



Paris, 24 November 2020

RE: The Marine Stewardship Council (MSC) joining our coalition

Dear Isabel,
Dear Members of the Coalition,

We wanted to reach out to you with regards to a recent communication by the Marine Stewardship Council (MSC), which deeply worried us. Yesterday, the MSC indeed issued a press release announcing that it had joined — along with the 175 of us — Pew's call on the WTO to end harmful subsidies this year.¹

We believe that allowing the MSC to join our coalition would be a major strategic mistake, and thus wanted to share our concerns with you. To put it simply: **the MSC does not fight against harmful subsidies; it benefits from them and supports them.** It should worry us all. The fact that the MSC widely communicates on the need to ban harmful subsidies is utterly irrelevant, and so is the fact that its CEO Rupert Howes acts as an SDG champion.² This is pure greenwashing, and here is why.

1. THE MSC HAS REMOVED ALL INCENTIVES TO CUT HARMFUL SUBSIDIES FROM ITS STANDARDS

How can we be so adamant? By looking at facts, beyond words. While the previous MSC standards required that "the management system provides economic and social incentives for sustainable fishing and does not operate with subsidies that contribute to unsustainable fishing",³ (version 1.3; published in January 2013 and effective in March 2013), this already rather vague language was further watered down and superseded by version 2.0 as early as April 2014.⁴

The currently applicable standards⁵ have maintained this giant step backward and no longer require anything even remotely constraining: "at least a general summary of information on subsidies, allocation, compliance and

¹ Press release available at: <https://www.msc.org/media-centre/briefings-statements/msc-urges-world-trade-organization-meet-2020-deadline-harmful-fishing-subsidies>.

² One can find such examples of Mr. Howes's statements here: <https://www.intrafish.com/sustainability/marine-stewardship-council-ceo-blasts-wto-for-inaction-on-fishing-subsidies/2-1-744308>, here: <https://www.thegef.org/news/incentivising-sustainable-fishing-through-certification>, or here: <https://www.weforum.org/agenda/2018/11/how-to-end-overfishing-in-the-global-south>.

³ Performance Indicator (PI) 3.1.4., MSC Certification Requirements v.1.3, published in January 2013. Available at: https://www.msc.org/docs/default-source/default-document-library/for-business/program-documents/fisheries-program-documents/msc_certification_requirements_v1_3.pdf?sfvrsn=44528820_20.

⁴ Available at: https://www.msc.org/docs/default-source/default-document-library/for-business/program-documents/fisheries-program-documents/fisheries_standard_v2-0.pdf?sfvrsn=66a0a85_26.

⁵ MSC Fisheries Standards v2.0.1, published in August 2018. Available at: https://www.msc.org/docs/default-source/default-document-library/for-business/program-documents/fisheries-program-documents/msc-fisheries-standard-v2-01.pdf?sfvrsn=8ecb3272_9.

Furthermore, also note that the document published as a guidance to those who score and certify candidate fisheries states that "MSC does not name individual subsidy types as harmful or not harmful to fishing" and that "if overcapacity exists as a result of subsidies, the management system should be robust enough to deal with this issue and still deliver a sustainable fishery in accordance with MSC



fisheries management decisions should be available to stakeholders on request". THAT. IS. IT. In essence, any fishery could be MSC-certified while exclusively operating on harmful subsidies, as long as vague data are available upon request! **This is not the kind of language and lack of ambition we should be willing to be associated with, should we want to obtain a strong WTO agreement.**

In 2014, the MSC justified its massive step backward by arguing that its previous requirements "may have caused an inappropriate obstacle to the certification of small-scale and developing world fisheries".⁶ The exact opposite has been demonstrated by the same authors as those quoted by the MSC in its press release: harmful fisheries subsidies predominantly hurt these very fisheries, not the other way around!⁷ The MSC's ambition has not improved since: the 2018 Terms of Reference for the MSC Fisheries Standard Review did not even mention the word 'subsidy' once.⁸

2. MANY, IF NOT MOST, MSC-CERTIFIED FISHERIES HAVE BEEN (AND STILL ARE) MASSIVELY SUBSIDIZED

Removing all incentives to cut harmful subsidies certainly did not result in more "small-scale and developing world fisheries" being certified, on the contrary. In May 2020, we showed that only 7% of MSC-certified volumes were coming from small-scale fisheries.⁹ None were, e.g., from Africa. Ironically, the only MSC-certified African fishery at that time was a large-scale, deep-sea bottom trawling hake fishery based in South Africa,¹⁰ i.e. a fishing practice that Pew has fought alongside BLOOM for years, until we secured a ban in European waters in 2016...

In fact, the divide between small-scale and large-scale MSC-certified fisheries has only grown since the creation of the MSC in 1997, as it increasingly certifies large-scale, destructive fisheries, further undermining the United Nations' SDGs it pretends to advocate for.

In fact, there are countless MSC-certified fisheries that have benefited from harmful subsidies over time, and which directly contribute to overcapacity, overfishing, and the destruction of marine ecosystems. Among them, we can cite:

- The 'small pelagics fishery in Sonora, Gulf of California', which is MSC-certified since July 2011. The certification of this fishery received an objection (which evidently failed) based on two grounds:¹¹

Principle[s]". Also available at: https://www.msc.org/docs/default-source/default-document-library/for-business/program-documents/fisheries-program-documents/msc-fisheries-standard-v2-01.pdf?sfvrsn=8ecb3272_19 (starting on p134).

⁶ See summary of changes at: https://www.msc.org/docs/default-source/default-document-library/for-business/program-documents/fisheries-program-documents/msc-fisheries-certification-requirements-v2-0-summary-of-changes.pdf?sfvrsn=9c675ba_14.

⁷ Schuhbauer *et al.* (2020) The global fisheries subsidies divide between small- and large-scale fisheries. Available at: <https://www.frontiersin.org/articles/10.3389/fmars.2020.539214/full>.

⁸ Available at: https://www.msc.org/docs/default-source/default-document-library/stakeholders/fsr-terms-of-reference.pdf?sfvrsn=c8d8b5b9_4.

⁹ Le Manach *et al.* (2020) Small is beautiful, but large is certified: a comparison between fisheries the Marine Stewardship Council (MSC) features in its promotional materials and MSC-certified fisheries. Available at: <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0231073>.

¹⁰ See <https://fisheries.msc.org/en/fisheries/south-africa-hake-trawl/@@view>.

A second one just got certified, in Namibia: also large-scale bottom trawling for hake. See <https://fisheries.msc.org/en/fisheries/namibia-hake-trawl-and-longline-fishery/@@view>.

¹¹ See Christian *et al.* (2013) A review of formal objections to Marine Stewardship Council fisheries certifications. Available at: <https://www.sciencedirect.com/science/article/abs/pii/S0006320713000049>.



- The first one was that, according to the report produced by the certifiers,¹² **this fishery received substantial fuel subsidies (i.e. harmful ones)**¹³ that "allow[ed] it to expand its fishing range northward into the Midriff Island Region, which is an important recruitment area for sardines and an area where several seabird species breed";¹¹
- The second one — tightly linked to the first one — was about the end-use of this fishery's catch: mostly fishmeal and fish oil. We shall emphasize that fishmeal and fish oil fisheries are not really those put in Pew's sustainability spotlight — Pew most notably initiated and largely funded the Lenfest Ocean Program to that end —¹⁴ especially given that they target forage fish that are crucial for seabird populations.¹⁵ Yet, these fisheries are obviously embraced by the MSC, which has even developed a strategic plan to increase its share of certified fishmeal fisheries, because "there is a market",¹⁶ but also so that its sister-label, the Aquaculture Stewardship Council, can rely on 100% MSC-certified fishmeal.¹⁷ The 'small pelagics fishery in Sonora, Gulf of California' is not the only fishmeal fishery to be certified, as there are others around the world, with similar concerns including heavy subsidization, e.g. the 'DFPO and DPPO North Sea, Skagerrak and Kattegat sandeel, sprat and Norway pout' fishery.¹⁸ The MSC has also been eyeing the largest fishmeal fishery in the world for years, that of Peruvian anchovetas;¹⁹
- The 'SZLC, CSFC & FZLC Cook Islands EEZ South Pacific albacore, yellowfin and bigeye longline' fishery (certified in 2015), whose certification was also objected to. Once again, the allocation of harmful subsidies was at the core of these objections. In particular, the certifier's report stated that "the client fleet vessels were built under the 11th and 12th '5-year plans' of the [People's Republic of China] to expand their deep-water fisheries", and also that "the Client also acknowledged that Chinese vessels, including client vessels, were in receipt of Chinese Government Subsidies".²⁰ Therefore, it is beyond likely that these subsidies were, in fact, construction subsidies, i.e. the most criticized of all; point highlighted by the WWF, co-founder of the MSC and one of the 175 signatories of Pew's statement;
- The expansion of China into deeper and more distant waters is not restricted to tuna fisheries in the Pacific Ocean. In fact, the heavy (harmful) subsidization of China's fleet²¹ is — hopefully — a surprise to no one, so any MSC-certified Chinese vessel should be seen as having received harmful subsidies. This would, for instance, be the case of the Chinese vessels involved in the 'PNA Western and Central Pacific skipjack and yellowfin, unassociated / non FAD set, tuna purse seine' fishery,²² which is not only problematic from a subsidies point of view. One of the largest MSC-certified fisheries but also one of the most vividly criticized,

¹² First certification report (2011) available at:

<https://cert.msc.org/FileLoader/FileLinkDownload.aspx/GetFile?encryptedKey=E/hkOWfQICjSg7P14flY4xvLLoE+cDyhUFsmXC1zz8EMEVzdpYmTelUfARZH+O6>. Second certification report (2018) available at:

<https://cert.msc.org/FileLoader/FileLinkDownload.aspx/GetFile?encryptedKey=yHo1ADc6rEFZpAwyFhB061LlGqfRoY4i8/BFKvGluXFIC5kCw6VCdStkyBvkF1X2>.

¹³ Harper *et al.* (2012) Fuelling the fisheries subsidy debate: agreements, loopholes and implications. Available at:

<https://www.sciencedirect.com/science/article/abs/pii/S0165783611003250>.

¹⁴ See e.g. <http://www.oceanconservationscience.org/foragefish/files/Little%20Fish,%20Big%20Impact.pdf>.

¹⁵ Cury *et al.* (2011) Global seabird response to forage fish depletion — One-third for the birds. Available at:

<https://science.sciencemag.org/content/334/6063/1703.full#ref-list-1>.

¹⁶ See <https://www.msc.org/en-us/media-center/blog/2019/09/03/are-reduction-fisheries-sustainable>.

¹⁷ See e.g. <https://www.asc-aqua.org/what-we-do/our-standards/farm-standards/the-salmon-standard/>.

¹⁸ See <https://fisheries.msc.org/en/fisheries/dfpo-and-dppo-north-sea-skagerrak-and-kattegat-sandeel-sprat-and-norway-pout/@@view>.

¹⁹ See e.g. <https://www.msc.org/docs/default-source/default-document-library/about-the-msc/msc-annual-report-2019-2020.pdf>.

²⁰ Available at:

<https://cert.msc.org/FileLoader/FileLinkDownload.aspx/GetFile?encryptedKey=haVur69GjsWOpYlhikyEJrwiLLhg6Z1RLOTLEAWnabRw1C4qKNOQX1YycwYuxUt>.

²¹ See e.g. Mallory (2016) Fisheries subsidies in China: quantitative and qualitative assessment of policy coherence and effectiveness.

Available at: <https://www.sciencedirect.com/science/article/abs/pii/S0308597X16000415?via%3Dihub>; or Sumaila *et al.* (2019) Updated estimates and analysis of global fisheries subsidies. Available at: <https://www.sciencedirect.com/science/article/pii/S0308597X19303677>;

or Pauly *et al.* (2014) China's distant-water fisheries in the 21st century. Available at:

<https://onlinelibrary.wiley.com/doi/full/10.1111/faf.12032>.

²² See <https://fisheries.msc.org/en/fisheries/pna-western-and-central-pacific-skipjack-and-yellowfin-unassociated-non-fad-set-tuna-purse-seine/@@view>.



this fishery showcases issues ranging from harmful subsidies to shark finning, and from the heavy use of Fishing Aggregating Devices to human rights abuse. This is a bit beyond this email's scope, but we could also provide a fully-referenced four-pager (sent to WWF a while ago) if deemed necessary.

- The immediately aforementioned fishery also involves European vessels, which also receive substantial harmful subsidies.²³ In particular, the European Union's distant-water fleets benefit from vast amounts of subsidies on an annual basis, through the use of a publicly-funded network of fishing access agreements in the waters of third countries.²⁴ Some of these vessels — MSC-certified — are also linked to thoroughly-criticized practices such as the use of FADs²⁵ or the targeting of overfished fish populations such as those of small pelagics off West Africa (see IISD, Pew-funded study on impact of subsidies on West Africa's small pelagics).²⁶ Regarding the latter category, let us only cite the Dutch vessel ANNELIES ILENA (formerly known as the ATLANTIC DAWN) — 144.6 meter-long! — which has regularly fished in Mauritanian and Moroccan waters over the past decade.²⁷ These agreements each cost EU citizens 50–60 million euros on an annual basis.²⁸ Although not MSC-certified for its substantially subsidized activity in African waters, this vessel — along with a dozen other vessels longer than 100m — is MSC-certified for other activities in the Atlantic.²⁹ **The ANNELIES ILENA purportedly cost the trifling sum of... 100 million euros in public subsidies.**³⁰

We will stop here with the list of MSC-certified fisheries that have (directly or not) received vast amounts of harmful subsidies, and which have severe impacts on marine ecosystems and coastal livelihoods. In essence, fisheries that are in blatant contradiction with the SDGs. We have obviously come up with this in just a day, given that we surely did not expect the MSC to join the coalition until yesterday. So imagine what we would find, should we be given more time.

The bottom line is two-fold: 1) the MSC certainly does not fight against harmful subsidies despite its nice speeches, and 2) the MSC does not protect the ocean, but rather legitimizes fishing practices we should all condemn.

3. LETTING THE MSC ONBOARD WOULD MAKE US BECOME PART OF THE PROBLEM

These facts may be a shocker to many of you, but these two conclusions call for a third one, the fact that the MSC is *not* a non-profit organization: it is a money-driven company,³¹ which actively engages in greenwashing and which has become a threat to the SDGs' fulfillment and a healthy ocean. **As such, we should, as a group, forcefully refuse that it joins our coalition**, for the sake of our integrity, but also so as not to further jeopardize the WTO negotiations and SDGs' implementation.

²³ See e.g. Sumaila *et al.* (2019) Updated estimates and analysis of global fisheries subsidies. Available at: <https://www.sciencedirect.com/science/article/pii/S0308597X19303677>; or Skerritt *et al.* (2020) A 20-year retrospective on the provision of fisheries subsidies in the European Union. Available at: <https://academic.oup.com/icesjms/advance-article/doi/10.1093/icesjms/fsaa142/5902157>.

²⁴ See e.g. Le Manach *et al.* (2013) European Union's public fishing access agreements in developing countries. Available at: <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0079899>.

²⁵ The Spanish 'Echegaray Indian Ocean purse seine skipjack tuna' fishery was certified in 2018 (<https://fisheries.msc.org/en/fisheries/echegaray-indian-ocean-purse-seine-skipjack-tuna/@@view>), and the French 'CFTO Indian Ocean Purse Seine Skipjack' fishery is on the verge of being certified (<https://fisheries.msc.org/en/fisheries/cfto-indian-ocean-purse-seine-skipjack-fishery/@@view>).

²⁶ Available at: <https://www.iisd.org/system/files/publications/subventions-peche-sardinelles-afrique-ouest-fr.pdf>.

²⁷ <http://www.whofishesfar.org/vessels/3174>.

²⁸ https://ec.europa.eu/fisheries/cfp/international/agreements_en.

²⁹ Currently the 'PFA, DPPO, KFO, SPSP & Compagnie des Pêches St Malo Northeast Atlantic blue whiting Pelagic Trawl' fishery (<https://fisheries.msc.org/en/fisheries/pfa-dppo-kfo-spsg-compagnie-des-peches-st-malo-northeast-atlantic-blue-whiting-pelagic-trawl/@@view>) and the 'PFA, SPSP, SPFP, DFPO and DPPO North Sea Herring' fishery (<https://fisheries.msc.org/en/fisheries/pfa-spsg-spfp-dfpo-and-dppo-north-sea-herring/@@view>).

³⁰ See e.g. <https://www.europarl.europa.eu/cmsdata/129421/O%20RIORDAN.pdf>.

³¹ 80% of its income come from royalties levied on its logos. See Le Manach *et al.* (2020) Small is beautiful, but large is certified: a comparison between fisheries the Marine Stewardship Council (MSC) features in its promotional materials and MSC-certified fisheries. Available at: <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0231073>.



The problem is not only that the MSC is using our coalition to pretend it is on our side and acts as an ocean champion, but that we keep letting a group such as the MSC infiltrate our movement, while its actions clearly and increasingly go against our own objectives. Our willingness to collaborate and create spaces for discussion should in no way blind us to the 'soft power' strategies of an organization like the MSC, which is adorned — only on paper — with all the attributes of an NGO. **By letting an organization like the MSC infiltrate our ranks, we too become part of the problem and put in place the conditions to achieve only half-measures, which are clearly insufficient in regard to the urgency and environmental/social stakes we face.**

In conclusion of this long letter, **MSC joining the coalition is, to us, an absolute no-go.** Should the MSC stay onboard our coalition, BLOOM would have to withdraw from it with immediate effect (including from the website, statement etc.), and we would have to explain why publicly. We have obviously not had a chance yet to discuss this issue with most of the other coalition partners, but a few other signatories have already indicated that they too will withdraw from the coalition should the MSC be allowed to use this platform to misrepresent its stance on harmful subsidies.

This is obviously a very serious matter and we are hopeful that our coalition will continue to stay intact to tackle this very serious issue which threatens the survival of our ocean.

We urge you to please consider this very carefully. Should you have any questions, please do not hesitate to contact us directly.

Respectfully,

Frédéric Le Manach
BLOOM, Scientific Director