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Promoting integration of CSR among actors in supply chain of wild capture fishery in Vietnam

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August 2015

Eco-Labels for Capture Fisheries

Eco-certification schemes for capture fisheries have existed for around 20 years, driven by the growing concern of the state of global fish stocks, increasing consumption of seafood and a perception that public mechanisms at the regional, national and international levels are failing in ensuring the sustainable management of marine resources (OECD, 2012). The intent of eco-certification schemes is to improve fisheries sustainability through market based incentives. Eco-labels provide a link between marketing and management and are playing an increasingly important role in fisheries sustainability. To be able to use an eco-label on capture fisheries products, the fishery wishing to use the eco-label must be assessed by a third party on sustainability standards developed by the eco-label organization. If the fishery is found to comply with the standards after a full assessment, then the fishery is certified and allowed to use the eco-label on its seafood products.

Benefits of Eco-Labeling Schemes

There are many perceived benefits from eco-labeling schemes, which vary between actors within the fishery supply chain. The fishing industry gains immediate benefits from eco-label certification, including; access to new markets, consolidation of existing positions in market, product differentiation and receiving a premium price for sustainably certified product. For example, after the MSC certified an albacore tuna (*Thunnus alalunga*) fishery in the US, the price fishers received increased by 32% (Pope, 2009). Retailers benefit from eco-certification schemes by enhancing their reputation as a responsible buyer through response to consumer demand, through potential for promotional opportunities and returns related to better risk management (Washington, 2008). Consumers benefit by gaining information on the origin of products and how they were produced and

reassurance that their consumption habits are not having adverse effects on the marine environment. Government benefits from eco-labeling by the building of export credits (OECD, 2012).

For fisheries which achieve sustainability through better management practices adopted through the eco-certification process, many long term benefits are gained. Operating costs from a well-managed fishery are reduced as seafood can be produced cheaper, resulting in greater profits for harvesters. Fish processors, traders and retailers will benefit from the assurance that their product supply will be stable through sustainable management. Investing in sustainable harvesting of fish species ensures job security for fishers, providing a stable livelihood for citizens and support to the economy. The preservation of native fish species and the marine ecosystem as a whole also certainly has a great value to citizens.

Although there is a general agreement that eco-certification schemes play a positive role as an incentive for fisheries management improvement, solid evidence to support the claims made in terms of business and ocean biodiversity are at this stage anecdotal.

Eco-labels are not successful in achieving their desired benefits in all markets. Markets best suited to the sale of eco-labeled products are those countries where the population is environmentally aware, there is an active civil society and media, seafood is sold in supermarkets, consumption patterns are based on a traditionally limited range of fish products and where fish products are commonly processed/packaged (Washington, 2008).

Weaknesses of Eco-Labeling Schemes

The intent of eco-certification schemes are weakened by; the existence of multiple systems and assessment methodologies causing consumer confusion, inconsistent application of criteria or certification of fisheries which have been deemed unsustainable by government and NGO's, weakening eco-label credibility and the false belief adopted by consumers that only certified products are sustainably captured (OECD, 2012).

Capture Fisheries Eco-Labels

The Marine Stewardship Council (MSC) is arguably the most trusted, credible and recognizable certification system for capture fisheries, often referred to as the "industry standard" (WWF, 2012). MSC was founded in 1997 by Unilever and the WWF but become independent in 1999. The core objective of MSC assessment is determining whether product comes from a sustainably managed fishery. MSC sustainability criterion included in the Fisheries Assessment Methodology was developed based on the FAO Guidelines for Eco-labeling of Fish and Fish Products from Marine Capture Fisheries (FAO, 2009), focusing on fisheries sustainability and traceability. The MSC evaluation tools rely on three main pillars, with a range of indicators for each. The pillars include; independent scientific verification of stock sustainability, ecosystem impact of the fishery and the effective management of the fishery. Aspects of the exploited species, harvesting gear and area are all taken into account for assessment. In response to concerns that MSC certification is not applicable to data deficient fisheries, often observed in developing countries, a risk-based assessment model specifically applicable for these fishery types was developed (MSC, 2015). MSC also offers pre-assessments for those fisheries wishing to improve management practices, but not yet ready for a full assessment. The pre-assessment can function to identify gaps and areas of improvement for the fishery, identifying a clear path to full assessment. Retail giants such as Loblaws and Wal-Mart have committed to buying only MSC certified seafood and products. Globally, MSC certified fisheries are dominated by those harvesting white fish (haddock, pollock, cods) and salmon (WWF, 2012).

The Friend of the Sea (FOS), established in 2006 is a less costly eco-labeling certification system (Table 1), more accessible for small-scale and artisanal fishers, whom make up 50% of its certified products (WWF, 2012). FOS incorporates social accountability principles from Greenpeace and has requirements related to carbon footprint. It bases its assessment on official stock assessment data and certification methodology is based on whether the stock itself is sustainable, not management. FOS will not certify fisheries that have seabed impacts or greater

than 8% discards. It is applicable not only to capture fisheries, but also for aquaculture fish and seafood products (including fishmeal). A great volume of FOS certified fish come from the Peruvian anchovy (OECD, 2012).

Dolphin Safe is an eco-label developed by the NGO Earth Island Institute in 1990, concerned with dolphin bycatch. It maintains agreements with all major tuna processors that they will not sell tuna caught by chasing, netting or killing dolphins. Dolphin Safe is criticized for not addressing issues in tuna fishing other than dolphin bycatch, such as the sustainability of tuna stocks or other environmental impacts of tuna fishing (OECD, 2012).

Naturland, a German NGO, originated as an organic farming label but now has developed framework for the certification of aquaculture and capture fisheries. It targets small scale; artisanal capture fisheries which are export based and have high standards for sanitation (Forristall, 2009). Projects are undertaken on the basis of social, economic and ecological sustainability criteria, often acting as a development exercise for the whole community as well as a certification process. Heath care for fishers, social services and education are all part of the certification process. To date, only one fishery has been certified by Naturland. This was the nile perch fishery in Buboka, Tanzania, certified through a pilot project led by Naturland.

Krav, like Naturland was originally established for certifying organic farm products but now also has a capture fisheries sustainability label. Krav is a Swedish NGO and its label is only used in Sweden. Fair-Fish is a Swiss label that merges sustainability issues with concerns regarding animal welfare and principles of fair trade (Fair-Fish, 2007). The Iceland Responsible Fishing Programme is an eco-label that identifies product origin as Icelandic and ensures consumers that the fish product was harvested under sustainable management practices (Iceland Responsible Fishing, 2015).

Eco-Certification Preparatory Programs

The Sustainable Fisheries Partnership (SFP), Fisheries Improvement Projects (FIP) is not an eco-certification scheme, but a business-focused NGO that

works as an alliance between fishing industry stakeholders; retailers, processors, traders and harvesters (SFP, 2015). The purpose of FIP is to resolve problems or improve aspects of the fishery which need attention. To achieve this, FIP has a highly flexible structure, which can be suited to the fishery and local environment. In general however there are a number of steps in common for all FIP; formation of the FIP with fishery stakeholders, data assessment (bringing together the most current fishery data), fishery assessment (to identify challenges faced by industry), agreement to a work plan, the creation of a monitoring procedure and implementation (SFP, 2015). Although not mandatory, the final goal of some FIP is to guarantee the ability of the fishery to obtain MSC certification. Options for funding an FIP include commercial organizations, NGO's, international aid donors or government. A well-funded FIP is critical for its success.

Recommendation Programs

In addition to certification programs, many recommendation programs exist including; Seafood Watch, SeaChoice and Ocean Wise. Recommendations programs assess fisheries using available data and expert advice to assess fisheries with their standards to help consumers identify sustainably captured seafood.

Seafood Watch is a recommendation program which evaluates the sustainability of fisheries products based on the guiding principles and conservation ethic of the Monterey Bay Aquarium in California. Sustainable seafood is defined as seafood from sources that can maintain or increase production without compromising the structure and function of ecosystems (Seafood Watch, 2014). The seafood recommendations apply to a single stock or species caught in single fishery and are made public through pocket guides, smartphone apps and online. Fisheries are assessed and classified as green, yellow or red. Green is the best classification, signifying the fishery product is from a well-managed fishery, yellow signifies that the choice is a good alternate but concerns exist with harvesting methods, and red signifies that the consumer should not purchase the product due to overfishing concerns or detrimental impacts on non-target species.

SeaChoice is a similar seafood program as Seafood Watch, developed for Canadians in 2006. Assessment criteria are based on those of the Seafood Watch program, with the same green, yellow red classification scheme used to aid consumers in choosing to purchase sustainably harvested seafood (Sea Choice, 2013).

Ocean Wise is a conservation program developed by the Vancouver Aquarium in Canada in 2005 to educate consumers regarding seafood sustainability. Its assessment criteria are also based on those developed by the Monterey Bay Aquarium. It works directly with restaurants, marketers, food services and suppliers to ensure that current scientific information is available to make eco-friendly seafood buying choices. Its label is used for seafood products which it has deemed sustainably fished through consultation with the scientific community and review of existing literature. Unlike Seafood Watch and SeaChoice seafood products, only two classifications of fisheries are used; sustainable or unsustainable (Ocean Wise, 2015).

Eco-Label Certified Capture Fisheries in Vietnam

Currently, there is only one MSC certified fishery in Vietnam. It is a small scale clam (*Meretrix lyrata*) fishery located in Ben Tre province, harvested by hand. MSC certification has allowed this fishery to gain access to new markets and 50% price increases for its product (MSC, 2015). Certification was enabled through support from the WWF and local provincial government (Department of Agriculture and Rural Development).

In the 2008, Friend of the Sea certified a squid and cuttlefish fishery in Vietnam. This fishery is harvested via traditional small basket-shaped boats, with hook and line methods in Phan Thiet (southern Vietnam). Its certification however has run out and no further audits were conducted (Friend of the Sea, 2008).

The Southeast Asia Fisheries Improvement Project is a joint FIP between Thailand and Vietnam, for improving fisheries that supply fish meal. For the Vietnamese portion, the areas of Ben Tre and Kien Giang were selected as areas of interest. Project support has come from commercial entities within the supply

chain of farmed seafood including; retailers, processors, aquaculture producers and feed manufacturers (Far Eastern Agriculture, 2013).

Way Forward for Vietnam

For developing, tropical countries there are challenges to gaining eco-certification for capture fisheries products due to social, economic and ecological factors. Some eco-labels, such as MSC have attempted to address this issue, through developing risk-based framework for data-deficient fisheries. Fisheries in developing countries will need management and financial assistance to obtain eco-certification for their products. Governments and NGO's have been encouraged by the FAO (2009) to assist small scale fisheries in developing countries with the certification process, both with fisheries management capacity and financial aid. Other components of the value chain, especially retailers, obtain an unfair benefit from eco-certification schemes, reaping many rewards without contributing to costs. Retailers and other actors within the value chain should contribute to programs like FIP and MSC pre-assessments for fisheries in developing countries which they depend on for product supply.

Action Plan for Eco-certification in Vietnam

For fisheries in Vietnam whom gain appropriate support (from local government, international donors, NGO's or commercial entities) steps taken towards certification may include; use of the MSC pre-assessment to determine whether a fishery is ready for certification, if the fishery seems to comply fairly thoroughly to the sustainability criteria, continue to a full assessment in the eco-certification scheme of choice, if not, engage in a FIP. After following the recommended steps of an FIP, stakeholders may be satisfied or, eco-certification can be the final goal, given sufficient funds are available for a full, third party assessment (Marsh, 2009).

For fisheries where no resources are available to implement a MSC pre-assessment or FIP, but the fishers are interested in certification in the near-future, the establishment of a functioning co-management system at the commune level

represents an attainable goal. Co-management is the shared responsibility of resource management by the community and government (Pomeroy, 1995). Co-management is often the only realistic solution for ensuring sustainable harvest of marine resources in developing countries (Gutiérrez et al., 2011). Effective fisheries management is essential to eco-certification schemes thus those communes that are already managed by a co-management system will be much more attractive for funders and investors of eco-certification programs. To achieve this goal, support from the local government is required for forming a Fisheries Association, developing the fishing right and to legitimize both the association and right through legal framework. Through these types of initiatives, eco-certification of fishery products will be much more accessible to a wide range of fisheries within the country, as well as providing a management system that can be used to control fishing effort, gears and open up the potential for conservation measures, such as fish refugia.

Social Responsibility

Social responsibility is defined as a business' commitment to contribute to sustainable economic development, working with employees, their families, the local community, and society at large to improve their quality of life (Kotler and Lee, 2005). Social responsibility has become increasingly important for business success. Capture fisheries eco-certification schemes provide a means to gaining ecological responsibility credit, however often social aspects of the fishers and their communities are ignored. Some schemes do offer value in social, in addition to ecological responsibility, such as the Naturland brand, and to a lesser extent, FOS. For those eco-certifications that don't include social aspects, established social responsibility standards can be used to increase social responsibility credit (i.e. ISO 26000), or further, social responsibility certifications can be obtained (i.e. SA 8000 or Fair Trade). Benefits for businesses who practice social responsibility include; competitive advantage, reputation, ability to attract and retain workers and buyers, maintenance of employee morale, commitment and productivity, view of investors, owners, donors, sponsors and the financial community, and lastly its

relationship with companies, governments, the media, suppliers, peers, customers and the community which it operates (ISO, 26000).

Social Responsibility Standards and Certification Boards

ISO (International Organization of Standardization) 26000 is not a certification board, but provides guidance on how businesses can operate in a socially responsible way. This includes acting in an ethical and transparent manner, as well as contributing to the health and welfare of society (ISO, 26000). Standards were established through 5 years of discussions by government, NGO's, consumer and labor groups around the world and are considered to be applicable internationally. For actors within the supply chain of capture fisheries, understanding and implementation of ISO 26000 standards can be used to increase social responsibility.

SA 8000 is the world's leading social responsibility certificate board which aims to protect the basic human rights of workers through improved workplace conditions and effective management (SAAS, 2015). The standards framework is based on the UN Declaration of Human Rights, International Labor Organization Conventions, international human rights norms and national labor laws (SAI, 2014). The certification is applicable for all industries and is based on site-specific assessments. For marine capture fisheries supply chain, having the processor SA 8000, in addition to an ecological responsible eco-label at the harvesting level could generate many benefits in international exports.

Buying Fair Trade certified products ensures that producers or harvester representing the initial stage of the supply chain are getting a fair price for their raw materials. In addition, products labeled with this trademark ensures safe working conditions, environmentally sustainable practices, clean water access for communities, food safety, assurance against child labor, women empowerment and education. Fair Trade certified products have traditionally included commodities such as; coffee, chocolate, quinoa and garments (Fair Trade, 2014) but in 2014, Fair Trade expanded its brand to the fisheries sector with its Capture Fisheries Program. The four main objectives of this program are to provide empowerment,

economic development, social responsibility and environmental stewardship to small scale fishers. To gain certification of the Fair Trade brand, the fishery must form a Fisher's Association and a Fair Trade Committee. A stipulation of this certification is that a Premium Fund is developed, paid to the harvesters by importers with every exchange and is used to cover the costs of improvement of fishery facilities, scholarships for fishers children, community development, with at least 30% to environmentally focused projects. Currently, only one fishery has been certified with the Fair Trade brand, the certification was finalized in March 2015 for yellowfin tuna of Ambon and Buru Islands in Indonesia. This fishery was certified as a pilot project for the brand and the product in now for sale in US markets (Artanti and Rufiati, 2015).

Social Responsibility Certified Companies Vietnam

As of March 21, 2015, there are 91 Vietnamese companies with SA 8000 certification. Of the 91, 8 companies are seafood processors. Products being processed include pangasius, tilapia, albacore, shrimps and octopus (SAAS, 2015). There is one Vietnamese producer (Cudliemnong in Cu Mgar) that has been Fair Trade certified, however it is in the agriculture sector. No capture fisheries in Vietnam have been Fair Trade certified (Fair Trade, 2014).

Conclusion

Eco-labels for capture fisheries have existed for the last 20 years, and since then, the number and diversity of certifying organizations and programs have grown substantially. From very narrow-minded beginnings concerned solely of single species bycatch (Dolphin Safe) to, broadly focused ecological eco-labels (MSC, Friend of the Sea) to all-encompassing labels which include social and economic aspects of fishers, in addition to strict ecological standards (Naturland and Fair Trade) representing a significant positive development opportunity for communities. For actors within the supply chain of fisheries (i.e. processors), social responsibility standards developed such as ISO 2800 can be adopted, or social certification programs can be pursued such as SA 8000 to further strengthen product brand and value. Market based programs have emerged such as Seafood Watch, SeaChoice and Ocean Wise which act as informative safe guides for

consumers who wish to know which seafood to buy based on sustainable harvesting methods. Now, more than ever there is a strong demand and incentive for sustainable seafood products and traceability. Developing countries such as Vietnam wishing to gain benefits from eco-certification schemes face increased challenges due to a lack of management enforcement, limited financial resources and having fisheries which are predominantly data-poor and small-scale. To overcome these challenges, FIP and MSC pre-assessments should be pursued with the help of local government and donor-funded projects, and at the local level, a strong effort towards co-management of fisheries resources will help facilitate these projects in the future

Table 1. Eco-label certifications for capture fisheries. The (*) symbol indicates that only a pilot project had been certified at the time of writing , thus broad scale information on certification was not readily available.

Eco-label	Founding Country and year	Social Responsibility Principles	Cost of Label Use	Cost of certification and audit	Annual Fee (USD)	Length of certification validity	Time for accreditation
Marine Stewardship Council	United Kingdom 1997	Ecological	0.05% of the wholesale price of certified fish	$15,000-$120,000	$250-2,000	5 years	1-2 years
Friend of the Sea	Italy 2006	Ecological Social	$1,100	$5,500	N/A	3 years	4 weeks
Naturland*	Germany 2007	Ecological Social Economic				1 year	
Fair Trade*	United States 2014	Ecological Social Economic				3 years	6 years
SA 8000	United States 1997	Social	3% of revenues or $5,000	$8,500-$40,500	N/A	4 years	6 months-1 year

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