

# **National Responsible Fisheries Schemes: an Option for the Norwegian Fishing Industry?**

A Case Study of “Iceland Responsible Fisheries”

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# Report

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<p><i>Three keywords:</i>  Certification, Sustainability, IRF</p>		
<p><i>Summary:</i>  After five years with MSC it is time for recertification of some of the Norwegian fisheries. In light of the developments in Iceland and Alaska it might be worth reconsidering the alternatives for sustainability certification of the Norwegian fisheries. A key question related to the introduction of a national scheme is what, if anything, might be gained from establishing a national option as an alternative or addition to the current supranational certification schemes that already exist?  The IRF is well received both nationally and internationally. Benefits of the programme are operational costs, national control and a better possibility to differentiate based on origin. Criticisms are that they are too small, have little competitive strength and move too slowly, and some Icelandic actors have at present found it inadequate and have chosen to also have an MSC certification. IRF face some important issues that might decide whether they will succeed or fail in the long term perspective. Expanding their acceptance to additional markets and getting more species certified shortly are of the utmost importance, unless they risk undermine their own fisheries and programme.</p>		
<p><i>Norsk sammendrag:</i>  Etter fem år med MSC er det tid for resertifisering av flere norske fiskerier. I lys av utviklingen på Island og Alaska, med utviklingen av egne bærekraftsstandarder knyttet til nasjonal opprinnelse, er det kanskje betimelig med en evaluering av den norske MSC-strategien. Det sentrale spørsmålet knyttet til utviklingen av et nasjonalt sertifiseringsprogram er: hva, om noe, er fordelene med å etablere et nasjonalt program som et alternativ eller supplement til de eksisterende supranasjonale sertifiseringsstandardene som finnes.  Det nasjonale sertifiseringsmerket - Iceland Responsible Fisheries (IRF) – er godt mottatt både nasjonalt og internasjonalt. Fordelene med det islandske programmet i forhold til et internasjonalt er driftskostnader, nasjonal kontroll og større muligheter til markedsdifferensiering basert på opprinnelse. Ulempene er at de er for små og har liten konkurransevne, og at utviklingen går for sent. I tillegg har noen islandske aktører fått MSC-sertifisering på flere fiskerier. IRF står overfor noen utfordringer som vil avgjøre om de på sikt vil lykkes. Det viktigste er at de må få aksept i nye markeder og få flere arter sertifisert.</p>		

## **Preface**

This report is part-report 1 of the project “Marketing and value added effects for white fish and pelagic industries of different eco-labelling schemes”. The project is financed by the Norwegian Seafood Research Fund.

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# 1 Introduction

There is an increasing focus on documentation of sustainability of the world's fisheries. Sustainability concerning management, catch methods, environmental impacts, and animal welfare has gained importance in our most important markets (Baelde *et al.*, 2012; Potts & Brennan, 2011; Pley *et al.*, 2009). This focus on sustainability and requirement for third party certification has also had an impact on the Norwegian fishing industry, resulting in MSC certification of our most important fish stocks.

Certification or eco-labelling is a strategy to prove that environmental concerns are being incorporated into the value chain (Parkes *et al.*, 2010; Washington & Ababouch, 2011; Cawthorne, 2012). Even though several of the NGOs claim that the sustainability trend is consumer driven, there is research that indicates otherwise (Honkanen, 2011; Honkanen & Young, 2012; Young *et al.*, 2010). Interviews with central actors within the European seafood industry reveal that certification is seen as a "cheap" way of getting your papers in order and a way of making the selling and buying of fish and fish products easier for all parties involved. In addition, certification proves a good way of legitimising company concerns and actions towards sustainability, avoiding any conflicts with environmental NGOs (Nøstvold *et al.*, 2010).

There are several actors operating in "the certification market" (see for example the MRAG report by Parks *et al.*, 2010 for a review). The Marine Stewardship Council (MSC), Friend of the Sea (FOS) and Krav are used by the Norwegian industry, with MSC as the biggest actor. MSC is also by far the largest actor in the European market (Nøstvold *et al.*, 2010).

With increasing demand for third party certification, a discussion has taken place amongst the Norwegian industry actors about which certification strategy would best suit the Norwegian industry. The alternatives discussed were to use an established international certification scheme, i.e. the MSC, or to develop a new, independent national certification programme. The conclusion of the industry was to increase the use of MSC and not to establish a national scheme.

In the meantime the Icelandic fisheries sector has established a national sustainability programme based on the certification accreditation of Global Trust. Further, some Alaskan salmon industrial actors have followed the same idea, by withdrawing from the MSC and establishing an Alaskan sustainability programme, which now certifies several Alaskan fisheries. These national approaches are gaining increased attention from other countries, and seem to be a credible competitor to MSC in the European and American markets. However, while Alaskan actors are withdrawing from MSC, some Icelandic companies are also getting MSC certified.

After five years with MSC it is time for recertification of some of the Norwegian fisheries. In light of the developments in Iceland and Alaska it might be worth reconsidering the alternatives for sustainability certification of the Norwegian fisheries. A key question relating to the introduction of a national scheme is what, if anything, might be gained from establishing a national option as an alternative or an addition to the current supranational certification schemes that already exist?

## **1.1 The project**

The aim of the project “Marketing and value added effects for white fish and pelagic industries of different eco-labelling schemes” is to investigate alternatives to the Norwegian MSC strategy. The study will outline an alternative strategy based on the Icelandic strategy of an independent national scheme, the Iceland Responsible Fisheries (IRF). We will compare the key elements of the two schemes (MSC and IRF), discuss the costs and benefits of the two strategies and investigate how they are perceived by industrial customers in the UK and Sweden. A special focus will be placed on important white fish species and herring. This first part report of the project is a presentation of the IRF.

Primary data gathered for the project was undertaken through in-depth interviews with the organisation called Iceland Responsible Fisheries. In-depth interviews were also undertaken with 5 representative Icelandic companies. The companies were selected based on recommendations from IRF, their registration list and a review of the internet sites of several companies. All of the companies were IRF certified; two were exporters only, 2 also had MSC certification, two were big and vertically integrated with ownership of vessels, quotas, factories and exporters, one was smaller and vertically integrated, and lastly their focus and extent of use of the IRF logo varied strongly on their company web-pages. Secondary data consists of information and documents available on the IRF, MSC and Global Trust websites ([www.responsiblefisheries.is](http://www.responsiblefisheries.is), [www.msc.org](http://www.msc.org) and [www.GTcert.com](http://www.GTcert.com)) and scientific journals and reports.

## 2 Icelandic Responsible Fisheries

The Iceland Responsible Fisheries Foundation is the foundation established to operate the Icelandic labelling programme – Iceland Responsible Fisheries (IRF). The programme consists of two parts, a country of origin label and the sustainability certification. Below is a presentation of the IRF and the industry's experiences so far, with some concluding remarks on the future of the IRF as a competitive eco-labelling scheme in the European market.

### 2.1 The establishment and structure

The work to develop a country of origin logo was initiated by the Fisheries Association of Iceland in 2007, who also established IRF. All actors in the fishing sector (fishermen/boat owners, processors and exporters) took part in the discussion about what kind of certification programme the Icelandic industry ought to use, and the decision to go for a national sustainability scheme, rather than an established international scheme, was supported by all.

The IRF was a follow-up of the “Statement on Responsible Fisheries in Iceland” (2007). On their web page [www.responsiblefisheries.is](http://www.responsiblefisheries.is), you can read that the “Statement on Responsible Fisheries in Iceland” was a response to market demand for sustainable utilization of marine resources and was designed to inform buyers on how fisheries management is conducted in Iceland and that control of these fisheries would be based on the best scientific knowledge. It also states that the government undertakes to obey international law and agreements on access to marine resources, which they have signed. Based on this, the industry started to develop a programme to get the Icelandic fisheries certified by a third-party.

#### 2.1.1 The logos

The IRF operates with two logos, one for the origin (see picture 1) and one for the certification (see picture 2). This was the industry's goal; to connect sustainability to the Icelandic origin.



Picture 1 IRF logo of origin

The logo of origin “indicates origin of fish catches in Icelandic waters and responsible fisheries management” and is open for use by any company that has paid the registration

fee, under the following conditions: The country of origin logo can only be used on fish fished in Icelandic waters that are under the control of Icelandic authorities or from internationally controlled fisheries. So for the straddling Norwegian spring spawning/Atlanto scandian herring stock it can be used, but not for mackerel because of the dispute over allocation and lack of a multilateral agreement for this straddling stock (as of today). More than 100 companies, both Icelandic and foreign, are registered to use the logo of origin.



**Seafood from Iceland**

for the benefit of future generations

[www.ResponsibleFisheries.is](http://www.ResponsibleFisheries.is)

Picture 2 IRF logo of Chain of custody certification

To use the chain of custody logo, you need to have undergone an audit or certification process of an independent certifier. As of today only cod has been certified and is the only species available for a chain of custody certification. 25 Icelandic and 4 foreign companies have a chain of custody certification as of November 2012.

### 2.1.2 Certification

The certification process is undertaken by the Global Trust Ltd. Global Trust is an independent third party certification body which carries out certification in several areas including global retail, manufacturing, supply chain, agriculture, fisheries and environmental sectors. Programmes for the seafood sector include eco-labelling, sustainability and consumer trust certification in 25 countries, including certification of MSC fisheries.<sup>1</sup> For the IRF certification Global Trust has an ISO accreditation to certify fisheries and fishing companies according to the FAO based Certification of Responsible Fisheries Management Programme. For more information on Global Trust see [www.GTcert.com](http://www.GTcert.com).

The IRF certification The Iceland Responsible Fisheries Management Programme is based on the FAO Code of Conduct, the FAO Guidelines on eco-labelling of fish *and fishery products from marine capture fisheries 2005/2009*, and the FAO Fisheries Circular No. 917. *J.Caddy, October 1996 ("J.Caddy Checklist")*, and ISO standard 65 based certification programme, undertaken by Global Trust Certification Ltd. The use of an independent certifier shall provide third party verification of the sustainability of the Icelandic fisheries and a

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<sup>1</sup> The programmes in the seafood sector now include Certified Quality Salmon, Trout and Mussels, GAA Best Aquaculture Practice (BAP), Organic Aquaculture, Seafood Trust Eco-Standard, Label Rouge, Global GAP, MSC Sustainable Fisheries, FAO Responsible Fishery Management (IRF and Alaska Seafood), IFFO Responsible Supply

transparent certification process. For more information of the certification programme, assessment specification and the chain of custody certification process, see <http://www.responsiblefisheries.is/certification/> and <http://responsiblefisheries.is/certification/chain-of-custody-certification/>.

As of today (November 2012) only cod has been certified within the IRF programme. In May 2011 golden redfish, haddock and saithe began the certification process. The decision to certify these species was taken by the board of the Iceland Responsible Fisheries Foundation and is based on export value and quantity. The results of these audits are expected this fall (2012). Later this year it will also be decided what fisheries will be the next to enter the certification process.

### **2.1.3 Ownership**

In 2011 the IRF was taken over by a foundation called "Iceland Responsible Fisheries Foundation", a non-profit organisation. The Foundation's role is to manage the IRF programme. The founders of the Foundation are the Federation of Icelandic Fishing Vessel Owners (Landssamband Íslenskra Útvegsmanna), the National Association of Small Boat Owners (Landssamband Smábátaeigenda) and the Federation of Icelandic Fish Processing Plants (Samtök Fiskvinnslustöðva).

Finnur Gardarsson, Project manager, is responsible for the daily operations of the IRF programme. A technical committee is responsible for all the technical work related to certification and communication with the external certification body and public bodies. Promote Iceland is taking care of the marketing and promotion with Gudný Karadóttir as the marketing manager.

Promote Iceland, is a public-private partnership established to improve the competitiveness of Icelandic companies in foreign markets, and operates a seafood advisory committee that sets the aims and reviews the marketing plan of the programme on a regular basis. The committee is comprised of representatives from the fishing companies, processors and marketing and sales companies, as well as a representative from the Ministry of Fisheries and Agriculture ([www.responsiblefisheries.is](http://www.responsiblefisheries.is)). The current Chairman of the marketing committee is Eggert Benedikt Gudmundsson, CEO of HB Grandi, one of Iceland's largest production and sales companies.

Members of the board of the IRF Foundation are:

- Gunnar Tómasson, Director of production and sales, Thorbjorninn/Thorfish, Grindavík
- Örn Pálsson, Managing Director of the National Association of Small Boat Owners
- Sigurgeir Brynjar Kristgeirsson, CEO of Vinnslustodin, Westman Islands

### **2.1.4 Funding**

The IRF funding comes mainly from the fishing industry itself through an annual fee based on the export value of certified products. The fee is 0.05 % of the export value FOB. In addition there is a registration fee of 600 Euros that is paid once.

The foundation receives a grant from the Added Value for Seafood programme (AVS) fund of the Ministry of Fisheries and Agriculture. The AVS fund is mainly based on the value of the

by-catch fish. In Iceland it is not permitted to have by-catch, but it is to be brought ashore and sold on the auction. The boat owner has three days to get a quota for the by-catch. Without the quota the value from the sales is distributed as 20% to the boat owner and 80% into this AVS fund. The fund is used for research and development, and in 2012 the overall budget was a total of ISK 350,000,000 (ca. 16.7 million NOK) ([www.erawatch.com](http://www.erawatch.com)). The IRF has received a total of 55,500,000 ISK (2.6 million NOK) over a period of 6 years, for the establishing process and their further work. The latest funding from AVS for 2012 is 12,500,000 ISK (600,000 NOK).

It should also be noted that all salary costs for staff working on the IRF programme are covered by Promote Iceland.

Funding source	Amount size of fee
AVS – start-up process funding in total over 5 years	2 million NOK
AVS – funding 2012	600,000 NOK
Registration fee	4,400NOK (600 €) per company
Export fee	0.05% of export value FOB
Personnel/Salaries covered by Promote Iceland	2 part-time positions

### 2.1.5 Certification cost for the company

The cost for a company to participate in the IRF programme is not substantial. The registration fee of 600 Euros applies for both logos, and is a one-off cost, the export fee is half a ‰ of the export value, and finally there is an annual audit by Global Trust. Figures for the audit depend on the complexity and number of production units that need to be certified within the company.

Cost for company	Amount/size of fee
Registration	600€
Export fee	0.05% of export value FOB
Annual audit by Global Trust, ca. price pr. production unit*	5100-5500 NOK (700-750€)

\*Depending on complexity of the company and number of production sites.

## 2.2 Why not MSC?

This is one of the most common questions the IRF is asked when attending exhibitions, presentations etc. The answer given is:

*“Because of the image of the fish from Iceland. We wanted to use that in the promotion and combine the certification and the sustainable use to the origin, not to some label used by other nations as well” Gudný Káradóttir, IRF*

There has been a stated wish for national control and reluctance to be subject to the standards and conduct of others (see below). The need for a logo of origin was recognised and was a very important factor in the process. Other reasons why Iceland decided to establish a national certification scheme rather than using an independent scheme are previous experience with the MSC and their founders, the WWF, and the perceived costs of the different programmes.

### **2.2.1 The history of MSC in Iceland**

The actors in the Icelandic seafood industry explained that the MSC representatives first visited Iceland 10–15 years ago trying to promote their certification scheme. At the time the MSC was still owned by WWF and Unilever. Emanating from an environmental NGO and a multinational cooperation, they were not perceived as a credible or reliable actor. They also undertook a poor marketing campaign in Iceland in the mid-nineties and MSC representatives were not found to be very forthcoming. The Icelandic people's history with WWF due to the whaling conflict must also not be underestimated. WWF has over the years, and still has, campaigns against Icelandic whaling, something that did not fit well with their ownership in the MSC in the eyes of Icelanders ([http://wwf.panda.org/how\\_you\\_can\\_help/campaign/?201294/Help-put-a-stop-to-whale-hunting](http://wwf.panda.org/how_you_can_help/campaign/?201294/Help-put-a-stop-to-whale-hunting)).

Over the last few years the MSC has used an Icelandic fisheries consultant, Gisli Gislason, to promote their scheme. A more successful strategy it seems. In October 2012 the MSC opened an office in Iceland to serve the Icelandic, Faroe Islands and Greenland market for sustainability schemes and Mr Gislason is their Senior Outreach Manager. Today cod and haddock are MSC certified, and 19 companies have certificate sharing rights to these fisheries. The first company to apply for MSC certification was the Icelandic Group, an export company losing market access in Great Britain. They applied for MSC approval of the Icelandic cod stock. The unexpected result of this was that the MSC certificate for the Icelandic cod stock was now owned by a company, and not free to use for others that might want to certify their production sites. If a company wanted to certify they would either have to certify the cod stock again themselves or come to an agreement with the Icelandic Group. On the 10<sup>th</sup> of September this year the Icelandic Group signed a certificate sharing agreement with Iceland Sustainable Fisheries ehf. In the press release the Icelandic Group stated that they had decided to give other interested parties access to the Icelandic Group certification on certain conditions. Therefore the special association was established - the Iceland Sustainable Fisheries ehf. – and, by being members, others have access to the certification. All members of Iceland Sustainable Fisheries ehf. have the same rights and influence regardless of the magnitude of their production and export.

### **2.3 The response**

The Icelandic industry is highly supportive of the IRF; even those who also have an MSC certification express their support. However some challenges have been identified. Below are some considerations of how the Icelandic industry views the IRF, its reception in the European market and their standing with the environmental NGOs.

#### **2.3.1 The Icelandic industry**

##### ***Advantages***

There seems to be three main reasons why the Icelandic industry supports the IRF; costs, belief in the marketing value of fish from Iceland and national control.

Firstly, the costs of getting certified by the IRF are perceived as being much lower than for MSC. Vertically integrated companies in particular claim that the cost of MSC certification is unreasonably high. The basic costs of the two programmes do not seem to be very different, but this needs further investigation. What is certain is that the MSC have a lot more funding to promote their programme and this will benefit the products bearing the logo. Then again,

the IRF also include the country of origin logo. To compare the fee paid by the Norwegian industry to the Seafood Export council is 0.75% on all species and 0.2% on all fish products.

Secondly, Icelandic fish is an established and trusted “brand” in many markets, and confidence in the Icelandic fisheries management is high. By combining origin and certification one can benefit from that. When using the MSC logo the Icelandic origin would be lost or require additional labelling. Some also argued that a competition between MSC and IRF was good for the industry, because it did not give one actor too much power in the “sustainability market”. Competition also furthered professionalism and it could provide better terms for the Icelandic companies.

Thirdly, and in line with this, if the MSC were to be faced by criticism and lack of trust because of malpractice of other countries it would affect all MSC labelled products, thereby making Icelandic fisheries vulnerable to fishing practices in other countries. Operating under a national scheme, the industry is protected from bad publicity caused by other nations’ malpractice. Further, it was argued that using MSC gives a non-governmental environmental organisation too much power over Icelandic fisheries. This is both a practical question relating to costs and conditions set by the MSC, and a political and psychological issue relating to independence and national control of the Icelandic fishing industry.

### **Challenges**

The industry still sees some challenges with the use of IRF, which can be grouped into two main categories: the dominant market position of MSC and the slow development process of IRF. In addition, there is some concern that the logos are too similar.

The MSC is well placed in the market, and some actors in the Icelandic industry are worried that the IRF came in too late. Other schemes, and especially the MSC, had already established themselves in the sustainability market. It takes time to introduce a new brand into the market. Further, the IRF/Promote Iceland has only limited resources for marketing, resulting in the marketing of IRF mainly being the responsibility of industry/exporters. MSC, on the contrary, has large market and campaigning budgets and a massive staff to support the scheme. However, the IRF is a B2B scheme, thereby limiting this to the importing processors and retailers. The main cost is therefore connected to introducing the scheme to the buyers, going through the requirements, the documentation from IRF, the Global Trust and the Icelandic government, and this should therefore be a one-time requirement. However, some companies were met with requirements that the fish has to be MSC certified. For instance, one important UK retailer has decided to only buy MSC certified fish. Even though many Icelandic companies were originally sceptical about the MSC and supported the IRF, they decided to also go for MSC certification not to lose access to established buyers. But the same companies have decided also to stick with the IRF. The problem of IRF acceptance in the market should be manageable.

A more pressing problem relating to the IRF is that the certification process has been too slow. The certification process for golden redfish, haddock and saithe began in May 2011, and is yet not finalised (as of November 2012). This means that the IRF since its establishment has only certified cod, and there is an urgent need to get more species certified. The haddock is MSC certified, but does not meet the requirements under the IRF programme due to some management procedures allowing for adjusting TAC based on political rather than scientific considerations.

Finally, concern is expressed about the similarity of the logos, the only difference being the tag signalling certification. This similarity may cause confusion and it is questionable whether the industrial customers really are aware of or understand the difference. As one of the people we interviewed stated:

*“I have not bothered to change the logo on my papers after the chain of custody certification. My clients cannot tell the difference and I have all the papers in order if anyone asks.”*

The IRF are aware of this and are considering how to deal with the challenge of differentiating more clearly between Icelandic origin and the fish and fisheries products sold under chain of custody sustainability certification. Bearing in mind that the IRF is a B2B scheme, the communication challenge will probably be easier than communicating it to consumers. In addition, with more species certified the mismatch between origin and sustainability certification will be minimised.

### **2.3.2 The market (based on Icelandic industry information)**

When asked about the response of the IRF by their trade partners, the industry says that the IRF is considered overall as equivalent to other schemes. The buyers/retailers want some kind of certification and after introducing the IRF and documenting how the scheme works, the IRF are accepted just as other certifications. Some European importers have even expressed that they are supportive of competitors to MSC. However many find using MSC convenient, as it is so well known and established in the market. MSC makes the buying process easier because they are familiar with it, there are established procedures and the knowledge of the MSC is high. Some buyers have also incorporated MSC strongly into their sustainability strategy, and getting large buyers to change their manifests is not easy. This is particularly the case with the one UK buyer mentioned and some clients in particular in the German and Swiss markets.

On the other hand, it is cheaper for the buyers to use IRF, only paying a registration fee of 600 Euros. If they want to go through the chain of custody they have however to pay for the audit to the certification body, similar to that for an MSC certification.

### **2.3.3 Environmental NGOs**

According to the IRF they have received no response, either negative or positive, from environmental NGOs of the IRF certification scheme.

## **2.4 The future**

The Icelandic industry has missed the opportunity to create something on their own. The choice to go for a national certification programme is innovative and can provide them with the differentiation that they are hoping for, and gives them the opportunity to front the Icelandic as something special and perhaps also better. But it is our evaluation that the future of the IRF is uncertain, mainly because parts of the Icelandic industry have found it necessary to use MSC certification. As we see it, there are some major questions that will influence the destiny of the IRF.

#### **2.4.1 The more the merrier?**

If it is correct that more countries or groups within certain fisheries are sincerely evaluating the Global Trust strategy there is surely strength in numbers. That is; if these groups belong to fisheries known to be sustainable and under a strict regulatory regime. The split in the Alaskan industry, where the biggest actors in the salmon fishery have withdrawn from MSC and established a national certification scheme support the IRF strategy. The Alaska Seafood Marketing Institute, which is operating the national sustainability programme, under the same Global Trust, FAO based Responsible Fisheries Management Certification programme, are currently certified for salmon, halibut, sablefish and Pollock (<http://www.gtcert.com/fao-based/>). According to both Global Trust and the IRF several other well established fishing nations are considering a similar approach and a bigger group of national certification schemes will make it easier to “compete” with the MSC.

#### **2.4.2 Just in time or just too late?**

Some people in the Icelandic industry claim that the development of the IRF logo and certificate has been far too slow. The question raised is whether they missed the sustainability train or did they hop on just in time? Whether or not the international buyers are willing to accept the national certifications on the same footing as MSC is yet to be seen. Today we see big buyers both favouring MSC and those applauding competition in certification programmes.

The fresh fish trading bonds between the UK and Iceland are historically strong, and so far this market generally accepts IRF. It is however important to get IRF known and accepted in other markets, for example in the Benelux countries and in Germany. Most of this work is for now resting on the shoulders of the Icelandic industry itself.

A second and maybe more important issue is the need to certify more species. Alaska has already certified four of their most important species under the Global Trust programme and a certification scheme built only on the cod stock is not enough. More species need to follow within a short period of time, both to strengthen the product range and to prove the sustainability of the Icelandic fisheries that they claim. According to the IRF the challenges meeting the certification of the other species are mainly found in the legislation concerning the management of these species. They also claim to have support within their government. This means that if the Icelandic industry is dedicated to their own strategy they have to prove that they are willing and able to change management in order to fulfil the requirements of the FAO code of conduct for sustainable fisheries, and to meet the Global Trust certification criteria.

#### **2.4.3 Creating more confusion?**

The choice to connect sustainability and country of origin in the way that the Icelanders have done might be risky, trusting that the sustainability market is mature enough to put their money on a smaller unknown actor and that consumers do not have the claimed preference for and trust in only MSC. But it might just work considering the fact that it is only a business to business logo. A B2B logo of certification needs to be followed by papers verifying the certificate. And for a retail or wholesale buyer the papers are often more important than any logo put on the box. If the consumers really prefer MSC, time will tell.

#### **2.4.4 The story of David and Goliath?**

The MSC is large, and is today by far the largest certification scheme for sustainability within seafood, with an annual budget of £12 million and a staff of more than 120 ([www.msc.org](http://www.msc.org)). Their funding is solid and growing. They have support from some of the largest NGOs in the world and cooperate with large international retail chains like Carrefour. But being large is not always a benefit, and MSC are facing more criticism as they grow. In the marketplace they are considered by many as being too large and too commercial. In addition, they are increasing the price of seafood (Roheim et al. 2011, Sogn-Grundvåg et al 2012) in a stressed European economic marketplace, some even claim without adding any concrete value. And even though their intentions are good, they are being criticised for being too compromising in their conditional approach to sustainability (Frose & Proelss 2012). In light of this, being small, limited to one country, having a B2B programme and relatively low cost, the IRF and other national programmes might be seen as a good alternative or supplement to the MSC. Icelandic fisheries have a good reputation and for a buyer to only accept fish and fish products certified by the MSC and not the similar species certified by the IRF, will lead one to question the whole idea of the third party certification of fisheries products.

### **3 Summary**

Combining documentation of origin with the sustainability certification has solved two challenges for the Icelandic industry. They missed a label highlighting or showing origin and they wanted a different way to legitimise the sustainability of their fisheries other than the supranational options.

The IRF is a scheme that is fairly easy and low cost to run. The industry itself does a lot of the actual marketing to their clients. Otherwise, the IRF presence at large fairs like the Boston Seafood Show and European Seafood Exhibition in Brussels, and smaller fairs like Nord-Fishing in Trondheim, has created a lot of attention and interest for the national approach. In addition, the Global Trust is supporting these programmes and the cooperation of the Alaska Seafood Marketing Institute, running the Alaskan national initiative, has been good.

To secure the continued operation and success of IRF there are a few challenges that need to be met. Firstly, the Icelandic government has to make the necessary changes in management procedures to be able to certify species other than cod. Unless this is done, a scheme built on the cod stock alone will have difficulties in the market, and more importantly raise questions as to the sustainability of the other Icelandic fisheries. Secondly, they need to make sure that the similarities between the logos are resolved either by informing their customers and other stakeholders more thoroughly, by changing the logo, or by certifying more species so that most of the fish with Icelandic origin are also certified as sustainable. Thirdly, they will need to gain acceptance in additional markets, also the more challenging ones that today are dominated by the MSC.

Even though there is concern that the IRF was launched too late and the certification processes take too long, recent interviews carried out in the UK reveal that the IRF and national schemes might be maturing as an option to the MSC. This will be investigated further in the next part of the project.

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