

The Marine Stewardship Council Fisheries Certification Program: Progress and Challenges

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Abstract: Fish is an increasingly popular source of protein and lifestyle food choice. High demand for fish and inadequate management of many fisheries has resulted in sub-optimum production and economic and environmental performance. Initiatives to address these problems include regional and international fisheries agreements, NGO-campaigns and industry-led management innovations. The Marine Stewardship Council (MSC) was established in 1997 by Unilever and WWF to harness market forces as an incentive to improve management of fisheries. Through extensive consultation with fishery stakeholders the MSC established a standard describing a well-managed and sustainable fishery (the MSC Principles and Criteria). The MSC accredits independent certifiers to assess fisheries (fish stocks) against the MSC Standard. If a fishery achieves certification, companies selling products from the fishery are eligible to use the MSC Logo—providing they can demonstrate traceability of the product to a certified fishery, by way of a Chain of Custody assessment. The first two fisheries achieved MSC certification in March 2000; others are currently being assessed. Immediate management improvements resulting from certification include improved research, management and data collection, which were required as conditions of certification. Initial indications suggest increased demand by retailers for the newly certified products. Future success of the MSC Certification Program will depend on the MSC's ability to address challenges including: winning and maintaining the confidence of all stakeholders; building public awareness of the MSC Logo; ensuring the MSC Standard is relevant to all commercial capture fisheries; and keeping on the right side of international trade rules.

Keywords: Fishery Management, Certification, Accreditation, Marine Stewardship Council

1. INTRODUCTION

In March 2000, rock lobster from Western Australia and herring from the Thames-Blackwater Fishery (United Kingdom) became the first products to carry the Marine Stewardship Council Logo. This Logo allows consumers to select products which are certified as coming from well-managed and sustainable fisheries. There is considerable interest in the use of eco-labelling to improve management of natural resources by allowing consumers to make informed purchasing choices. This paper reports on progress in the implementation of the Marine Stewardship Council Fisheries Certification Program—including experience from the certification of the first two fisheries. It also identifies issues facing the Marine Stewardship Council as the Certification Program develops.

2. BACKGROUND

The poor state of some of the world's major fish stocks is now well documented. The FAO (e.g. 1998) regularly reports on the state of world fisheries and aquaculture, and Alverson and Dunlop (1998) provide an excellent analysis of current information on the state of world fish stocks. Alverson and Dunlop's conclusions include:

- Of the 569 marine fish stocks examined for 1994, only 296 (52%) are clearly classified in regards to their status. These stocks made up 65% of the reported marine catch in 1994.
- About 30% of the world fish stocks classified to state are categorized as being overexploited, depleted [or similar]. These stocks yield 46% of the landings of marine capture fisheries.
- Data supporting overfishing is pervasive; effective management is probably lacking in many areas of the world, in both developed and developing countries.
- The actual status of marine fish resources may be worse [than these figures suggest] due to lack of data—especially on smaller inshore fish populations, and uncertainty about existing data.

The need for improved management of fisheries is also demonstrated by the FAO estimate that the world's production of marine capture fisheries could be increased by 10 to 20 million tonnes annually if management of fish stocks were improved (FAO, 1997).

There are also concerns about the impacts of fishing practices on marine ecosystems. In some fisheries large amounts of unwanted fish are caught with the fish being targeted. Much of this bycatch is discarded and most does not survive. In other fisheries there is an incidental

catch of seabirds, turtles or marine mammals, including some threatened species. Some fishing practices cause damage to seafloor communities. The worst of these include the use of cyanide and dynamite to catch fish in tropical fisheries—resulting in widespread destruction of coral reefs. Common fishing practices such as bottom trawling and dredging can also damage seafloor communities when used inappropriately.

In response to these problems a wide range of initiatives have been developed to improve management of fisheries. Some examples include:

- International agreements e.g. *United Nations Convention on the Law of the Sea*; the *UN Fish Stocks Agreement*; the *FAO Compliance Agreement* and *Code of Conduct for Responsible Fishing*
- Regional fisheries agreements e.g. *Northwest Atlantic Fisheries Organisation*; *Convention for the Conservation of Southern Bluefin Tuna*
- Improved national fisheries legislation
- Industry initiatives e.g. *Canadian Code of Conduct for Responsible Fishing Operations*; data collection programs
- Environmental NGO initiatives e.g. *Give Swordfish a Break* campaign; consumer choice cards

At the 1992 Rio Conference on Environment and Development the potential benefits of eco-labelling to create market incentives were recognised (Deere, 1999). More recently, Wessels et al (1999) have demonstrated that in US markets there is a preference and willingness to pay—albeit variable—for seafood products certified as sustainable. Preliminary findings of similar research in Europe have produced similar results.

Different certification systems could be applied to fisheries. These can be characterised in terms of the nature of the certification system i.e.

- Product Conformity e.g. IFOAM Organic Produce
- Management System e.g. ISO 14000
- Performance Management e.g. Marine Stewardship Council

They can also be characterised by the party responsible for certification:

- First party i.e. self-declaration
- Second party e.g. retailer assessment
- Third party e.g. assessment by accredited independent certifier

In 1996 WWF (the world's largest independent conservation organisation) and Unilever (one of the world's largest users of frozen fish) started a conservation partnership which resulted in the establishment of the Marine Stewardship Council (MSC). The MSC is now an independent, non-governmental standard setting and accreditation organisation, operating as a not-for-profit

registered charity. It is currently funded by environmental programs within major foundations and by corporate sponsorship. The MSC is a member of the newly formed *International Social and Environmental Accreditation and Labelling Alliance* (ISEAL), through which accountability is maintained.

3. MSC CERTIFICATION PROGRAMME

3.1 Overview

The MSC Program is a voluntary, independent third-party certification program. Fisheries are assessed against the MSC Standard for a well-managed and sustainable fishery. This Standard is set out in the MSC Principles and Criteria. There are three Principles and under each there are Criteria which describe the Principle in more detail.

Principle 1: A fishery must be conducted in a manner that does not lead to overfishing or depletion of the exploited populations and, for those populations that are depleted, the fishery must be conducted in a manner that demonstrably leads to their recovery.

Principle 2: Fishing operations should allow for the maintenance of the structure, productivity, function and diversity of the ecosystem (including habitat and associated dependent and ecologically related species) on which the fishery depends.

Principle 3: The fishery is subject to an effective management system that respects local, national and international laws and standards and incorporates institutional and operational frameworks that require the use of the resource to be responsible and sustainable.

The primary unit of certification is one or more fish stocks in a fishery. It may be possible for a group of fishers fishing only part of a fish stock (or stocks) to obtain certification—provided the state of the whole fish stock(s) is assessed.

Independent certification companies accredited by the MSC are responsible for assessing and certifying fisheries (Fishery Certification) and seafood supply chains (Chain of Custody Certification). Chain of Custody Certification is designed to ensure that the MSC Logo is only applied to fish products which originate from an MSC-certified fishery.

The client for an MSC Fishery Certification is 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 state fishery management agency. Clients for MSC Chain

of Custody Certification are companies wanting to use the MSC Logo on their seafood products.

Within the Certification Program, the MSC has three key roles:

Standard Setting: The MSC is responsible for setting and maintaining the standard against which fisheries are assessed, and the associated assessment methodology. The MSC Standard—the MSC Principles and Criteria for Sustainable Fishing—was developed by experts in a wide range of fishery-related disciplines and through extensive international consultation with interested parties. The MSC Standard is now maintained by the MSC Standards Council—whose members have expertise in a similar range of fishery-related disciplines.

Accreditation: The MSC is responsible for the initial assessment and ongoing monitoring of certifiers to ensure they meet the requirements to assess (and where appropriate certify) fisheries against the MSC Standard and to undertake chain of custody certification.

Logo Licensing: Through its trading arm (Marine Stewardship Council International) the MSC owns the rights to the MSC Logo and licences its use in association with products which come from MSC-certified fisheries.

3.2 Certification Process

The MSC requires certifiers to follow a specified process when assessing a fishery against the MSC Standard. The major steps include:

- Pre-assessment—a confidential report to the client describing the fishery, indicating the likelihood of the fishery being successfully certified, identifying any likely hindrances to certification and setting out the cost of full assessment.
- Selection of assessment team: the team must have skills in the areas of stock assessment, ecosystem impacts, fishery management and local fisheries knowledge. Levels of expertise must be appropriate to the scale of the fishery.
- Information collection—includes one or more visits to the fishery and consultation with fishery stakeholders.
- Analysis of information and assessment of the fishery using a performance indicator and scoring guidelines approach.
- Review of draft assessment report by the client and by independent peer reviewers.
- Final decision whether to award certification (with or without requirements for ongoing certification). The

decision is made public, along with a summary of the assessment report.

- Chain of custody assessments and certification are designed to ensure that only products originating from a certified fishery will carry the MSC Logo.
- Certified fisheries are audited at least annually to ensure that conditions in the fishery have not significantly changed since certification and to ensure any requirements for ongoing certification are being met.
- A fishery certification lasts up to five years after which re-certification is required.

Products from MSC-certified fisheries are eligible to carry the MSC Logo and the MSC Claim: *This product comes from a fishery which meets the Marine Stewardship Council Standard for a well-managed and sustainable fishery.*

3.3 Progress in Accreditation and Certification

Nine certification companies have fulfilled the MSC requirements to be able to commence assessing fisheries within the MSC Certification Program. Two of these certifiers have completed fishery assessments and are fully accredited; others are currently undertaking their first fishery assessments.

The first two fisheries to be certified under the MSC Program were certified at the start of March 2000. These fisheries are very different in scale. The Western Rock Lobster Fishery in Western Australia is a large, export-oriented fishery producing around USD250 M worth of rock lobster per annum, primarily for markets in Asia, North America and, increasingly, Europe. The Thames-Backwater Herring Fishery in the UK is a small gillnet fishery operated by fishers from small fishing communities. The total annual catch is around 150 tonnes, most of which is sold on local markets.

Fisheries currently within the MSC Certification Programme:

Certified: Western Rock Lobster; Thames-Blackwater Herring.

Undergoing full assessment: Alaskan Salmon.

Pre-assessment underway: Burry Inlet Cockles (UK); Waddensea shellfisheries (NL); Lakes & Coorong Fishery (Australia); 2 large whitefish fisheries; Crab fishery (Central America).

Pre-assessments expected to commence soon: Pacific Island tuna fishery; Crab fishery (SE Asia); Shellfisheries in England, Scotland, Canada and New Zealand.

3.4 Costs of Certification

The costs to the client of MSC Certification can be separated into four main components: pre-assessment, fishery assessment, chain of custody assessment, and Logo licence fees. The costs of both the pre-assessment and full fishery assessment depend on the size and complexity of the fishery. From the limited experience to date, it appears the costs for pre-assessments may range from a few thousand dollars (USD) to over \$20,000. The cost of a full fishery certification may range from about \$10,000 for a small, simple fishery to more than \$100,000 for a large, complex fishery. There will also be a cost for the annual audit of a certified fishery, although this will normally be small compared to the cost of initial certification. Responsibility for the costs of certification lies with the client who pays the certifier to undertake the assessment.

Chain of custody assessments (also undertaken by an MSC-accredited certifier) are commissioned and paid for by companies wanting to use the MSC Logo. The cost of a chain of custody assessment will vary depending on the size and complexity of the supply chain. Current estimates indicate the cost may range from less than \$1,000 to over \$5,000.

Companies wanting to use the MSC Logo must enter 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 0.05% of product value i.e. \$500 per \$1,000,000 of product with a minimum fee of \$500. The fee for off-product use of the Logo will be set at the level required to cover the administrative costs of the licence system.

Funding agencies have demonstrated an interest in assisting stakeholders in some fisheries with the costs of certification where stakeholders would otherwise be unable to fund certification. This is of particular importance for some small-scale fisheries and fisheries in developing countries.

4. POTENTIAL BENEFITS

There is a range of potential benefits which may result from the MSC Certification Program. These include:

For the Fishing Industry

- Evidence and recognition of good fisheries management

- Improved fishery management
- Preferred supplier status and potential for increased returns—particularly in niche markets

For Retailers

- Demonstrates commitment to buy from well-managed, sustainable sources
- Increased confidence in sustainability of product
- Maintaining or increasing market share
- Stability of supply

For Consumers

- Confidence that buying MSC-certified products will not contribute to overfishing or harm marine ecosystems
- Empowers consumers to influence management of fisheries

It is too soon to provide a definitive report on the market benefits of recent certifications. However, there are early indications that fish retailers and caterers in North America and Europe which have not previously purchased Western Rock Lobster, now wish to buy the newly certified product.

Improvements in the management of the certified fisheries have already resulted from the certification process and from requirements imposed by the certifiers for maintaining ongoing certification. Improvements (already implemented or to be implemented) include:

For Thames-Blackwater Herring Fishery:

- Improved data collection: catch and fishing effort; by-catch; discards
- Details of Spawning Stock Biomass calculation now available
- Fishery Management Plan prepared
- Comprehensive consultation process implemented

For Western Rock Lobster:

- Ecological risk assessment to be completed
- Environmental Management Strategy to be prepared
- Increased involvement of environmental community in decision making

5. CHALLENGES

The MSC Certification Program is now fully operational and has attracted support from retailers, processors and the fishing sector—although the level of support differs between regions and between different parts of the sector.

To build on its current success, the MSC Certification Program will need to meet a number of challenges including:

- Demonstrating that MSC Certification adds value to the business of fishing
- Winning and maintaining the confidence of the seafood industry (fishers, processors, retailers), other fishery stakeholders, environmental NGOs, government agencies and certifiers
- Building awareness of and demand for the MSC Logo
- Ensuring the MSC Standard is relevant to all marine fisheries—including those in developing countries
- Keeping on the right side of international trade rules

6. CONCLUSION

After four years development, the Marine Stewardship Council Certification Program is now fully operational. It is too soon to determine what level of consumer and fishing industry support the Program will achieve but initial results are positive. If current progress continues, and the MSC Certification Program can successfully meet a number of challenges, it will demonstrate that market forces can be harnessed to provide incentives for fishery stakeholders to improve management of the fisheries in which they operate.

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