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**ASEAN TUNA ECO-LABELLING: POLICY PAPER ON THE ESTABLISHMENT OF
ASEAN REGIONAL ECO-LABELLING SCHEME**

**JOINT COMMITTEE ON ASEAN COOPERATION IN AGRICULTURE AND FOREST
PRODUCTS PROMOTION SCHEME
2018**

ASEAN TUNA WORKING GROUP

ASEAN TUNA ECO- LABELLING

**Policy Paper on the Establishment of ASEAN Regional Eco-
labelling Scheme**

Abbreviations and Acronyms

| | | |
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| ATEL | : | ASEAN Tuna Eco-labelling |
| ASEAN | : | Association Southeast Asian Nations |
| AMS | : | ASEAN Member States |
| ATWG | : | ASEAN Tuna Working Group |
| CCSBT | : | Commission on the Conservation of Southern Bluefin Tuna |
| CDS | : | Catch Documentation Scheme |
| EC | : | European Commission |
| FAO | : | Food and Agriculture Organization |
| ISO | : | International Organization for Standardization |
| IATTC | : | Inter-American Tropical Tuna Commission |
| IUCN | : | International Union for Conservation of Nature |
| IUU | : | Illegal, Unreported and Unregulated |
| RFMO | : | Regional Fisheries Management Organization |
| US | : | United States of America |
| MSC | : | Marine Stewardship Council |
| MSY | : | Maximum Sustainable Yield |
| WTO | : | World Trade Organization |

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I. Global Tuna Fisheries

From ancient times, fishing has been a major source of food for humanity and a provider of employment and economic benefits to those engaged in this activity. However, with increased knowledge and the dynamic development of fisheries, it was realized that living aquatic resources, although renewable, are not infinite and need to be properly managed, if their contribution to the nutritional, economic and social well-being of the growing world's population was to be sustained.

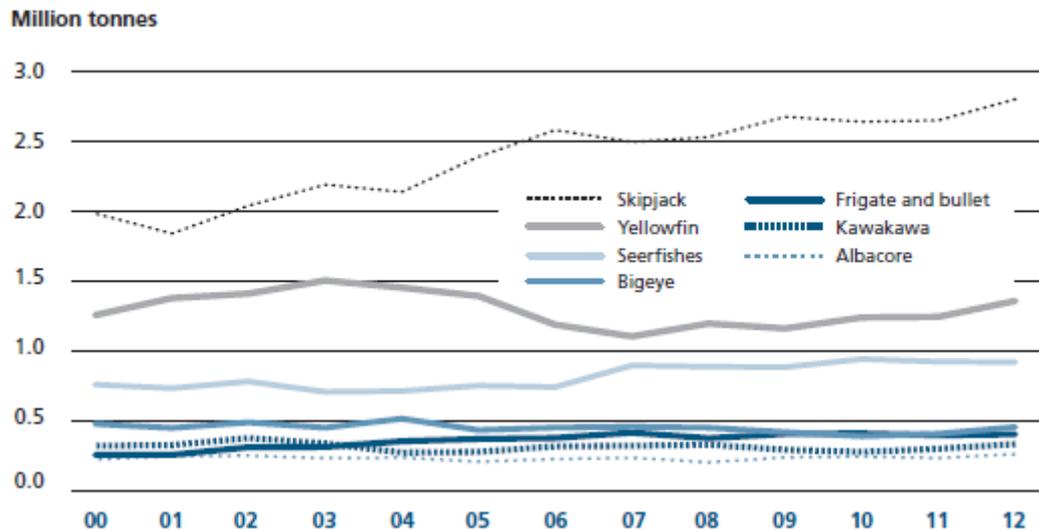
Clear signs of over-exploitation of important fish stocks, modifications of ecosystems, significant economic losses, and international disagreements on management and fish trade threatened the long-term sustainability of fisheries and the contribution of fisheries to food supply.

Fish and fishery products are among the most traded agricultural and food commodities with more than one third of production entering international trade. A specific feature of fish trade is the wide range in product types and markets. Significantly, one half of international fish trade originates from developing countries for which fish is an important earner of foreign exchange. Developed countries accounted for about 80 per cent of the total value of imports of fish products.

Tuna is considered as the most important species in the globe since its functions as food supplier for those who have been revealed that fish protein is very important for their health. Accordingly, trend of this group of consumers is predictably increasing, therefore the sustainability of production and consumptions of this species would be big challenges in the future.

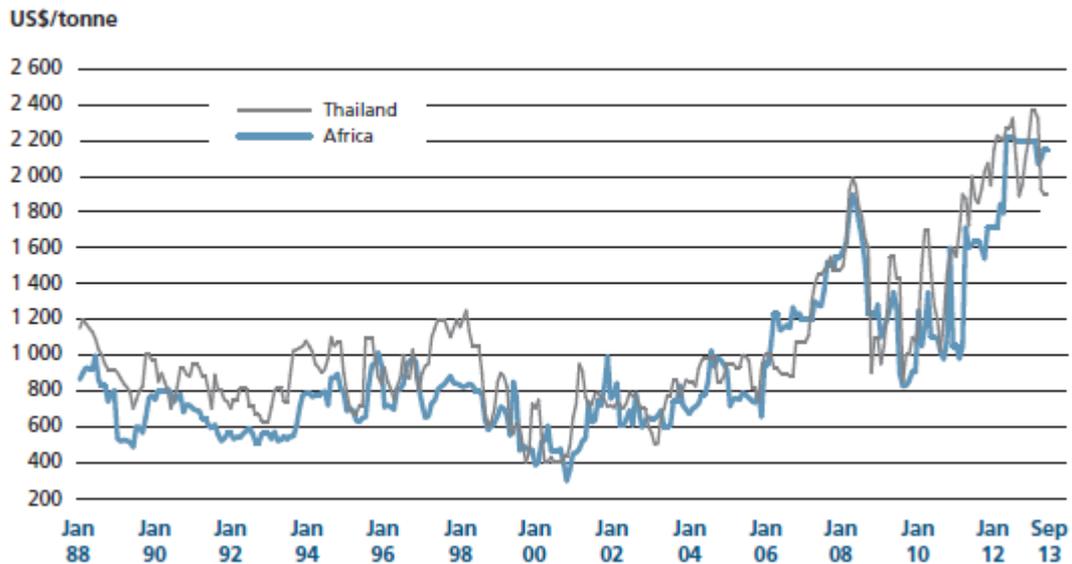
In terms of supply, catches of tuna and tuna-like species set a new record of more than 7 million tons in 2012, in which seven species and genera have consistently accounted for about 90 percent of the total tuna catch since 2000. Furthermore, catches of small tunas (such as skipjack, frigate and bullet tunas), seer fishes (*Scomberomorus* spp.) and albacore have grown significantly. In 2012, catches of Yellowfin exceeded their 2000 level after fluctuating, while Bigeye had the only decreasing trend with catches down by 5 percent (FAO, 2014)¹.

¹ FAO 2014. The State of World Fisheries and Aquaculture: Opportunities and challenges. Rome.



In terms of consumption, it can be seen from the trading characteristics. According to FAO (2014), the fishery trade is especially important for developing nations, in some cases accounting for more than half of the total value of traded commodities. Moreover, in 2012, it represented about 10 percent of total agricultural exports and 1 percent of world merchandise trade in value terms. The share of total fishery production exported in different product forms for human consumption or non-edible purposes grew from 25 percent in 1976 to 37 percent (58 million tons, live-weight equivalent) in 2012. Fishery exports reached a peak of US\$129.8 billion in 2011, up 17 percent on 2010, but declined slightly to US\$129.2 billion in 2012 following downward pressure on international prices of selected fish and fishery products. Demand was particularly uncertain in many developed countries, thus encouraging exporters to develop new markets in emerging economies (FAO, 2014).

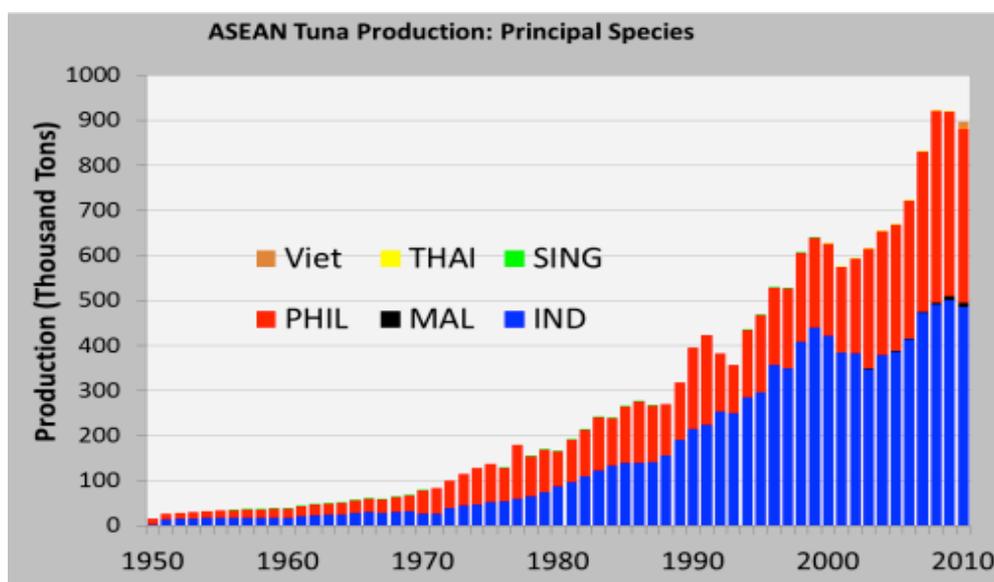
In the context of tuna trading, share of tuna in total fish export value in 2012 was about 8 percent of total fishery trades (FAO, 2014). Unstable tuna supply has had an impact on the tuna market for sashimi and as raw material for canning, with consequent fluctuations in prices. Japan remains the largest market for sashimi-grade tuna. It was less active, with lower imports, in the first three quarters of 2013, but recovered in late 2013 and early 2014. Demand for fresh/chilled sashimi remained high in the United States of America, which is now the second-largest market for non-canned tuna products. The United States of America's market for canned tuna remained stagnant in 2013, while across Europe, the market posted positive growth reflected by increasing imports. Canned tuna demand has also improved in non-conventional markets, especially in Asia. Figure below shows the trend of tuna trade.



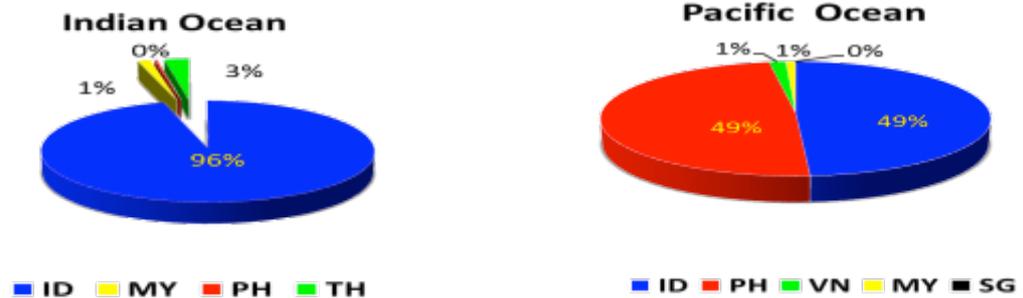
From the Figure above, we can reveal that price of tuna is increasing, representing the gaps between demand and supply. As mentioned by FAO (2014), within the last 3 years, tuna markets have been unstable owing to large fluctuations in catch level, growing restrictions on longline and purse-seine fishing in the pursuit of more sustainable resource management, other moves towards sustainability and the introduction of eco-labels. This introduction seems to be very important for the sake of tuna fisheries sustainability in which all of players, especially of the fishing and market players should consider. This label presents the proven practices of sustainable fishing as required by the market. Therefore, tuna eco-labelling has become importantly needed.

II. Tuna Fisheries in Southeast Asia Regions

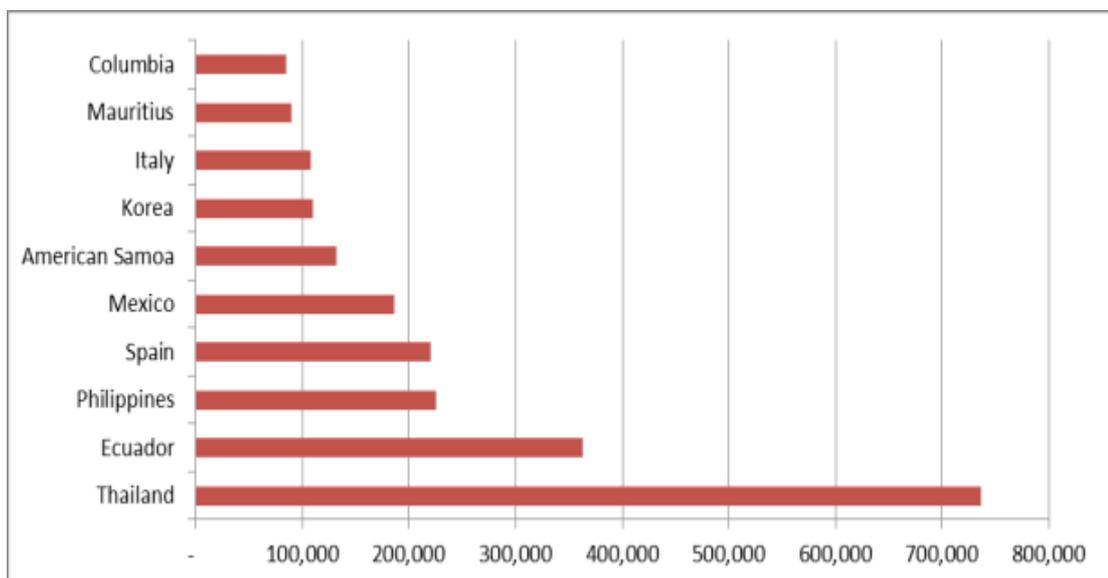
ASEAN countries are considered as the main players in tuna global fisheries. Total of this region's production of tuna is identified as of 896,903 tons in 2010. Among this, Indonesia and the Philippines are dominating the productions as can be seen in Figure below.



terms of fishing area, the Indian Ocean and Pacific Ocean, it can be revealed also that Indonesia is dominating productions of tuna in both oceans. In Indian Ocean, Indonesia produces 96 percent of the productions and in the Pacific, Indonesia shares 49 % of productions, same amount with those produced by the Philippines. Figure 3-2 shows the comparison of productions of tuna in Indian and Pacific Oceans in 2010 (Ingles, 2012).



In the context of tuna manufacturing and processing, Thailand and the Philippines are still dominating the global processing value. In 2010, Thailand ranks no 1 as the largest global tuna processors and followed by the Philippines in the 3rd places. Share of these two main processors is calculated as 24.1 percent for Thailand and 7.4 percent for the Philippines respectively.

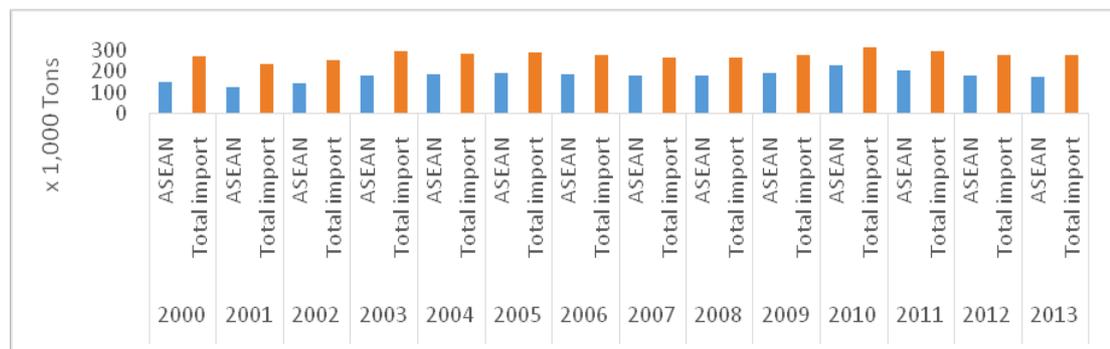


As previously mentioned, sustainable fisheries has been demanded by the market as one of the results from increasing awareness of the market to the resources sustainability. Sustainability then has been represented by the eco-labelling program. As Ward and Phillips (2008) mentioned that the goal of eco-labelling programs is to create market-based incentives for better management of fisheries and aquaculture, including tuna fisheries. The consumer plays a critical role in the success of such programs, as without consumer demand for the product there would be no market. Thus, much of the focus of economic research over the past several years has been on evaluating potential consumer demand and willingness to pay a premium. Indeed, much of the focus of those who wish to evaluate

the success or failure of eco-labelling programs lies in measuring actual price premiums (Ward and Phillips, 2008).

However, Ward and Phillips (2008) as well as previously mentioned by Erskine and Collins (1997), it is also apparent that consumers do not demand eco-labeled seafood purely on their own initiative. The role of marketing and creating a market for sustainable seafood is very important to eco-labelling programs. In this, the economics of eco-labelling go well beyond simply consumer demand. The economics of eco-labelling is also about demonstrating corporate social responsibility (CSR) and about the economic reasons why corporations supply certified products to consumers – even when consumers do not seemingly have a pre-existing demand for the product. So, for corporations, eco-labelling is about balancing the benefit of avoiding market risks against the costs of supplying certified product. In the case of capture fisheries, the economics of eco-labelling also encompasses the economics of the fishery, the costs of sustainable fishing practices and certification, and whether the marginal benefits of changing practices pass the marginal costs (Ward and Phillips, 2008).

Tuna from ASEAN Member States (AMS) are exported to all over the world. Tuna enters the USA market as canned tuna for retail, large cans for food service establishments and as imports of fresh or frozen tuna species. The vast majority of these tuna imports are caught in the Indian and Pacific Oceans. Imports from the top four exporters of tuna to the United States (Thailand, 44%; the Philippines, 10%; Vietnam, 8%; and Indonesia, 7%) accounted for almost 70% of tuna imports in 2011, and the top 10 countries accounted for 90% of total imports². In average, in the period between 2000 to 2013, tuna from ASEAN countries is accounted for 64% total tuna imported by the US.



However, the major tuna products enter to the US market are found to have a high level of illegal and unreported fishing practices. The IU violation percentage level are ranging from 20-40% of total product from Thailand, Indonesia, Vietnam and Philippine exported to US country, higher than Ecuador which only scored 10-15% of their tuna products are practicing IU fishing³. Understanding the high practices of IUU fishing products coming to

² NOAA Fisheries. Annual Trade Data by Product, Country/Association. (<http://www.st.nmfs.noaa.gov/commercial-fisheries/foreign-trade/applications/annual-product-by-countryassociation>).

³Prمود, G. et al. 2014. Estimates of illegal and unreported fish in seafood imports to the USA. Marine Policy Vol 48: 102–113

the country, President Obama took a major step to elevate the issue of illegal fishing as a significant priority for the United States in June 2014. Further, President Obama directed the US Government to create "a national strategy to combat black market fishing", and he simultaneously ordered the formation of an inter-agency task force to recommend government actions, including possible new regulations "to ensure that seafood sold in the United States is legally caught and accurately labeled".

In short, then President Obama has initiated a process that could result in new US legal requirements to require information on the legal origin of catches and imports and traceability for seafood products sold in the US. This is happening, two years after European markets implements catch certificate scheme to avoid IUU fishing products coming to their country, in addition to the Catch Documentation Scheme which has been implemented earlier by Conservation Committee of Southern Blue Fin Tuna.

The demand on sustainable fish products are also increasing. In the interview conducted to the European and US consumers, about 90% consumers concern about damaging ocean habitat with fishing gear, overfishing and by-catch while 84% of consumers would be more likely to buy sustainable seafood if it was labelled⁴.

Currently every big retailer in the world have a specific webpage, mentioning about their procurement policy which requires that their products are sourced from sustainable stock, minimum damage to the ecosystem as well as managed effectively. Specific for tuna fishery, numbers of certified tuna products using Marine Stewardship Council (MSC) standards in Asia Pacific are increasing⁵ which might potentially cause competition on the demand of seafood from ASEAN Member States. While the requirement is coming from the business sector, however, the improvement requires support from the government as it is require regulation and policy from them.

This situation calls for a better and product standardization for all ASEAN Member States to ensure the products can have a high competitive value among the other producers. This paper will present a policy paper on the ASEAN Tuna Eco-Labeling (ATEL) concept to address the identified gap.

⁴ Seafood Choices Alliances. 2006. Eco-Labels Consumer Demand: Survey to German, Spanish , USA, Canadian & UK consumers on sustainable seafood.

⁵<http://www.msc.org/track-a-fishery/fisheries-in-the-program/fisheries-by-species/fisheries-by-species#tuna>

III. Current Seafood Eco-label Certification

According to Ward and Phillips (2008)⁶, eco-labelling provides consumers with the opportunity to make informed choices about the seafood they purchase, at the fresh fish bar, in supermarkets, cafes and restaurants. This eco-labelling is undertaken through a programmatic and systematics mechanism to create a market-based incentive to encourage products that can demonstrate they are produced in an ecologically sustainable manner. The incentive is created in the marketplace through the selective purchasing power of consumers, who preferentially purchase products marked with the eco-label, and possibly pay a higher price for the eco-labeled product. This provides the seller and the eco-labeled product with a market advantage over on eco-labeled products.

It is importantly noted that there are 3 conceptually separate mechanisms which often, but don't always go together in terms of ensuring the quality of products for trade. Those three mechanisms are standards, certification, and labelling. Standard set requirement to be followed by program participants, often taking a consensus based approach. Certificate provides third party assurance that a product, process, or service is conformity with a certain standard. Labelling provides on pack claims, marks or seals that indicate conformance with the standard.

According to Ward and Phillips (2008), eco-labels are one part of a family of environmental labelling systems, each of which may result in the certification of a product. The International Organization for Standardization (ISO) has defined three main types of environmental labelling, and eco-labels generally fall into the category of the ISO Type I labels.

| | | |
|----------|---|---|
| Type I | Voluntary, multicriteria third-party programmes that award environmental labels to products meeting a set of predetermined requirements | Environmental labels and declarations – Type I environmental labelling – principles and procedures (ISO 14024: ISO 1999a) |
| Type II | Self-declared environmental claims made by manufacturers, importers, distributors, retailers or anyone else likely to benefit from such claims | Environmental labels and declarations – self-declared environmental claims (Type II environmental labelling) (ISO 14021: ISO 1999b) |
| Type III | Declarations that provide quantified environmental information about products, using predetermined parameters based on the ISO life-cycle assessment series of standards. Additional environmental information, such as the impact on biodiversity, hazard and risk assessment on human health and the environment may be given. May be verified by a third party | Environmental labels and declarations – Type III environmental declarations – principles and procedures (ISO 14025: ISO 2006) |

The ISO classification system does not provide, or impose, specific performance standards, but rather provides a uniform framework within which a systematic system of labelling can

⁶ Ward, T. and Phillips, B. 2008. Seafood Ecolabelling: Principles and Practice, John Wiley & Sons Ltd., Chichester, UK. 447 p.

be developed and implemented within an industry sector. However, seafood eco-labelling programs are based on performance standards, and products can be classified based on compliance with the standard, as well as on the processes used for setting the performance standard and for determining compliance of products with that standard. This provides for a widely used classification of seafood eco-labelling programs into three main types (after Deere 1999) based on the characteristics of the sustainability standard and the compliance assessment process (Ward and Philips, 2008):

(a) **First-party labelling schemes:** These are typically established by individual producers or resellers based on their own product standards, and can cover criteria related to specific environmental issues, food quality and health issues. This form of eco-labelling is usually 'self-declaration', and can be considered to be an ISO Type II environmental labelling system.

(b) **Second-party labelling schemes:** These are typically established by industry associations for members' products, and the criteria are determined by the organization. Verification of compliance is normally conducted by certification procedures internal to the industry or association, or by use of external certifiers, and may be either ISO Type I or Type III.

(c) **Third-party labelling schemes:** These are usually created by organizations external to the relevant industry sector, and therefore carry a perceived level of independence. The owner of the labelling scheme usually sets the criteria and awards a label to products that are independently verified (through a certification process) to comply with the criteria. Third-party schemes are typically considered to be the most robust form of eco-labelling, because of the independence of the criteria and the verification process from commercial influences, and are usually of the ISO Type I form.

In terms of seafood eco-labelling, it is well known that with the rapid rise in reseller acceptance of certified and eco-labeled seafood in the last 2 years comes the need to find enough product to supply the demand. In the short term, the limited supply may create a shortage-driven price increment favoring the existing producers, but with much less than 10% of the world's wild caught fish likely to be certified in the short term, this will generate a marketplace response that may be counterproductive in the medium term (Ward and Phillips, 2008). The pattern in other sectors indicates that there will be a rapid growth in competing products that may claim to have environmental friendliness (to capitalize on the widespread occurrence of certified product), a growth in new forms of certification and eco-labelling and a growth in reseller–producer bilateral relationships (to maximize profit and returns). Some of this will be positive, but there are aspects of competition, such as the use of weak sustainability standards, that will be likely to be counterproductive to both certification programs and ocean ecosystems. Existing producers and certification programs will be under intense pressure to rapidly increase the supply of certified seafood to match the demand and avoid the possible adverse impacts, without weakening standards. Amongst other issues, this implies that there will need to be a rapid change in fishery management practices to encourage many more fisheries to meet sustainability standards that would permit them to be certified – a barrier that many fisheries managers will find hard to surmount.

The rise of eco-labelling and the language of sustainable fisheries have also had a big impact on fish producers and their industry associations in recent times. It is now normal to regularly find a major article on sustainability, certification or eco-labelling in the Western Australian professional fishing industry magazine (such as 'Coming to grips with eco-labels'; Olsen 2007, Stromasta 2007), whereas only a few years ago such articles would be rare. This reflects the strong interest from fishers and producers in the issues surrounding certification and marketing of their seafood.

A good awareness from the end consumer to only sourcing seafood commodities coming from sustainable practices is very encouraging. On ensuring the quality of the sustainable products, environmental organizations are developing standards and set eco-label certification. Currently there are several eco-label certifications who rely their sustainable practices on certain specific themes; resources sustainability, product traceability, impact to the ecosystem and social issues.

| Scheme | Brief explanation | Working on | | | |
|----------------------------------|---|--------------------------|----------------------|-------------------------|---------------|
| | | Resources sustainability | Product traceability | Impact to the ecosystem | Social issues |
| Marine Stewardship Council (MSC) | Incorporating a process of third party certification of fisheries and supply chains, and the use of labels. The MSC is an independent, global, non-profit organization whose role is to recognize well-managed fisheries and to harness consumer preference for seafood products bearing the MSC label of approval. In order to use the MSC logo on seafood products it is first necessary to be certified for chain of custody. This involves an independent certification body assessing the applicant's traceability systems and ensuring they are sourcing from certified suppliers. www.msc.org | x | x | x | |
| The Friend of the Sea | It was initiated in 2005, and works closer to the point of sale than production, by approving products if (a) target stocks are not overexploited; (b) fisheries use fishing methods which do not impact the seabed and (c) they generate less than 8 percent discards (the global average as per recent FAO publications). Products/fisheries are audited and certified against published information/data, following application by | x | x | X | |

| | | | | | |
|--|---|---|---|---|--|
| | <p>fisheries using a standard application form. Fisheries are assessed against: FAO data on stock status in different fisheries areas; the IUCN red list of endangered species; fishing gear types felt to be harmful to the seabed; IUU and Flags of Convenience; and compliance with TACs, use of the precautionary principle, and national legislation. www.friendofthesea.org.</p> | | | | |
| <p>“Dolphin-safe/dolphin-friendly” labelled tuna</p> | <p>This label is meant to certify that the tuna was caught in a way that protects dolphins, either based on the Agreement on the International Dolphin Conservation Program (AIDCP), a multilateral agreement under the IATTC Regional Fisheries Organization, or in line with a program promoted by the Earth Island Institute (EII), a US based non-governmental organization.</p> | | | x | |
| <p>Marine Eco-Label (Japan)</p> | <p>Capture fishery performance as measured against management systems, the stock or stocks for which certification is being sought, and consideration of any serious impacts of the fishery on the ecosystem. A domestic Japanese fisheries certification approach, the ‘MEL-Japan’ scheme has just commenced (December 2007). Standards are closely based on the FAO guidelines but not yet available in English.</p> | x | | | |
| <p>European Union Catch Certification</p> | <p>The European Commission (EC) adopted a Regulation in September 2008 to establish a range of measures to prevent, deter and eliminate illegal, unreported and unregulated (IUU) fishing. Amongst other things, it prohibits the importation into the EC of fishery products obtained from IUU fishing which should be proofed by a catch certificate certifying that it was caught in accordance with applicable laws, regulations and international conservation and management measures. Indirect imports to the EC must be accompanied by additional traceability documentation provided by the third country.</p> | | x | | |

| | | | | | |
|----------------------------|--|--|---|---|---|
| Catch Documentation Scheme | <p>The most recent CDS was implemented by the Commission on the Conservation of Southern Bluefin Tuna (CCSBT) in January 2010. The catch documentation scheme requires fishing and trading nations to ensure that fish entering the market are harvested with accordance to conservation and management measures. To guarantee compliance the following sets of documents are required:</p> <ul style="list-style-type: none"> • Copies of all validated catch documents issued to fishing vessels, for example, DCD or Dissostichus Catch Document under the CCAMLR CDS and a BCD or Bluefin Catch Document under the ICCAT CDP • Copies of all export or re-export documents issued or received <p>However, it is largely known that the lack of multilateral cooperation between nations is the major limitation to the CDS</p> | | X | | |
| Fair Trade | <p>In 2014, Fair Trade USA launched its Capture Fisheries Program in an effort to bring the benefits of Fair Trade to small-scale fishermen and their communities. We believe that supporting fishermen across the globe is critical to sustaining fish species for generations to come. Our goal is to see more resilient livelihoods in coastal communities, improved working and living conditions, increased supply and demand for responsibly sourced seafood, and enhanced environmental stewardship and ecosystem protection.</p> <p>The Capture Fisheries Program uses a step-wise approach that requires improvement of social, economic, and environmental conditions over time.</p> <p>http://fairtradeusa.org/certification.</p> | | | x | x |

The abovementioned seafood certifications are well known on their specific theme, currently no certification scheme are addressing all these four issues mostly addressed in the fishery. One certification scheme are mostly focusing in one theme and getting acknowledged on that, only Marine Stewardship Council who work on most of the theme and is currently perhaps the best known of the environmental schemes for capture fisheries.

IV. Development of an ASEAN Tuna Eco-labelling (ATEL)

ATEL concepts

Since Rachel Carson's book entitled "Silent Spring" published in 1958, the international community began to think about the importance of environmental protection in the development. The recognition of environmental protection as a part of development was officially adopted from the Brundtland Commission report in 1987 entitled "Our Common Future". The report produces the concept of sustainable development which defines as follows: "Sustainable Development is development that meets the needs of the present without compromising the ability of future generation to meet their own need".

Nowadays sustainability becomes the keyword in the trade of primary products such as agriculture, plantation, forestry, mining and fisheries. Price increasing of primary products in international markets is contributing factors the beginning of the trade competition of primary products, especially those in developing countries. These conditions lead to excessive exploitation of natural resources, but the negative impact of the damage is often being ignored because economic growth in developing countries mostly spurred by the primary sector.

Exploitation was feared to threaten environment and social welfare for the people of these countries particularly in Southeast Asia in the future due to increasing depletion of natural resources. As a region dominated by the sea, fisheries sector in Southeast Asia region provides significantly source of revenues for most members.

Sustainability of marine resources plays important role in supporting the livelihoods of the people of Southeast Asia, especially for coastal communities and societies engaged in the fishery.

Tuna is a fisheries product which has highest value in the international market. Extrinsic value of tuna cause the price in the international market soared. The condition causes tuna continue to be hunted and caught in various countries to obtain multiple advantages. Excessive and destructive fishing of tuna are threatening its sustainability all around the world particularly in Southeast Asia region.

This condition is recognized by all countries both producers and consumers. Eco-labelling schemes continue to be encouraged to promote sustainable management of tuna fisheries.

Existing eco-label schemes are market driven. Various schemes are emerging from the Marine Stewardship Council (MSC), Friends of the Sea to Iceland Responsible Fisheries.

The agency cooperation with the retail market such as Wal-Mart, Carrefour, Makro, Aligro etc., causes eco-label becoming a major requirement of fishery products in the retail market in developed countries.

Tuna producing countries, especially ASEAN Member States began to realize the importance of sustainable fisheries management. Additional requirements such as eco-labelling on the one hand become a liability for tuna producing countries to be fulfilled, on the other hand is expected to encourage sustainable management of tuna fisheries.

ASEAN Member States began to resolve the complexity of the problems in the tuna fishery, from the illegal and destructive fishing until export market requirements. These problems are difficult to resolve themselves so that it requires a comprehensive cooperation among ASEAN Member States to overcome.

This situation calls for a better and product standardization for all ASEAN Member States to ensure the products can have a high competitive value among the other producers. This paper will present a policy paper on the ASEAN Tuna Eco-Labelling (ATEL) concept to address the identified gap.

As the implementation of the Memorandum of Understanding of ASEAN Cooperation on Agriculture and Forestry Product Promotion Scheme 2009-2014 which was signed by the Minister of agriculture ASEAN in 2009, ASEAN was formed Tuna Working Group (ATWG) as an institution of tuna fisheries scope of ASEAN cooperation.

ATWG aims to promote intra-ASEAN trade tuna, competitiveness, cooperation among AMS in the form of sustainable management of tuna fisheries and strengthen alliances in dealing with regional issues and international. At the Third Meeting of ATWG in August 2012 in Nha Trang City, Viet Nam, ATEL was accepted in principle by the AMS. At the Seventh Meeting of ATWG in October 2016 in Manila, the Philippines, ATEL was endorsed by the AMS.

The basic principle of ATEL is to find a balance between meeting the market demand for export to ASEAN tuna producers' ability to meet the requirements relating to environmental protection. Eco-labelling certification which had already existed considered creating new market barriers and excessive cost burden for businesses. Additionally ATEL certification can form a "branding" for ASEAN tuna products.

ATEL is established as a correction for eco-label certificate that has existed which lead to new barriers to enter the retail market of developed countries. This is contrary to the FAO Guidelines for the eco-labelling of fish and fishery products from marine capture fisheries, revision1, 2009 stated as follows:

The following principles should apply to eco-labelling schemes for marine capture fisheries:

2.1 Be consistent with the 1982 United Nations Convention on the Law of the Sea and the Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the Conservation and

Management of Straddling Fish Stocks and Highly Migratory Fish Stocks, the FAO Code of Conduct for Responsible Fisheries and the World Trade Organization (WTO) rules and other relevant international instruments.

2.2 Recognize the sovereign rights of States and comply with all relevant laws and regulations.

2.3 Be of a voluntary nature and market-driven.

2.4 *Be transparent, including balanced and fair participation by all interested parties.*

2.5 *Be non-discriminatory, do not create unnecessary obstacles to trade and allow for fair trade and competition.*

2.6 *Provide the opportunity to enter international markets.*

2.7 *Establish clear accountability for the owners of schemes and the certification bodies in conformity with international standards.*

2.8 *Incorporate reliable, independent auditing and verification procedures.*

2.9 *Be considered equivalent if consistent with these guidelines.*

2.10 Be based on the best scientific evidence available, also taking into account traditional knowledge of the resources provided that its validity can be objectively verified.

2.11 *Be practical, viable and verifiable.*

2.12 *Ensure that labels communicate truthful information.*

2.13 *Provide for clarity.*

2.14 Be based, at a minimum, on the minimum substantive requirements, criteria and procedures outlined in these guidelines.

3. The principle of transparency should apply to all aspects of an eco-labelling scheme including its organizational structure and financial arrangements.

In order to make the ATEL could be implemented in the whole ASEAN, it should adopt certain principles which support and cover the whole tuna fishery activities in the region. ATEL is developed by following these principles:

- Encouraging process
The certification process should be developed which will make the ASEAN member country and its tuna fishing companies who wish to certify its fishery are comfortably willing to do so.
- Benefiting to ASEAN member
By 2016, ASEAN will implement ASEAN Economic Community. A potential of each member country to trade and share resources will be very high. In order to ensure it is high quality products which are traded among ASEAN member countries to increase more economic revenue, a single standard should be developed for high economic value seafood products i.e. tuna.
- Simple yet acceptable by the stakeholders

The eco-label standards should be developed based on scientific consensus, intensive consultation with government and private sectors. Once the standards available, it will be adopted by the government of the ASEAN Member States.

Domain and criteria

Eco-label certification concept proposed to the ASEAN Tuna Eco-labelling was developed from two main pillars: sustainable use of tuna fishery and responsible social practices. The reason why these two pillars are developed, is mainly to ensure the sustainability of the tuna resources which are presented in the ASEAN Member States. Social practices are also being assessed because ASEAN Member States are growing communities with increasing interest on a better practices on social issue.

In order to a fishery can be certified, its practice must be assessed using the following ATEL standards:

| Standard | Principle | Criteria |
|---|--|---|
| 1. The tuna fishery stock must be kept in a sustainable level | 1.1. Sustainability of the target fish stock | Tuna fishing practices in the last three years showing that the fishery has been sustainably managed. In minimum, the harvest control rule advises that the catch follow the criteria such as Spawning Biomass (SB) current > SB MSY or Fishing (F) current < F MSY |
| | 1.2. Fishery Management Plan | Tuna fishery management plan is available and implemented. The document should regulate and comply the fishing activities as advised by RFMOs and sustainable fishery with precautionary approach principles developed using robust scientific analysis |
| 2. Healthy ecosystem | 2.1. Responsible fishing gears | Fishing gears are regulated as advised by RFMOs and sustainable fishery with precautionary approach principles developed using robust scientific analysis |
| | 2.2. Restriction on retaining the endangered, threatened and protected species | Regulations are available and implemented, as advised by RFMOs and sustainable fishery with precautionary approach principles developed using robust scientific analysis |
| | 2.3. Maintaining the sustainability of non-targeted species | Regulations are available and implemented, as advised by RFMOs and sustainable fishery with precautionary approach principles developed using robust scientific analysis |
| 3. Tuna fishing | 3.1. Tuna fishing | The company under assessment have all |

| | | |
|---|--|---|
| activity must avoid the practice of Illegal, Unreported and Unregulated fishery (IUU) | have all required license to operate | required license to catch including the auxiliary gears (i.e. FAD, lamp), transport and process the tuna |
| | 3.2. Tuna fishery practices the free IUU catching and processing documentation | Tuna catching implements recording scheme (e.g. Catch Documentation Scheme, Catch Certificate as authorized by local agency) and improved the traceability scheme |
| 4. Tuna fishery is managed effectively | 4.1. Tuna management council is available and operational | Tuna management council in each ASEAN member country is optimally working to establish the management, monitoring, surveillance and compliance |
| | 4.2. The fishery management is conducted collaboratively | Fishery management is implemented collaboratively, and adaptively adopt inputs from the stakeholders |

In addition to the sustainable use of tuna fishery, the fishing practices should be supported by responsible social practices using following criteria:

| Standard | Principle | Criteria |
|---|---|---|
| 1. Workers who work on the production process during Tuna fishing and handling are free from worker abuse | 1.1. Workers who work on the production process are not victim of human trading | Domestic and foreign workers, must have a working contract which binding the regulation between related countries |
| | 1.2. Workers who work on the production process are not children | Workers must reached its minimum age to work, as managed by respective country and international regulations |
| 2. Tuna fishery should promote fair trade | 2.1. Adopts a transparent and accountable trading practices | Companies related to the production process must implement a transparent and accountable contract, as well as implement trading and a good customer service |
| | 2.2. Create a fair opportunity to all producers | The buyers should and producers should receive fair opportunity in promotion, trading and service no matter their scale |

These standards and criteria will be discussed further with the stakeholders in tuna fisheries later.

Road map on implementation

In order to ensure the ATEL can be implemented, the roadmap should be developed. It is expected the ATEL system can be implemented following this roadmap since endorsed by ATWG.

| No | Activities | Detail activities | Time frame | | | | | |
|----|-----------------------------|---|------------|--------|--------|--------|--------|--------|
| | | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
| 1 | ATEL concept development | Policy paper writing | X | X | X | | | |
| | | ATEL Principles development | X | X | X | X | | |
| 2 | Consultation system | Consulting the draft to MMAF | | | X | X | | |
| | | Consulting the draft to ASEAN Member States. | | | X | X | | |
| 3 | ATEL Principles improvement | Country principle consultation | | | X | X | X | X |
| | | ASEAN principle consultation | | | | | X | X |
| | | Simulation testing | | | | | X | |
| 4 | ATEL | Field pilot testing | | | | | X | X |
| | | Consulting the finding and finalizing the documents | | | | | X | X |
| 5 | ATEL | Implementing the system | | | | | | X |

V. Mechanism of ATEL

ATEL is expected to be a solution to the problem of tuna fisheries in ASEAN. There are three differences between ATEL and existing eco-labels are as follows:

1. Existing eco-label are market driven or controlled by the retail market. ATEL certificate is producer driven or controlled by government (ASEAN Focal Point-AFP).
2. Existing eco-label based on market measurement while ATEL more oriented to the integration of sustainable fisheries management in Southeast Asia.
3. Existing eco-label create company branding while ATEL not only company but also regional branding.

For the initial mechanism, ATEL will be voluntary basis.

The differences are shown in table below:

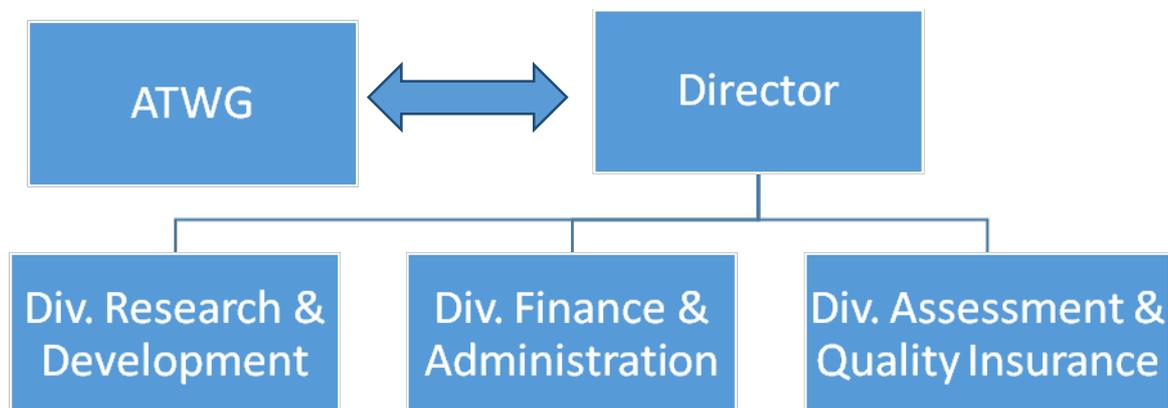
| Mechanism | Existing Eco-labels | ASEAN Tuna Eco-labelling |
|---------------------|--|--|
| Drivers | Market | Producer |
| Orientation | Market Measurement based Certificate Business | Integration of Sustainable Fisheries Management in ASEAN region |
| Type of Branding | Company Branding | Regional Branding |

Unit of certification

A unit of certification which a potential tuna companies are interested to certify their tuna fisheries, are developed based on the species, fishing area and its fishing gear.

Institution

Certification system in ATEL should be supported by a competent and professional structure to implement their work. The organization should be simple, yet effective to deliver their program. The proposed structure is as follow:



The role of each position is explained in the following table:

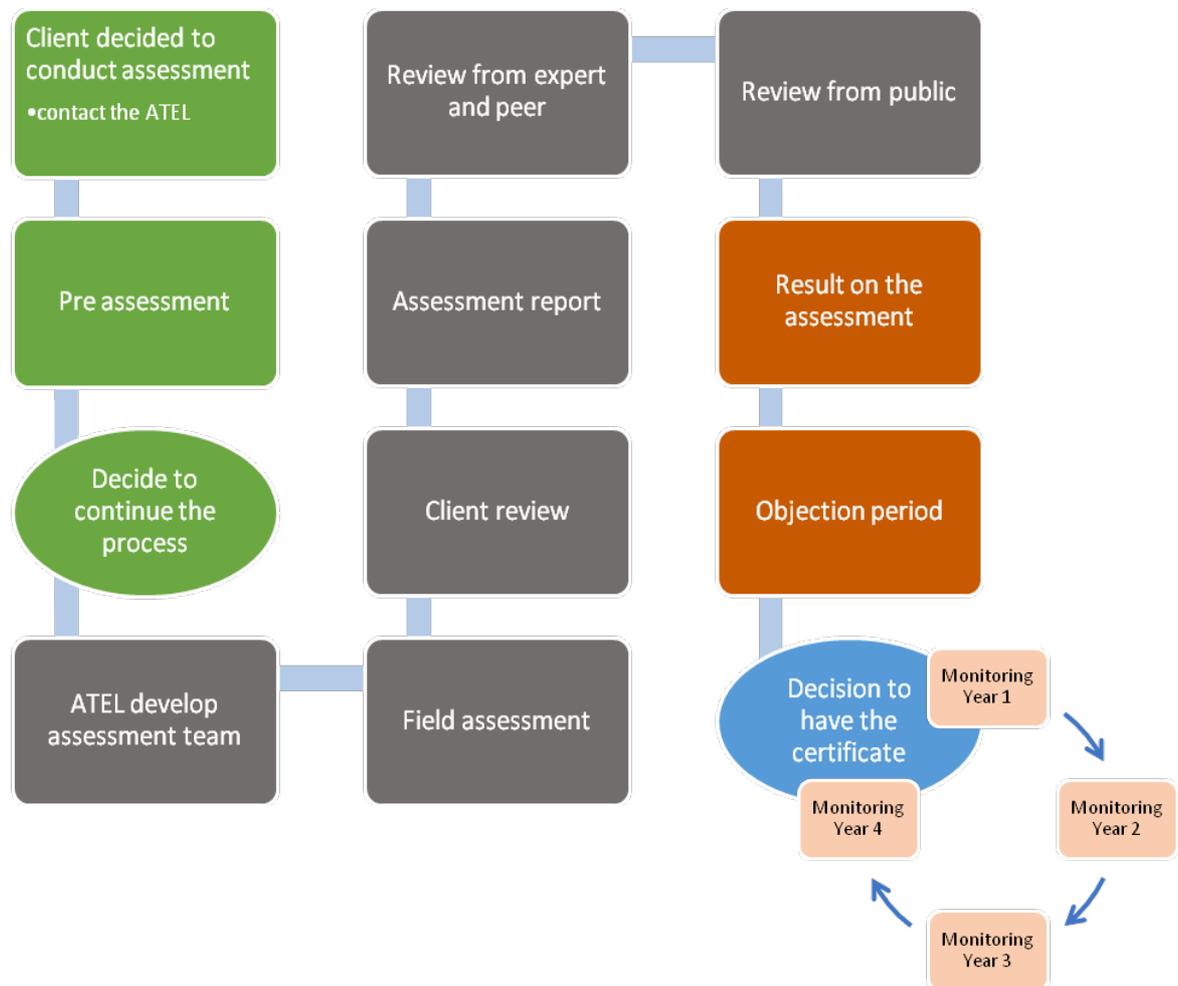
| Position | Function |
|-------------------------------------|---|
| Director | <ul style="list-style-type: none"> • Coordinating the work of ATEL • Seek support, collaboration and funds |
| Div. Finance & Administration | <ul style="list-style-type: none"> • Managing ATEL financing system • Managing ATEL administration needs |
| Div. Research & Development | <ul style="list-style-type: none"> • Coordinating the improvement of ATEL standards • Improving the capacity of ASEAN member countries following ATEL standards |
| Div. Assessment & Quality Insurance | <ul style="list-style-type: none"> • Coordinating the assessment system for the tuna fishery following ATEL standards • Monitor the producers performance following the ATEL standards • Train and ensure the assessor on conducting an objective assessment |

Assessment process

Certificates issued by ATEL should be valid for five years and need to be renewed once it is ended. Every year, an assessment monitoring should be conducted to ensure the quality of certified products. ATEL will not conduct an assessment, but the Div. Assessment & Quality Insurance of ATEL will oversee the performance and assessment result of the auditor from each ASEAN member country.

Assessor is coming from the reputable academician from the ASEAN member country. The assessor is consist of two members; a tuna scientist with at least 10 years of experience working on tuna fisheries, and a socio-economist who have worked on capture fisheries issue for at least 5 years. Any fee incurred during the assessment process (e.g. transportation and accommodation) will be covered by company seeking certification.

Process on getting the certification is as follow:



VI. Financial Mechanism

ATEL Financial mechanism will be borne by each country by allocating a special budget for the Focal Point in each country. Focal Point will meet annually and the meeting will be held concurrently with the ATWG meeting.

Financing from ATEL program will relieve the government and businesses in its implementation. The cost only incurred by the applicant in the assessment period by the appointed assessor.

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