

## Ecolabels

## Sticky labels

**Given the various contesting views expressed, the FAO's recent Technical Consultation on ecolabels may well have come unstuck**

The FAO held a three-day Technical Consultation on the Feasibility of Developing Non-Discriminatory Technical Guidelines for Ecolabelling of Products from Marine Capture Fisheries from 21 to 23 October 1998. The Consultation was supported by the Nordic Council whose sponsorship was based "on the realisation that the present ecolabelling schemes in the fisheries sector do not fulfil the requirements of transparency and credibility, and, on a global level, this can only be achieved through a process through the FAO".

However, after three days of debate, such a process has still to get off the ground. Latin American countries, led by Mexico, argued that FAO has no competence in this area (ecolabels and other technical barriers to trade). Rather, this area must be dealt with exclusively under the auspices of the World Trade Organization (WTO).

At the root of this intransigency is Mexico's recent bitter conflict with the US over 'dolphin-friendly tuna'. Despite winning the battle in GATT, Mexico lost the tuna war which severely set back its tuna industry. This, and the subsequent experience with the Turtle Excluder Device (TED) issue, underpinned Mexico's strategy at this meeting. This seemed designed to prevent any discussion of the substantive issues around the development and application of ecolabelling schemes. They were supported by many of the delegates from developing countries, who felt that ecolabels would discriminate against their fisheries products, and wreck their precarious but highly valuable export markets.

Protagonists and observers alike at the FAO Consultation shared a certain

familiarity with the debate, and they all felt a certain inevitability about its outcome. For Johan Williams, Director General of the Norwegian Directorate of Fisheries, the sense of *deja vu* was coupled with acute chagrin. At the 1997 FAO Committee on Fisheries (COFI) meet, after a confused and vitriolic debate about ecolabels and the Marine Stewardship Council (MSC), the Norwegians had generously offered to host a workshop on ecolabels. This offer was strongly rejected. They must have, therefore, been highly disappointed to see this FAO initiative, funded by the Nordic Council, flounder.

For others working on the MSC, like the World Wide Fund for Nature (WWF) there was a feeling of wasted effort and wasted opportunity. In their view, the work undertaken over the last two years to establish the MSC, and their experience with the subsequent consultation process, are opportunities that the FAO could have benefited from.

This was not the view of the Nordic Council. In fact, it was the very founding of the MSC by Unilever and WWF that spurred this initiative. According to the Nordic Council's brochure, the MSC was "without support and contribution from all interested parties, and as such, (is regarded as) a process with a lack of transparency and thereby lacking credibility within both the fisheries sector and governments". Others also questioned how genuinely participatory the MSC consultation process had been.

### Involving stakeholders

Genuine consultation should not merely involve informing stakeholders of an already devised scheme and the approval criteria. Stakeholders should also be involved in the process of establishing ecolabelling schemes and setting the

criteria they felt. Since 1996, the Nordic Council has, therefore, been researching the scope and for raising awareness about ecolabels for marine products.

**A**ccording to the Nordic Council, “..the World Community has to be involved (with the development of ecolabels) in order to establish an alternative, transparent and democratic strategy on ecolabelling within the fisheries sector”. They targeted FAO “as the obvious international organization to undertake the necessary work related to ecolabelling of fish and fish products on a global level”. This view proved not to be shared by many others.

The Latin American position was based on the premise that there should be no obstacles to trade, and participants felt that ecolabels could represent a significant barrier. In this regard, they believe that ecolabelling should be the responsibility of the WTO, which has competence in this area, rather than FAO, and which leads the development of policy and guidelines on ecolabels and other technical barriers to trade. Latin American participants also felt that there could be a risk of duplicated and wasted effort if both organizations were to work on the same subject.

From FAO’s perspective, there was no such risk. In fact, the respective roles of the two organizations were complementary. The FAO, **with its specific competence in**

**fisheries, and the** WTO, with competence on trade-related matters, could usefully work together to develop guidelines for ecolabels.

There were many delegates who supported this view, and who felt that the FAO’s Code of Conduct for Responsible fisheries provided all the criteria required for developing technical guidelines for a universal ecolabelling scheme for products derived from marine capture fisheries. Other substantive issues discussed included:

Should guidelines for ecolabelling schemes be voluntary or binding? Generally, it was felt that as the Code of Conduct was voluntary in nature, guidelines for ecolabels should also be voluntary.

Norway observed that the whole purpose of ecolabels was to promote better production processes and to improve the environment. Ecolabels must be voluntary, and it would be up to the actors and stakeholders to decide whether or not to participate.

#### **Universal standards**

However, while participation should be entirely voluntary, there should be standards which were universally applicable. It should be up to the FAO to develop these standards. It was also felt that any efforts by FAC in this area should

## How to do it

*The FAO's Technical Consultation on the Feasibility of Developing Non-Discriminatory Technical Guidelines for Ecolabelling of Products from Marine Capture Fisheries came up with some guidelines:*

There was unanimous agreement that if guidelines were to be developed for ecolabelling, then the criteria should be based on the FAO's Code of Conduct for Responsible Fisheries, and these should include all the relevant paragraphs of the Code. It also proposed the following principles for ecolabelling:

- They should be voluntary in nature.
- They should be non-discriminatory and ensure fair competition
- Promoters and certifying bodies of ecolabelling schemes should be accountable.
- There should be independent auditing and verification procedures.
- They should not disadvantage producers and exporters from developing countries.
- They must recognize the sovereign rights of States and adhere to all relevant laws and regulations.
- They should have safeguards in place to avoid the generation of perverse effects, such as the transfer of additional fishing capacity to already overexploited resources.
- They must ensure equivalence between certified products from different sources.
- They must be based on scientific principles.
- The criteria must be verifiable, measurable and able to be tracked from capture to consumer.
- They should be practical and feasible.
- They should meet consumers requirement for meaningful, reliable and adequate information.

take into account ongoing relevant work by other organizations. Also, in developing guidelines, the procedures adopted by the Codex Alimentarius Commission should be considered.

**S**hould ecolabel certification apply to management processes or to the outcome of those processes? As consumers tend to be more concerned with the status of resources than with management processes, some delegates felt that greater emphasis should be placed on this aspect—a potentially good but failed management process was no use. However, given the need to protect the rights of small-scale fishers in such schemes, others felt that criteria must also be developed for responsible management. Criteria based on a product alone could discriminate against small-scale fisheries in developing countries, where issues of access and control over resources are key to sustaining small-scale fisheries. Sustainability can not be achieved by management alone: responsible

management must be promoted, but management must also achieve positive results. The development and application of criteria for fisheries management should, therefore, also incorporate a review process which monitors the results of its implementation.

Should ecolabelling have a purely scientific basis or should it incorporate socioeconomic criteria? This issue was hotly contested by several governments which felt that the inclusion of socioeconomic criteria might undermine national sovereignty. In their view, setting socioeconomic objectives for fisheries was a national responsibility, while the scientific basis for fisheries management was established by international law (UNCLOS, etc).

### Costs and benefits

Who would bear the costs, and who would reap the benefits of ecolabelling schemes? There was a great deal of uncertainty as to whether the costs of ecolabelling schemes would just be

passed on to fishers, and would simply result in an increase in the transaction costs of fisheries, without leading to any net gains. There was also concern that ecolabelling schemes might hamper domestic food security.

**E**colabels could not be the primary instrument for achieving sustainable fisheries. Greater emphasis needed to be given to implementing the Code of Conduct for Responsible Fisheries.

Within the FAO itself there was a great deal of soul searching. Had the Consultation been a complete disaster, and what could be salvaged? In the process, the FAO Secretariat may have been wounded, but had “fought and run away, and would live to fight another day”. The effort put into the preparations for this meeting was apparent in the excellent quality of the background papers provided. This was widely noted and appreciated by delegates to the Consultation. However, no decision could be taken on the status of these papers. Some people felt that they could become ‘working papers’, but even this opinion was far from universal.

Within the FAO, there was also some doubt as to the status of any guidelines which might be developed. Would technical guidelines be subordinate to the Code of Conduct for Responsible Fisheries, or would they have some separate status? In any case, any technical guidelines must be consistent with, and not contradict, the Code of Conduct. Also, if the FAO did not take an initiative on ecolabels for fisheries, it was hard to see who else would. In any case, with or without the FAO ecolabelling schemes were bound to come up in the private sector.

Other unresolved issues included: how to address sustainability in multi-species resources through ecolabelling schemes; how ecolabelling schemes should define stock; and how to establish an institutional framework responsible for ecolabelling schemes.

Clearly, the way forward is not simple. A great deal of work remains to be done, if ecolabelling schemes are to become a tool of significant potential for sustaining fish stocks. The subject will be raised again at

the next FAO Committee on Fisheries meeting in February 1999. By then, it is possible that some new players with some alternative schemes may have emerged on to the scene. The International Union for the Conservation of Nature and Natural Resources—The World Conservation Union (IUCN) is said to be considering developing ecolabels based on its existing Red and Green lists. Also, some German NGOs are developing criteria for social labelling in fisheries.

It is also interesting to note that two key people involved in establishing the MSC are changing their jobs. At the end of December, Carl-Christian Schmidt will return to the OECD, and his post as Manager is to be replaced by the new post of MSC Director. Also, WWF and the MSC will bid goodbye to Mike Sutton, the Director of WWF’s Endangered Seas Campaign and a leading protagonist in the MSC initiative. In this context, it may be pertinent to wonder whether this is a case of a sinking ship or of new hands at the tiller. Wherever the MSC goes, and whoever is at the tiller, the tremendous achievements of the project in raising awareness about ecolabels for fisheries products must be recognized and applauded—even by those who have criticised the process adopted.

#### **Not the end**

And whatever happens elsewhere, this is far from the end of the ecolabelling debate. Although the definitive glue has yet to be invented that will make ecolabels stick for good, there is no shortage of ideas on what should be put on them. ♣

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