



ECO-LABELLING AND SUSTAINABLE FISHERIES

Carolyn Deere

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<http://www.fao.org>.

Author. Carolyn Deere wrote this paper as Policy Fellow for Trade and Biodiversity at the IUCN Washington Office. She is currently Warren Weaver Fellow at the Rockefeller Foundation. This document has benefited from input and comments from many sources. The author would like to thank David Downes, Jane Earley, Charlotte de Fontaubert, Scott Hajost, Sebastien Matthew, Jeff McNeely, Julia Novy, Jonathan Peacey, Sabrina Shaw, Mike Sutton, Despina Symons, Frank Vorhies, John Waugh and the staff of the FAO Fisheries Department for their comments and advice. She also thanks Amadou Tall of INFOPECHE and J. Santiago Caros Ros of INFOPECSA for the French and Spanish translations of the text. E-mail: cdeere@iucn.org

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PREFACE

The need for sustainable fisheries and the conservation of marine biodiversity are both internationally recognised. Both IUCN and the FAO share the goals of supporting and strengthening international and national efforts to improve the management of fisheries, coastal areas and marine biodiversity. In principle, eco-labelling has been endorsed by the international community as one of the tools that can help improve environmental management through market-based means. However, its application to natural resource sectors has proven complicated and often controversial. The goal of this publication, jointly supported by IUCN and FAO, is to outline clearly some of the com-

INTRODUCTION

There is broad consensus in the international community that many of the world's commercial fisheries are in distress. Eco-labelling schemes are increasingly perceived as a way simultaneously to maintain the productivity and economic value of fisheries while providing incentives for improved fisheries management and the conservation of marine biodiversity. In the fisheries sector, a number of recent eco-labelling initiatives have been designed to complement and support efforts to implement sustainable fisheries management systems. These schemes have met with vary-

I. INTERNATIONAL FRAMEWORK AND RATIONALE FOR ECO-LABELING

1.1. The International Framework for Eco-Labeling

There already is a common global understanding of the need for improved fisheries management and conservation of marine biodiversity. This follows from the 1982 UN Convention on the Law of the Sea and ensuing instruments, notably, the 1995 UN Agreement on the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks (Straddling Stocks Agreement), and the 1993 FAO Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas (Compliance Agreement). The 1995 FAO Code of Conduct for Responsible Fisheries and the technical guidelines developed in support of its implementation (such as those on the precautionary approach) provide further examples of international support for improved fisheries management. In addition, Agenda 21 of the UN Conference on Environment and Development (UNCED) held in Rio de Janeiro, Brazil and the 1992 Convention on Biological Diversity gave political support to the goals of improved fisheries management as well as to the conservation and sustainable use of marine biodiversity. Finally, the 1973 Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) highlights international support for the principle of protecting endangered species.

The potential usefulness of eco-labelling schemes to create market-based incentives for environmentally friendly products and production processes was internationally recognised at UNCED. At Rio, governments agreed to “encourage expansion of environmental labelling and other environmentally related product information programmes designed to assist consumers to make informed choices.”¹ Moreover, consumer organisations in many countries, and

Box I: Environment and Trade-related Provisions of Article 11 of the FAO Code of Conduct for Responsible Fisheries

- Article 11.1.11. States should ...
- Article 11.1.12. States should ...
- Article 11.2.3. States should ...
- Article 11.2.4. F ...
- Article 11.2.13. States should ...
- Article 11.3.2. States should ...

1.2. What are Eco-Labels?

Eco-labels are seals of approval given to products that are deemed to have fewer impacts on the environment than functionally or competitively similar products.² The rationale for basic labelling information at the point of sale is that it links fisheries products to their production process.

The goal of eco-labelling initiatives is to promote sustainably managed fisheries and highlight their products to consumers. Product claims associated with eco-labelling aim at tapping the growing public demand for environmentally preferable products. Eco-labels generally rely on life-cycle assessment to determine the environmental impact of a product 'from cradle to grave'.³ Usually claims appearing on a product must be preceded by a chain of custody exercise that documents that the product was derived from, for example, a fishery certified as being 'sustainably managed'.

Prior to certification, a set of 'sustainability' standards or criteria against which a fishery is to be evaluated must be developed. Achieving and identifying 'sustainability' in fisheries is a complex process. The acceptance and credibility of standards is closely related to how the standards were developed, the standards themselves, and the accrediting or certifying process by which organisations are evaluated against the standard.⁴

²See OECD (1991) ... , OECD Report 12, written by James Salzman, OECD: Paris and Karen West (1995) *Ecolabels: The Industrialisation of Environmental Standards*, ... , Volume 25, No. 1. See also Erika Preiss (1997)

ECO-LABELLING PROGRAMMES USUALLY FALL INTO ONE OF THE FOLLOWING CATEGORIES:

- First party labelling schemes: These are established by individual companies based on their own product standards. The standards might be based on criteria related to specific environmental issues known to informed consumers through the media or advertising. This form of eco-labelling can also be referred to as 'self-declaration'.
- Second party labelling schemes: These are established by industry associations for their members' products. The members elaborate certification criteria, sometimes by drawing upon external expertise from academia and environmental organisations. Verification of compliance is achieved through internal certification procedures within the industry, or employment of external certifying companies.
- Third party labelling schemes: These are usually established by a private initiator independent from the producers, distributors and sellers of the labelled products. Products supplied by organisations or resources that are certified are then labelled with information to the consumers that the product was produced in an 'environmentally friendly' fashion. The label (seal) is typically licensed to a producer and may appear on or accompany a product derived from a certified fishery or producer. Producers are usually expected to track the 'chain of custody' of their products in order to ensure that the products derived from the certified fishery are in fact those that are so labelled. In some instances the private initiator accredits other organisations to be the certifier. An accrediting body provides some degree of assurance that the certifier has been trained by an accredited training programme and is qualified to perform an evaluation against a specific set of criteria in a given field. While the criteria may be established through a negotiation process among the various interested parties, they are often motivated by the environmental objectives of the private initiators of such schemes. Environmental organisations and consumers generally prefer eco-labelling schemes of this type because of the heightened confidence that private commercial interests will not compromise the criteria applied to the schemes and strict compliance with them based on verifiable and impartial certification procedures.

Eco-labelling systems can be either mandatory or voluntary. Mandatory eco-labels are government-backed and could act as a trade restriction for foreign producers (i.e., imports may be rejected if they do not comply).⁵ Imports of products that do not comply with voluntary eco-labels are not restricted. In the case of voluntary labels, it is up to the manufacturer to decide whether or not to apply for certification of the product, and the consumers choice whether to buy (or import) an eco-labelled product. Voluntary eco-labelling programmes may be funded and supervised by the private sector. Some, however, are government sponsored and funded.⁶

⁵WTO (1997b), Note by the WTO Committee on Trade and Environment, WT/CTE/W/45, WTO: Geneva; OECD (1997b), OECD, Paris; OECD (1997c), OECD, Paris.

⁶Germany became the first country with a government-sponsored eco-labelling programme when it began its Blue Angel label in 1977. The Blue Angel has appeared on products ranging from recyclable paper to detergents, vacuum cleaners and oil and gas heating appliances.

1.3. The Rationale for Eco-labelling in the Fisheries Sector

In the fisheries sector, there are hopes that eco-labelling schemes will:

- Provide information about the environmental impact of products and enable more informed purchasing behaviour by consumers and intermediaries;
- Provide consumers with the opportunity to express their environmental/ecological concerns through their purchasing behaviour and the market mechanism (e.g., dedicating their buying power to 'green catches'⁷;
- Encourage retailers and consumers to buy only fishery products that come from sustainably managed resources;
- Raise environmental standards in the production of the commodity;
- Generate price differentials between eco-labelled products and those that either do not qualify for eco-labelling, or those whose producers do not seek to obtain such labelling⁸;
- Enhance incentives for producers to supply products that meet the eco-labelling criteria in order to receive greater returns (a 'green premium') or gain market share for their products;
- Provide competitive advantages, market access or greater market share for fisheries products derived from sustainably managed fisheries; and
- Generate greater support by industry and other interested parties for improved fisheries management.

Eco-labelling schemes are often focused on domestic producers for the domestic market. Eco-labelling can also have the effect of enabling consumers to influence producers in other countries. A sizeable share—40 percent in 1996—of overall global fisheries production enters international trade.⁹ This implies that eco-labelling has the potential to harness consumer preferences to create market-based incentives for sustainable fisheries management and improved production processes in other countries (such as harvesting methods that reduce by-catch, or fish caught in compliance with sustainable management regimes). Given that most trade in these products is destined for industrial country markets, eco-labelling schemes that focus on consumers in industrial country markets have the potential to encourage more sustainable international trade flows.

⁷Cathy Wessells of the University of Rhode Island has recently completed a consumer survey of U.S. seafood consumers, with a focus on determining if U.S. consumers have a preference for eco-labelled seafood, and are willing to pay for it. A report on the results of the survey can be found at <http://www.riaes.org/resources/library>.

⁸The FAO reports that for organic products a price premium of 10-20% is not difficult to obtain (and examples of premiums of as much as 50% have been reported). Premiums for certified forest products are estimated to be in the range of 5-10%. See FAO (1998) "Experience in eco-labelling of food and forest products", *FAO Fisheries Bulletin*, 21-23 October, 1998.

The success of certification and eco-labelling schemes as tools to encourage environment improvement is largely dependent on consumers' understanding and acceptance of certification, and in the general responsiveness of consumers to eco-labels. Whether the purchaser of the fisheries products is a major institutional buyer, a national or

In some markets (e.g., for household cleaning products) eco-labels have established a track record of promoting the spread of more environment-friendly production processes and product characteristics as well as raising consumer awareness about environmental issues.¹⁵ So far, the results are more limited for natural resource based products such as organic and forestry products because eco-labelling schemes apply to only a very small share of production. Moreover, most schemes are too young to provide clear data. One exception is the single issue “dolphin safe” label attached to a large proportion of tuna products in the U.S. market. However, the label is ancillary to regulatory requirements, so labelling alone can not be identified as the primary cause of the high market share.

Nonetheless, there are strong indicators of the potential benefits to industries that do participate in eco-labelling schemes. The real significance of eco-labelling schemes stems not so much from presents sales or market share, but from the potential growth. Eco-labelling schemes in the fisheries sector also have significant potential due to the intense competition between retail chains of fishery products.

¹⁵Drawing on case studies from the timber and organic foods sector, Kristin Dawkins (1996) provides substantial evidence that eco-labelling can be successful in meeting environmental objectives. She argues that, on balance, green products sell well and concludes that eco-labelling schemes enhance consumer education, and set minimum standards for environmentally-sound and socially just performance among other things. See Dawkins, Kristin (1996) “Eco-labelling: Consumer Right to Know or Restrictive Business Practice?” in Rüdiger Wolfrum (ed.) (1996) *Beiträge Zum Ausländischen Öffentlichen Recht und Völkerrecht*, Bd 125. Springer Verlag, Berlin, New York.

¹⁶See FAO (1998) “Experience in eco-labelling of food and forest products”,

21-23 October, 1998, FI:EMF/98/Inf.5, FAO: Rome, p8.

¹⁷In the 1980s, concerned consumers, retail chains and institutional buyers including governments at local, provincial and national levels of several European and North American countries started to avoid, or even ban, the purchase of products made from tropical hardwood.

¹⁸Reduced supplies if coupled with lower demand could otherwise ultimately result in lower turn-over and reduced profits.

to help set standards to certify wild salmon as organic with the hope of breaking into the organic foods market.²³

THE MARINE STEWARDSHIP COUNCIL (MSC)

The MSC is an independent, not for profit, international body headquartered in London, UK. It was initiated by the World Wide Fund for Nature (WWF) and Unilever, a large fish retailer, to promote sustainable and responsible fisheries and fishing practices worldwide. The MSC has, in collaboration with a selected group of parties interested in and experiences with fisheries issues, established a broad set of Principles and Criteria for Sustainable Fisheries.²⁴ Fisheries meeting these standards will be eligible for third party certification by independent certifying bodies accredited by the MSC. On a voluntary basis, fishing companies and organisations are expected to contact certifiers in order to have a certification procedure carried out.²⁵ Fish processing, wholesaling and retailing companies will be encouraged to make

²³Proponents of organic labels for wild salmon argue that Alaskan salmon is intrinsically organic and that, provided it is free of prohibited additives throughout its life cycle, it should qualify as organic under the criteria for certification set out by the U.S. federal Organic Food Production Act of 1990. Already, some farmed salmon has been labelled organic because farmers could demonstrate a controlled environment and a diet consistent with the salmon's natural food. The organic food industry has been growing 20-24 percent annually over the last nine years compared to 3-5% growth of the conventional grocery industry. A difficulty that producers will face is proving that the fish have remained in a pristine environment while swimming through different waters. For further information see Dan Joling (1999) *Organic Food: A Guide to the New Food Labels*, Associated Press, June 1999.

²⁴According to the MSC, "A sustainable fishery is defined, for the purposes of MSC certification, as one that is conducted in such a way that: it can be continued indefinitely at a reasonable level; it maintains and seeks to maximise ecological health and abundance; it maintains the diversity, structure and function of the ecosystems on which it depends as well as the quality of its habitat, minimizing the adverse effects that it causes; it is managed and operated in a responsible manner, in conformity with local, national and international laws and regulations; it maintains present and future economic and social options and benefits; and it is conducted in a socially and economically fair and responsible manner". See www.msc.org.

²⁵To date, the MSC has received eight applications from organisations to become accredited certifiers.

²⁶Nineteen fisheries are currently candidates for MSC certification, and several test cases for fisheries certification are underway. These include the Western Australia Rock Lobster Fishery, the Thames Blackwater Herring Drift Net Fishery and the Dutch North Sea Herring Fishery. (www.msc.org)

²⁷See www.msc.org. Information on the MSC's Principles and Criteria for Sustainable Fishing are available on that website including a list of companies and organizations that support the MSC's mission.

²⁸<http://www.aquariumcouncil.org/>

1.6. The Relationship of Eco-labelling to International Trade Rules⁴³

The issue of the interaction of eco-labelling schemes and international trade rules often confuses international discussions of eco-labelling questions. There appears to be a perception in some quarters that eco-labelling discussions at the World Trade Organisation (WTO) should be concluded prior to the development of international guidelines on this

The rules of the TBT Agreement, including its Code of Good Practice for the Preparation, Adoption and Application of Standards (the Code of Good Practice), prohibit both regulations and standards from discriminating between domestic products and foreign products that are alike (the national treatment principle) and between 'like products' from different WTO Member0 7 103.465 0(p)3.stmplications

⁴⁸The National Treatment Principle (Article III) forbids Members from treating foreign products less favourably (for example through more stringent regulation) than domestic "like products". The Most-Favoured Nation (MFN) principle (Article I) aims to prevent Members from treating products imported from one WTO Member less favourably than "like products" from another Member (Articles III and I).

⁴⁹For more discussion of this point see Steve Charnovitz "Green Roots, Bad Pruning: GATT Rules and Their Application to Environmental Trade Measures," *Environmental Affairs*, Vol. 7.

⁵⁰For instance, because of fundamental climatic, geographical, technological and infrastructural factors; national security requirements; the prevention of deceptive practices; and protection of human health and safety, animal or plant life or health, or the environment. (TBT, Article 2.4. and 5.4.).

⁵¹On the question of whether a particular standard is in accordance with relevant international standards lies, the TBT does not indicate with whom the burden of proof lies. If a dispute did arise, there could be questions about: 1) whether a standard is in accordance with the relevant international standards; and 2) what constitutes a relevant international standard.

⁵²Downes, David and Brennan Van Dyke (1998) *Environmental Law and Policy: A Global Perspective*, Center for International Environmental Law and Greenpeace: Washington, D.C., p.34.

⁵³Appleton, Arthur, E. (1997) *Environmental Law and Policy*, Kluwer Law International, p. 123-124.

⁵⁴TBT Annex 3 does not specify precisely among whom the national consensus needs to be achieved. Presumably, the consensus should be among other relevant national standardizing bodies, but also with government, industry and NGOs (such as environmental and consumer organisations).

1.6.3. The TBT Agreement and Eco-labelling

There is ongoing debate about how the TBT Agreement's different but related obligations on technical regulations and standards apply to eco-labelling initiatives. The WTO Secretariat suggests that the TBT agreement exerts "stronger control" over mandatory labels (those required by governments) than on voluntary or private eco-labelling schemes. However, the extent of control on each type of scheme is unclear.⁶¹

Eco-labelling schemes that are mandated by governments come clearly within the TBT's rules on technical regulations and other relevant WTO rules.⁶² Voluntary, government and non-governmental labelling schemes also appear to be indirect targets of certain trade disciplines.⁶³ Members are required to take 'reasonable' measures to ensure

II. ECOLABELLING AND DEVELOPING COUNTRIES

Eco-labelling schemes, and in particular those that extend eco-labelling principles from household cleaning goods to agricultural and natural resource based products have provoked considerable concerns among some countries, particularly developing countries. To date, there is no conclusive evidence that eco-labelling schemes for other natural resources, such as forestry products, have, on average, proven detrimental to developing country interests. In terms of the fisheries sector, developing countries already have concerns about the impact on their competitiveness of rules related to fish additives and food safety, fish health and technical standards.⁸² Their concern is that eco-labelling schemes in importing countries could simply add to the lair of constraints and competitive challenges they face. Several opportunities can also be articulated.⁸³

2.1. Opportunities

Many industry groups, civil society organisations and governments acknowledge the economic and ecological opportunities that eco-labelling could offer.

ENVIRONMENTAL OPPORTUNITIES

Many governments and industry groups recognise that eco-labelling could provide needed economic incentives for better long term stewardship and availability of natural resources important for national economic welfare. Eco-labelling schemes can provide countries one tool to help them fulfill commitments made under international agreements on important environmental imperatives such as responsible fisheries and the conservation and sustainable use of biological diversity. The fundamental rationale for eco-labelling is, after all to generate political support for improved environmental management and to raise environmental standards through consumer choice.

ECONOMIC OPPORTUNITIES

Labelling provides one of the least-coercive market-based mechanisms to improve conservation outcomes.⁸⁴ Private sector interest in eco-labelling for fisheries products in both developed and developing countries is growing, especially given the business and export opportunities eco-labelling has generated in some other sectors. Moreover, as aheadovets 1 272.449d(n a

eco-labelling presents an opportunity to add value to existing products, expand reach in existing markets, or maintain market share in a competitive environment.⁸⁵ Product differentiation could be a way for some exporters to enhance their export earnings and eco-labels could be one source of such product differentiation.

There are also hopes that eco-labelling could provide new opportunities for attracting capital investment and joint ventures in developing countries. For example, some developing countries hope to enhance their chances at meeting criteria for the certification of their fisheries through cooperation among several countries in their region or through joint ventures with fishing enterprises from industrial countries. Eco-labelling can also provide an opportunity for innovative producers to benefit from the use of more environmentally-friendly production methods.⁸⁶



2.2. Concerns

Despite these opportunities, some governments, producers and civil society groups have expressed various concerns about eco-labelling.

First, an overriding complaint is of lack of transparency and opportunities for participation in the development of product standards such as those that might play a role in assessments of sustainability. This is of particular concern in the fisheries sector where governments have primary management responsibility for fisheries within national exclusive economic zones and, moreover, are obliged under international law to cooperate with governments of other countries in the management of shared fish stocks and of fish stocks on the high seas. Effective participation of governments in the product standard setting process may therefore contribute to strong implementation of eco-labelling programmes.

Second, there are concerns among some governments and industry groups, particularly those from countries with strong fish export interests, that eco-labelling schemes could a) disguise underlying intentions to protect domestic industries, b) restrict market access; and c) erode national competitiveness for those less able to meet or afford foreign labelling and certification standards.⁸⁹

Possible discriminatory effects of national and regional eco-labelling schemes can be attributed to a number of factors, including: 1) eco-labelling tends to be based on domestic environmental priorities and technologies in the importing country and may overlook acceptable products and manufacturing processes in the country of production; 2) the definition of product categories, and the determination of criteria and limit values may favour domestic over foreign producers; 3) eco-labelling may require foreign producers to meet criteria which are not relevant in the country of production; 4) environmental infrastructures may differ widely across countries; and 5) certain parameters used for calculating the environmental effects of products throughout their life-cycle may be based on information collected in the importing country or countries with comparable conditions, and may overestimate the environmental impacts in the actual country of production.⁹⁰ Furthermore, given the influence of the voluntary purchasing decisions of large wholesale, retail and restaurant chains that control large market shares in large fish consuming and importing regions, particularly in Europe and North America, these schemes could effectively lead to reductions in the capacity of non-eco-labelled products to be exported to or simply sold within those markets.

Third, there are fears that the costs of bringing fisheries management practices into compliance with the crite-

information about, and achieving, certifiable status and standards is relatively higher.⁹³ There have also been complaints that the lack of auditing/certification/eco-labelling infrastructure in developing countries will leave them dependent on expensive foreign consultants. As a result, developing countries have emphasised their need for greater financial and technical assistance for the improvement of fisheries management systems. The challenge of attaining sustainability is not unique to developing countries alone. Many fisheries in developed countries are depleted and unlikely to achieve certification in the near future. In developing countries, there are many fisheries that are less developed/depleted and for which certification might be more easily achieved. Therefore, in terms of the state of a fish stock, some certification programmes may in fact favour fisheries in developing countries over those in some developed countries.

Fourth, the voluntary nature of certification can raise challenges. While voluntary schemes need not result in explicit restrictions as some mandatory schemes might, they may indirectly affect trade due to institutional factors in producing countries. Institutional factors could include difficulties faced by producers in some countries in obtaining adequate supplies of materials, environmentally-friendly technologies and other materials which are acceptable for use in, or necessary to comply with standards for, eco-labelled products. Other institutional constraints could be inadequate and unequal financial and technical capacity within domestic regulatory agencies to facilitate sustainable fisheries management. Without the support of governments, many private industries can not reasonably be expected to become sufficiently organised to independently institute effective management schemes and achieve certifiable status. In cases where governments either fail to act (or act inappropriately) to manage fisheries, the fishing industry may be penalised due to lower sales prices in the absence of certification.⁹⁴

Finally, it can be argued that even if participation in eco-labelling schemes is voluntary, the definition of criteria for certification could clearly influence the impact of the schemes on countries with varied environmental and socio-economic conditions and interests. In the absence of some common international understanding, governments could be required to try to monitor, intervene or improve each individual scheme that arises to ensure the interests of their countries are not compromised. International guidelines on eco-labelling could reduce this potential burden of monitoring. Otherwise, there is the possibility that promoters of voluntary competing eco-labelling schemes, for example at the national level, are likely to seek to discredit the schemes of competitors.

It is evident that the above concerns need to be addressed in one way or the other to make eco-labelling a widely acceptable, applicable and effective tool for attaining sustainable fisheries. In this regard, some avenues are outlined in part three of this publication.

⁹³The WWF Endangered Seas Campaign and WWF US Marine Program have recently developed a proposed methodology for certification in community-based fisheries in part to address criticism that initiatives such as the MSC may disadvantage small-scale fishers from developing countries. They seek to generate 10 certified fisheries in marine eco-regions of broad geographical distribution in the next 3 years. Explicit goals are to test the potential of certification to create incentives for rationale resource exploitation and biodiversity conservation and to reward small-scale fishers for sustainable marine resource management. For more information see WWF (1999) *WWF, Washington, D.C.*

⁹⁴It is possible that sufficient pressure from industry should induce governments to act. It is also possible, however, that industry has difficulty getting organised, and that government is unresponsive to industry pressure. Willmann, Rolf (1997) *unpublished mimeograph.*

III. THE CASE FOR STRONGER ENGAGEMENT

The simultaneous desire to ensure that eco-labelling produces positive environmental outcomes and is fair, and to protect industries from abuse, provides the case for greater international dialogue between and among govern-



- In various international binding and voluntary instruments such as the 1982 United Nations Law of the Sea, the 1992 Convention on Biological Diversity and the 1995 Code of Conduct for Responsible Fisheries, States have given the undertaking to pursue certain objectives related to sustainability such as the conservation and management of fisheries resources and their habitats. There already exist several widely accepted generic definitions of sustainability.⁹⁹ These instruments and definitions provide the framework within which sustainability criteria for eco-labelling purposes in fisheries need to be laid down. However, issues may arise on how encompassing and detailed such criteria should be considering the bio-ecological, economic and social complexity and diversity of marine fisheries. One issue is, for example, whether a product's environment friendliness should be based solely on sustainability criteria of the fishery or fishery resources, or should take into account other environmental aspects such as fish habitats, eco-systems, or energy use in harvesting and processing. Another issue, that might be particularly important for developing countries, is whether criteria should also take into account economic, social and cultural criteria (such as impacts on fishworkers and local fishing communities). Some fishworkers organisations concerned about the impact of eco-labelling schemes on small-scale fisheries, particularly in the developing world, promote the concept of socially responsible fisheries whereby eco-labels would include considerations of local employment, working conditions and food security considerations.
- Diverse standards between different countries or regions can be warranted because: a) economic, social and environmental conditions differ from one country to another (what is appropriate in one set of circumstances may be inappropriate in another); b) national and regional weights given to conservation, economic, social and cultural sub-goals differ; and c) conditions in different fishery ecosystems and appropriate methods for management may differ depending on the country or situation. If eco-labelling standards take into account social factors, then the definition of what counts as sustainable will also vary according to economic, social and cultural factors. Eco-labelling systems that do not account or allow for such differences might discriminate against or work to the disadvantage of particular groups. The challenge is to strike a balance between this need for flexibility (e.g., specific standards for different regions, different types of ecosystems) and the need to ensure that there is some credible general principles or criteria that define what counts as sustainable fisheries management that is applied in as uniform a manner as possible. It is important to recall that the overall goal is to provide market-led incentives to raise standards and outcomes, not to find ways to legitimise current practices. On the other hand, given the proliferation of eco-labelling schemes, there is increased interest in harmonising the criteria for eco-labels and making the programmes more consistent. Harmonisation can be very useful for reducing the obstacles to international trade that can be created by the difficulty of complying with numerous, sometimes incompatible, standards and regulations in various countries.

⁹⁹For example, the FAO definition reads as follows: "The management and conservation of the natural resource base, and the orientation of technological and institutional change in such a manner as to ensure the attainment of continued satisfaction of human needs for present and future generations. Such sustainable development conserves (land, water, plants and (animal) genetic resources, is environmentally non-degrading, technologically appropriate, economically viable and socially acceptable"

- Eco-labelled fishery products from both developed and developing countries face challenges concerning their credibility. In particular, the elaboration of different fishery or

- It is both possible and useful to proceed simultaneously with dialogue at the WTO on particular trade-related issues of eco-labelling that demand attention, while engaging the FAO on issues of its specific competence such as the development of technical guidelines or criteria for judging the sustainability of fisheries, and the range of governmental and non-governmental organisations involved in developing generic guidelines on eco-labelling processes. Ideally, discussions in these fora would feed into each other. There are clearly a number of trade issues for eco-labelling that deserve further consideration and debate by both developed and developing countries. These include:
 - In order to reduce uncertainty, the international community could consider developing a specific 'interpretation' of the TBT's applicability to both voluntary and mandatory eco-labelling schemes.
 - As noted above the most-relevant category of PPMs for the fisheries sector is non-product-related PPMs. Further discussion is needed on how the use in eco-labelling programmes of criteria based on non-product-related process and production methods should be treated under the rules of the WTO Agreement on Technical Barriers to Trade. Several options for addressing non-product-related PPMs are:

Box VI: Paragraph 11 of the FAO Technical Consultation on the Feasibility of Developing Non-Discriminatory Technical Guidelines for Eco-Labeling of Products from Marine Capture Fisheries, Rome, Italy, 21-23 October

1. The objective of this study is to assess the feasibility of developing non-discriminatory technical guidelines for eco-labeling of products from marine capture fisheries. The study will focus on the development of a common set of criteria and standards for eco-labeling, which will be applicable to all countries and fisheries. The study will also assess the impact of eco-labeling on the sustainability of fisheries and the livelihoods of fishers. The study will be carried out in a participatory manner, involving all interested parties. The study will be completed by the end of 2005.

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Conclusion

There are clearly a number of issues regarding eco-labelling that deserve elaboration and discussion by the international community. It is vital that all governments as well as interested industry and civil society groups engage in these discussions to ensure that their interests are heard and appropriate responses developed and that proceedings for developing standards and systems for eco-labelling are transparent and advance the ultimate goal of ecologically responsible fisheries. Participation in the process of formulating sustainability criteria and certification processes is one way to ensure that the diversity of fisheries and interests in developing countries are considered.¹⁰⁶

International efforts to promote a dialogue around the possible nature and content of global guidelines for eco-labelling provide an opportunity to develop an international understanding on appropriate certification criteria and processes. Endorsement of and participation in discussions, such as those hosted by the FAO, need not represent an endorsement by countries of existing or future eco-labelling schemes. By choosing to engage in such dialogue gov-

About IUCN.

Founded in 1948, the World Conservation Union brings together States, government agencies, and a diverse range of non-governmental organisations in a unique world partnership of over 880 members in all, spread across 133 countries. As a Union, IUCN seeks to influence, encourage and assist societies throughout the world to conserve the integrity and diversity of nature and to ensure that any use of natural resources is equitable and ecologically sustainable. A central secretariat co-ordinates the IUCN Programme and serves the Union membership, representing their views on the world stage and providing them with the strategies, scientific knowledge and technical support they need to achieve their goals. Through its six Commissions, IUCN draws together over 6,000 expert volunteers in project teams and action groups, focusing in particular on species and biodiversity conservation and the management of habitats and natural resources. Operations are increasingly decentralised and carried forward by an expanding network of regional and country offices, located principally in developing countries. IUCN builds on the strengths of its members, networks and partners to enhance their capacity and to support global alliances to safeguard natural resources at local, regional and global levels.

About FAO.

The Food and Agriculture Organization was founded in October 1945 with a mandate to raise levels of nutrition and standards of living, to improve agricultural productivity, and to better the condition of rural populations. Today, FAO is the largest autonomous agency within the United Nations system with 175 Member Nations plus the EU (Member Organization) and more than 4 300 staff members around the world. Following recent efforts to decentralize, FAO's staff includes almost 2 300 people at Headquarters and more than 2 000 working at decentralized offices and field projects. The Organization's 1998-1999 biennial budget is set at \$650 million and FAO-assisted projects attract more than \$3 000 million per year from donor agencies and governments for investment in agricultural and rural development projects. Since its inception, FAO has worked to alleviate poverty and hunger by promoting agricultural development, improved nutrition and the pursuit of food security. The Organization offers direct development assistance, collects, analyses and disseminates information, provides policy and planning advice to governments and acts as an international forum for debate on food and agriculture issues. FAO is active in land and water development, plant and animal production, forestry, fisheries, economic and social policy, investment, nutrition,

