market. Australian fishers claim a 30 to 50 per cent premium

on certified small-scale mullet, cockle, golden perch and yellow-eyed mullet in the domestic market. The American Albacore Fisheries Association (AAFA) reportedly claims a premium of 35 per cent on tuna exports to the EU market.

While some MSC-certified fisheries are able to maintain their market share and gain access to new ones, others—for example, Alaska salmon—have been able to move up from low-value to high-value markets. Further, fisheries such as the Australian rock lobster fishery have, purportedly, used the MSC label as a bargaining tool in gaining tariff reduction in the EU seafood import market. There are also reported benefits accruing to the First Nations communities in Canada from certified shrimp and salmon fisheries, according to assessment reports. As far as the financial costs incurred in undertaking pre-assessment, full assessment, chain-of-custody assessment, and annual audits are concerned, little information is disclosed to the public. The fees charged by certifiers for their services are kept confidential between the client and the certifier. Assessment fees, in some cases, are paid from government grants and charities.

Although developing countries contribute to 70 per cent of global marine capture fisheries production, their share in MSC-certified fisheries is quite low: 188,000 tonnes or just three per cent of the total certified tonnage. The developing-country fisheries that are certified comprise hake caught by deep-sea trawlers in South Africa, Patagonian scallop caught by factory trawlers in Argentina and hard clam gathered by small-scale fishers in Vietnam.

To what extent have small-scale fisheries benefited from the MSC certification programme? From 1996, MSC has been trying to certify small-scale fisheries in developing countries (see *SAMUDRA Report No. 15, July 1996*). The MSC unit of certification does not make a distinction between small- and large-scale or industrial fisheries. It can, however, be estimated



Ms Nga (centre), former Vice Director of Ben Tre Department of Agriculture and Rural Development (DARD), Vietnam, along with co-operative members at the clam field

that about 345,000 tonnes, or slightly less than 6 per cent of total certified tonnage, comprise fish originating from small-scale fisheries, which, by inference, refer to fish caught from rivers, bays, and nearshore waters by vessels under 10 m in length, employing gear such as nets, handlines, baited creels, pots on line, trolls, fishwheels, traps and hand or metal rakes.

The small-scale fisheries certified to MSC are highly skewed in favour of sockeye, chum, chinook, coho and pink salmon in Alaska (287,000 tonnes), and pink and chum salmon from rivers in Russia (47,000 tonnes). Thus, salmon account for 97 per cent of all MSC-certified fisheries that can be categorized as small-scale. Additionally, there are modest quantities of mackerel, cod and haddock caught by vessels below 10-m length from coastal waters in Norway that employ nets and lines as part of a fishing fleet comprising both large and small vessels. Finally, there is the hard clam fishery of Vietnam—the only MSC-certified small-scale fishery in a developing country—which accounts for nearly 9,000 tonnes of catch.

Greatest challenge

The greatest challenge, however, has been certifying small-scale fisheries in the tropical belt. The first small-scale tropical fishery from a

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A member of a fisheries co-operative in Vietnam displaying her certificate for verification of payment

developing country to be certified to MSC was the rock lobster fishery in Baja California, Mexico, in 2005. The certification expired in 2009, and is now under reassessment. Currently, the hard clam fishery of Vietnam is the only case of a tropical fishery certified to MSC. An initiative to certify a fleet of small, beach-based vessels engaged in the oil sardine fishery of the south Indian State of Kerala, for example, has been going on since 2008 without showing any sign of even reaching the stage of full assessment. Attempts to certify the pole-and-line and handline fisheries of the Maldives have been going on, unsuccessfully, since 2009. They also attracted criticism about the

certification process and associated financial costs from the Maldivian delegation during the FAO Committee on Fisheries (COFI) meeting in Rome in February 2011. The risk-based framework (RBF), developed by MSC in 2008 with the idea of certifying 'data-deficient' fisheries, especially small-scale fisheries in developing countries, has not led to the certification of any such fishery so far.

MSC is also facing flak from environmental organizations such as Greenpeace, the Pew Environment Group and Oceana in regard to assessment, certification and re-certification of some of the fisheries. The certification of the Bering Sea/Aleutian Islands pollock fishery in the US, the sockeye salmon fishery in British Columbia, Canada, krill and toothfish fisheries in the Southern Ocean, the hoki fisheries in the Pacific, and the Barents Sea cod fishery in the northeast Atlantic, for example, have all come under criticism from environmental organizations. The sockeye fishery, interestingly, was certified to MSC in 2010, two years after it was placed by the International Union for the Conservation of Nature (IUCN) on its Red List of threatened species.

Unilever, one of the founders of MSC, seems to have later parted ways with MSC, after making a public commitment in 1996 to buy all its fish from sustainable sources by 2005. Even in 2010, only 56 per cent of the fish sold by Unilever—that too only in Europe—originated from MSC-certified sources.

Emotional bridge

On 20 March, 2002, speaking at a conference organized by the European Association of Communications Agencies and the United Nations Environment Programme (UNEP), Chris Pomfret, Business Director, Frozen Foods, Birds Eyewall's of Unilever, expressed unhappiness that "a significant emotional bridge between people's concerns over sustainability and their buying habits has yet to be built." He went on to say that the MSC logo was "non-motivating and obscure for most people," and challenged the

claim that protection of fish stocks is linked to purchasing habits.

A recent annual report of Unilever (Unilever Annual Review 2008, <http://annualreport08.unilever.com>) makes no mention of procuring fish from sustainable sources, but only of sourcing tea and palm oil from such sources. The US supermarket giant Wal-Mart has now moved in to fill the vacuum left by Unilever. In 2006, Wal-Mart took a pledge to source all its wild-caught fresh and frozen fish for the US market only from MSC-certified fisheries by 2011.

On completing 14 years of existence, has MSC, to some degree, reversed the crisis of overexploitation and depletion of fish stocks through offering economic incentives, as was its intention when it was set up in 1996? Except for some anecdotal information, we have little knowledge of the economic incentives that are actually offered by MSC certification to the producer. Nor do we know much about the costs of certification incurred by each certified fishery to infer if the economic benefits to the producer outweigh the costs.

According to FAO's "State of World Fisheries and Aquaculture 2010", the share of fully exploited, overexploited, depleted or recovering fish stocks has increased to 85 per cent in 2008, compared to 70 per cent in 1996, when MSC was founded. In spite of a dramatic growth in MSC-certified fisheries in recent years, whether MSC has, in fact, been reversing the crisis of overexploitation and depletion of global fisheries is, therefore, a moot point. The onus on certified fisheries to remain sustainable is high, which is perhaps the greatest impact of MSC.

It remains to be seen, though, if the recent spurt of fisheries certified to MSC can be sustained in future. Most certifiable fisheries within the framework of the MSC standard are likely to be exhausted soon, and the real challenge for MSC will be when poorly managed fisheries are able to get their act together and rise up to the MSC standard. There are no such signs as yet of that happening.

The certification standard, however, raises serious doubts about

the relevance of the MSC methodology and process, especially for tropical, multi-species fisheries. It is ironic that while small-scale fisheries, particularly those that employ selective, non-trawl fishing gear and practices in multi-species, tropical fisheries, hardly benefit from MSC certification, several industrial trawl fisheries in the temperate and polar waters have been certified to MSC as sustainable, thus challenging the common perception of trawling as a high-impact, destructive fishing technique,

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and small-scale fishing as low-impact and sustainable.

The MSC experience creates the impression that fish stocks are well managed in industrial, temperate-water fisheries, and ill managed in tropical marine fisheries. It remains to be seen how far the 2010 revised MSC certification standard would address this issue. It also remains to be seen how the social elements will be assessed under the new standard, especially in regard to the cultural context, and how a fishery acknowledges the legal and customary rights of fishing communities and the long-term interests of people dependent on fishing for food and livelihood. ♣

For more



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Marine Stewardship Council

icsf.net/icsf2006/uploads/publications/dossier/pdf/english/issue_56/ALL.pdf
FishStakes

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Fisher's Stories- Net Benefits