



Policy Brief

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The growth of marine fisheries eco-labelling in Southern and Eastern Africa:

Potential benefits and challenges¹

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INTRODUCTION

There is growing recognition that Africa's marine fisheries face a precarious future. A number of factors are contributing to the situation, but the principal concern is unsustainable and wasteful fishing practices. The social and economic importance of this threat should not be underestimated. Fishing is an essential commercial industry, not only in terms of exports and job creation, but also in promoting the food security and livelihoods of people. Millions of Africans rely on the sea for their economic, social and cultural security.

Among international policy debates on how best to promote responsible fishing, the role of eco-labelling initiatives has gained impressive support and momentum. Few see these initiatives as offering a total solution, but they are regarded as initiatives that promote responsible fishing practices by enabling consumers to make informed choices.

Several international organisations provide eco-labels for fisheries. The Marine Stewardship Council (MSC), based in London, is considered the global leader and offers the most comprehensive and thorough certification process. This involves fisheries paying the MSC accredited certifying bodies to undertake thorough evaluations of their particular fishery based on the MSC's sustainability criteria. The certification process can take more than a year and when the fishery receives a stamp of approval, it is audited every year and re-certified after five years. The MSC initiative started late in the 1990s and at present the total value of products carrying the MSC stamp of approval amounts to US\$1 billion. Numerous large retailers in North America, Europe and parts of Asia have agreed to source only certified fish products, or they

have committed themselves to stocking more of these products. Walmart, for instance, has stated that it will sell only MSC-certified products by 2011.

Another organisation that offers eco-labelling for fisheries is the Italian-based Friends of the Sea (FOS). This initiative was developed by the Earth Island Institute, which led the international campaign for dolphin-friendly tuna. The FOS certifies both wild caught and farmed fish and has actually certified more fisheries than the MSC, amounting to some 10 billion tonnes of fish exports. However, the FOS does not have the same influence with international retailers as the MSC, possibly because the standard of its eco-label is considered inferior: the process used by the FOS to assess fishing companies is brief, inexpensive and far less rigorous than that used by the MSC. However, both organisations claim to comply with the UN Food and Agriculture Organisation's guidelines for the certification of fisheries' products. (These guidelines were developed because of fears that a proliferation of eco-labels may be unreliable, confuse consumers and threaten the integrity of eco-labels in general).

RECENT DEVELOPMENTS IN AFRICA

While the local consumer demand for eco-labelled products in the developing world has yet to become significant, many more fisheries from developing countries may successfully engage in eco-labelling initiatives in the near future. This is partly because local companies realise that obtaining a credible eco-label is necessary for their business and offers expanded commercial opportunities. However, certification is also being actively brought to developing world fisheries from those promoting these initiatives.

Demand in Western countries for eco-labelled products far outstrips supply and with over half of the world trade in marine products originating from developing countries, the commercial success of the eco-labelled fish market depends on the inclusion of fisheries from regions in Africa, Latin America and Asia. Furthermore, international eco-labelling initiatives are under pressure to certify fisheries from the Global South in order to maintain their legitimacy. Eco-labelling initiatives have come under criticism for being exclusionary and potentially operating as an informal barrier to trade because they exclude fisheries from these areas, particularly local small-scale fisheries.

As an indication of the growing interest for certification in Africa, the MSC has recently opened an office in Cape Town, tasked with extending the initiative in Southern and Eastern Africa. Their work is strengthened by the local activities of the World Wide Fund for Nature (WWF), which launched the MSC jointly with Unilever in the late 1990s. The WWF regards the MSC a strategic tool in their efforts to conserve marine wildlife.

So far, only a few African fisheries have been certified through international eco-labelling initiatives. The South African deep-sea hake trawl industry is still the only marine fishery to have obtained the MSC label, while the FOS has certified a French company which exports prawns from Madagascar. The FOS has also recently certified a company exporting Southern African tuna caught by pole-and-line methods. However, a significant number of other fisheries have begun the certification process or have shown a strong interest in doing so. Fisheries that are engaging with the MSC include the hake fishery of Namibia, fisheries selling tuna caught by pole and line in South Africa, rock lobster fisheries in Kenya and off the Tristan de Cunha islands, prawn fisheries in Mozambique and Madagascar, and an octopus fishery in Tanzania and possibly also one in Madagascar. It therefore seems likely that the number of eco-labelled fish products exported from Southern Africa will increase significantly within the next few years.

CRITICAL ISSUES FOR POLICY DEBATES

There are a number of important policy debate issues that arise from the growth of eco-labelling in African fisheries. The most important of these are summarised below.

Monitoring the environmental impact of eco-labelling

The purpose of eco-labelling in fisheries is to reduce overfishing and slow down, or reverse, the tremendous loss

of marine biodiversity caused by fishing activities. Whether they achieve these environmental objectives remains a highly contentious issue that warrants more in-depth study.

Eco-labels try to promote the consumption of sustainably caught products as opposed to the unsustainably caught ones. However, there is insufficient evidence to suggest the growth of voluntary eco-labelling initiatives is succeeding in this regard there is a lack of empirical studies measuring the impact of eco-labels on consumer markets.

This, however, is not the only way in which eco-labels are thought to bring about environmental change. For the MSC at least, the most tangible environmental impact is thought to occur as a result of the assessment process. This is primarily due to the conditions that certifying bodies impose on fisheries and to which they have to adhere in order to be compliant with the MSC standards of sustainability. Because the FOS generally does not impose such 'corrective guidelines' on fisheries, it is far less likely to have the same a positive environmental impact.

Existing evidence suggests that environmental improvements brought about by the assessment process have been introduced in several fisheries that have been successfully certified by the MSC, including the South African hake trawl fishery. There are also signs that environmental improvements are being made in local fisheries in anticipation of certification, which means that eco-labelling initiatives are having a positive environmental impact, even in fisheries that never actually obtain the eco-label. Specific improvements in fisheries include adapting fishing techniques to reduce by-catch, strengthening scientific understanding of fish populations and developing new management plans.

Despite positive case studies, there are critics who argue that the environmental impact of eco-labelling has been disappointing. Some argue that the standards of sustainability used by eco-labelling organisations are not stringent enough, and conservation organisations and marine biologists believe that there have been several cases of unsustainable fisheries being incorrectly certified as sustainable. The MSC and FOS have therefore been encouraged to raise their standards. However, if standards are too high, it will inevitably reduce the number of fisheries that are prepared to engage in these schemes. Tension therefore exists between maximising the environmental impact of certification and growing its market coverage.

In addition to the argument that eco-labels are not as effective as they should be, some organisations, including Greenpeace, suggest that eco-labels provide industrial

fishing companies with a 'green shield' that protects them from more ambitious policy reforms. This would mean that the growth of eco-labelling may in fact have negative environmental consequences.

Understanding the industry's perspective on costs and benefits

An increasing number of African-based fishing companies realise that gaining a credible eco-label is important for their long-term business interests. These commercial benefits are complex and differ from one fishery to another. The potential benefits for fishing companies include improved market access, the strengthening of their environmental legitimacy, the potential for gaining a price premium, and the opportunity to influence the management of their fishery. In isolated cases, certification may also provide fish-producing companies with the opportunity to improve their vertical integration in international supply chains.

Although such benefits represent important incentives for fishing companies, there are concerns about committing to specific eco-labelling initiatives. In addition to the fear of failing certification, or being decertified in the future, industry representatives are concerned about the cost of certification, which includes not only the payment of assessment fees but also a range of other costs flowing from activities that relate to conditions imposed by certifying bodies. In this respect the MSC eco-label is far more expensive than that of the FOS, not only because the assessment process of the MSC is more thorough and time consuming, but also because the MSC normally requires fisheries to take corrective action. However, paying for a more reputable eco-label is likely to bring greater benefits, whereas choosing a cheaper label with a lower standard could prove detrimental to companies in the long run.

Other concerns have been raised by some industry representatives. For example, there is some apprehension that once fishing companies have gained an eco-label, they become 'locked in' to the initiative and vulnerable to continuing and growing demands for environmental improvements, under the threat of decertification. As the benefits of certification cannot be calculated in advance, it is difficult for fishing companies to know if certification would be commercially viable for them. Concerns over costs are partly offset by the potential support to fisheries from donors and philanthropic organisations. Indeed, it would appear to be the case that the growth of certification in Southern Africa is highly dependent on donor support. This, however, raises the further concern that dependence on external funding may render eco-labelling initiatives unsustainable in the long run.

The crucial role of the state

Governments and fishing authorities could play a crucial role in the success of certification. The support of fishing authorities is needed for the certification process, while both the MSC and FOS labels are only awarded to fisheries where there is evidence of responsible management. However, in many Southern African countries, state authorities tasked with managing fishing resources lack capacity and may consider engaging in the assessment process as burdensome. Moreover, in some countries there are concerns about issues of governance and corruption.

Eco-labelling of fisheries may help bring about improvements in fisheries management and authorities in charge of fisheries could play an active role in ensuring the success of these initiatives. Indeed, there seems to be potential for the creation of synergies with certification and national fisheries projects, including those supported by external foreign donors. However, it remains a matter of some concern that in the immediate future the role of the state may be a critical barrier to the growth of eco-labelling in the marine fishery industry in their countries.

The inclusion of the small-scale fishing sector

Third-party certification schemes have come under sustained criticism for their inability to include small-scale fisheries in their initiatives. This is considered problematic by some commentators, as small-scale fisheries are regarded as being better for the environment and local development in comparison to industrialised fisheries. Moreover, there has been concern that the uneven growth of certification could operate as an informal barrier to international trade for those involved in the small-scale sector.

Certifying small-scale fisheries has therefore become a key challenge for the MSC and WWF, as well as the FOS. However there are inherent difficulties in certifying small-scale fisheries, including a lack of data on these types of fisheries and the inability of smaller fishing enterprises to afford the costs of certification. Adaptations to the certifying process are being explored by the MSC to accommodate small-scale fisheries and there are concerted attempts to provide funding assistance. This has meant that the certification of small-scale fisheries has taken on the characteristics of a traditional donor-style activity, which is far removed from the voluntary market mechanism which the labelling initiative was originally conceived to be.

For the MSC and the WWF there are encouraging developments in certifying small-scale fisheries in Tanzania and Kenya. The success of these developments

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will be influenced by the extent to which certification will lead to local economic and social gains, particularly if considerable donor support is required, which seems likely. There are doubts whether such gains will materialise and it is possible that commercial benefits will be more relevant to owners of production and exporting companies than to fishermen and processors. Moreover, some commentators have warned that certification may not always have a positive impact on local food and job security, as it may negatively influence local prices and encourage an increased export of fishing products. It is therefore recommended that those paying for the certification of small-scale fisheries should undertake ongoing reviews of its socio-economic impact, which for the time being does not seem to be a planned research activity in the region.

Maintaining the integrity of eco-labels

In view of the normative aspect of certifying fisheries, maintaining public credibility is vital for all third-party eco-labelling schemes. The MSC has a good track record of multi-stakeholder engagement and has developed mechanisms and procedures that enable others to contest the decisions of certifying bodies. In this respect, the MSC is in a much stronger position than other third-party certification bodies such as the FOS. Indeed, the FOS assessment process has no formal procedure for stakeholder engagement at all and its auditing procedures lack transparency.

The MSC might find it difficult to achieve broad-based stakeholder engagement in many African countries and its present approach may not be sufficient to ensure such engagement, either. Local civil society organisations may not have the capacity to influence the decisions of certifying bodies and provide the necessary checks and balances. This is compounded by the fact that key documents and reports are not translated into local languages.

Maintaining the integrity of third-party eco-labels is also undermined by the inherent risk of conflicts of interests in the assessment process. There are commercial incentives for certifying bodies to give favourable assessments to clients and the eco-labelling organisations have vested interests in growing their initiatives. However, to some extent biased and inappropriate findings of certifying bodies are countered by a peer-review mechanism, but

there are flaws in the way peer reviews are conducted. Maintaining the credibility of the certification process, which includes strengthening civil society oversight, therefore remains an ongoing and difficult challenge.

CONCLUSION

Although there are obstacles to the growth of eco-labels in Africa, it appears likely that the number of fisheries engaging with organisations such as the FOS and MSC will continue to increase in the next few years. There are potential benefits to this development, including environmental and commercial gains, although there are also risks and potential problems. Moreover, not engaging with global eco-labelling initiatives may put African fisheries at a competitive disadvantage and make access to foreign markets more difficult. African stakeholders, including government authorities, therefore need to engage proactively in the development and implementation of eco-labelling initiatives. In order to do so, it is important that further independent studies on the environmental and economic impacts of eco-labelling be undertaken. This must include greater consideration of the positive and negative consequences of eco-labelling on companies, the environment and the development of coastal communities.

NOTES

- 1 This briefing is based on the ISS Research Report, *The growth in certification of marine fisheries in Southern Africa: potential benefits and challenges*, August 2009.

This policy brief is based on a Norway-funded United Nations Environment Programme (UNEP) project on 'Promoting Sustainable Trade, Consumption and Production Patterns in the Fisheries Sector'. This UNEP project aims to build the capacities of governments, private sector stakeholders and consumers to promote sustainable fisheries management. As part of this work the UNEP commissioned the Institute for Security Studies to document opportunities and challenges of certification schemes in the Southern African region, to analyse trends of sustainable fisheries products demand, and to promote linkages between the concerned actors.

