

# Half Year Report

## Narrative and Financial Report

### General Information

Period covered by the half year report  
01.04.2011 to 01.10.2011

Name of organisation  
Marine Stewardship Council (MSC)

Project title and project number  
MSC Baltic Sea project

The project areas  
Using certification and eco-labelling to contribute to the health of the Baltic Sea by recognising and rewarding sustainable fishing practices and influencing the choices people make when buying seafood

Primary target groups  
Commercial fishing entities able and willing to demonstrate sustainable fishing practices; seafood consumers and supply chain operators

### Project Implementation

#### Project Objective and Scope

What is the primary objective of the project?  
To establish the MSC concept in Sweden and the Baltic Sea region and deliver positive environmental benefits to the region

Is the project expected to reach its' objective? Is the plan being followed? (describe briefly)  
Despite some problems encountered in the field of communication (lack of capacity) the ultimate project objectives are still on track; the project and communications objectives have been pursued as anticipated but with interim input from the MSC's Manager Baltic and the Commercial Manager for Sweden in lieu of a full-time and professional Communications Officer.

## Results / Indicators

Which concrete results have been achieved so far? (describe briefly)

- Sweden: Fisheries in the program 7 with two new certifications (North Sea Mackerel and Eastern Baltic Cod; Sales of wild-caught products bearing the label 23%; Number of products 603 (19% increase since April 1<sup>st</sup>); Consumer recognition 28% (July, 2011); Schools in the F&K program 57; new outlets certified in the fast food sector 219 and first fresh fish counter obtained MSC certification.
- Germany: Fisheries in the program 7 (German Eastern Baltic cod fishery obtained MSC certification in August 2011); Sales of wild-caught products bearing the label 48%; Number of products 3,395; Consumer recognition 52%
- Denmark: Fisheries in the program 17; Sales of wild-caught products bearing the label – uncertain; >400 products;
- 2 new retailer marketing campaigns running in Sweden by end Sept (ICA and Lidl) with 2 more confirmed for Q3 (City Gross and Willy's); in Germany 2 campaigns confirmed for Q3 implementation (Edeka and Kaufland); commitment from Denmark's three largest retailer groups (Coop, DanskSupermarked, SuperGros covering 95-97% of the market share) to run a joint nationwide MSC marketing campaign annually starting 2012

How were these measured?

Commercial / sales data supplied direct to MSC database; key markets consumer research; commercial data updated quarterly

## Activities

Describe briefly what has been done in the project. Explain about problems, delays and deviations in the project implementation. For example: Was anything planned that was not implemented? Reasons? Has anything been implemented that was not in the original plan? Reasons? Is it already possible to see any positive changes for the target groups on the basis of the project plan, if so, which? Describe by giving clear concrete examples (case studies). List in an appendix the implemented/not implemented activities, and those that are ongoing according to the project plan.

### Resources

The MSC Manager Baltic and Fisheries Outreach Officer have completed their induction and have successfully completed their probation period.

The Fisheries Stakeholder Officer based in Germany was successfully recruited and took up employment 1<sup>st</sup> April, 2011.

MSC has increased its office premises to accommodate new staff in Nacka Strand.

The Commercial Officer for Sweden was promoted to Commercial Manager, Baltic.

Continued efforts to build the capacity of the Communication Officer Baltic after her return from long-term sick leave resulted in several measures taken by the MSC such as re-writing of the job description, coaching and writing and other training courses. The Communications Officer was appraised in September. Action is now being taken to terminate the employment and replace the original post-holder.

### **Fishery sector engagement**

Good progress after the recruitment of an MSC Baltic Fisheries Outreach Officer. Several workshops and seminars have been held such as at the former Board of Fisheries, joint seminar with KRAV for Swedish fishers in three municipalities. Four seminars and/or presentations were held during this period in Gothenburgh, Simrishamn and Luleå for various fisheries audiences (“iconic” small-scale as well as larger coastal fisheries) and several meetings were held with regional coordinators of fishermen, research staff at the SLU, as well as professors at various educational institutions in the country. All meetings resulted in invitations to present the MSC program to the represented groups of fishermen, authorities and students. The MSC Baltic also became an observer member to the Baltic Sea Regional Advisory Council (BSRAC) and other pilot projects and the South Baltic Sea herring consortium committee. Active outreach has been conducted with all of the nine coastal districts of which five are now engaged in the program through active dialogue and in some cases pre-assessment. The MSC Baltic is frequently invited to Fisheries Advisory committees to present the program. More interest in the MSC program is starting to emerge throughout the Baltic Sea area, with Sweden, Poland, Finland and Estonia currently showing most of the interest. This may be attributed to the first MSC certified fisheries in the Baltic Sea, namely the Eastern Baltic cod.

The MSC Baltic manager and fisheries officer attended a meeting in Poland, organised by the National Marine Fisheries Research Institute and WWF Poland, regarding the renewal of the Common Fisheries Policy, as well as with the Industry Alliance, and attended the ICES Annual Science Conference held in Poland. The aim was to learn and network with credible researchers/scientists around the Baltic Sea area in support of the MSC program.

### **Supply chain engagement**

MSC staff have continued active dialogue and joint communications with retailers in Sweden (City Gross, Coop, Ica, Lidl and Willys), Denmark (Coop, DanskSupermarked, SuperGross and Lidl) and Finland (Kesko Ltd, Lidl and S-Group) seafood brands and producers (Abba Seafood, Leröy, Domstein, Lobster Seafood, O-Kavli, Klädesholmen, Findus and other smaller companies) and foodservice providers (IKEA, Menigo, Servera, Fazer Amica, Sodexo and Compass Eurest) to encourage them to obtain MSC chain of custody certification or, where relevant, to increase their offering of MSC-labelled products. Sodexo has officially announced their commitment to obtain MSC CoC and Compass are considering it after demand from the student canteens that they service.

Coop Sweden increased their MSC product portfolio from 25% in 2010 to 35% in 2011 with the aim of reaching 50% next year and was the first to certify a fresh fish counter in Sweden. FRoSTA Poland has committed to 100% MSC by May 2012 and is seeking a retailer for a joint in-store marketing campaign.

Commercial outreach staff also met with education authorities on West and South coast of Sweden and new communication outreach and educational materials were produced for the foodservice sector. This has already led to a showing of interest and follow up meetings.

The Swedish Eastern Baltic cod certification resulted in a chain reaction of companies in the supply chain seeking CoC. The number of CoC certifications in Sweden has increased by 50% since the last report.

McDonalds has certified their 7000 restaurants in 40 countries across Europe using MSC certified fish (Eastern Baltic cod only for their Nordic countries) for their fish burgers and wraps (219 restaurants in Sweden; 93 in Denmark).

Outreach to German foodservice companies has continued and interest in the MSC program is on the increase, especially from student canteens and wholesalers. This interest now needs to be translated into active participation in the MSC program. There are now MSC certified Universities in Germany.

### **Communication and Marketing**

MSC staff promoted consumer awareness through: continuing development of the Swedish MSC website (including new applications such as a Swedish product finder), electronic newsletter (which has tripled its number of subscribers), development of consumer-facing information and promotional material, participated in several public events such as Almedalen, Skansen and has been visible in key fora.

Increased interest from retailers in Sweden resulted in marketing campaigns to promote the MSC in City Gross, Ica and Willys. Lidl ran a national TV ad in TV4 as well as a radio spot in the two major radio channels in Sweden (RixMegapol and Radio RixFM). Lidl Germany has committed to 100% MSC and Lidl Finland has run several in-store promotions of MSC labelled products and Lidl Denmark will run its first campaign next year.

McDonalds Sweden and MSC Baltic held a joint Press launch which received positive media coverage. McDonalds will display an environmental short film featuring MSC in all their 220 restaurants across Sweden, as well as having the MSC logo and messaging on all their tray liners. With 440 000 daily guests it is a great way to reach out to consumers and to increase the awareness of the MSC.

Since the last report MSC has had nearly a 100% increase in media coverage and has featured in 6 of the ten most read newspapers in Sweden. The MSC Baltic has contracted a new media monitoring service that includes the other countries covered by the MSC Baltic Office as well as physical media clips with no on-line equivalent.

### **Traceability Assurance**

DNA testing identified three samples which were found to be incorrect species being labeled as MSC-certified demonstrating that substitution of fish has occurred in the supply chain. The CoC team has launched a comprehensive traceback exercise to collect all documents related to these products across the supply chain. All documents received were analysed and when further investigation was needed, the relevant certifiers were involved. The MSC has requested them to carry out their own assessment of any documents received and potentially carry out onsite audits. We are currently waiting for their conclusions and will then communicate on the wider results of the study.

The MSC has also revised the requirements auditors have to comply with to determine whether fish from a unit of certification are eligible to carry the MSC eco-label. The revisions should result in more accurate and consistent assessments that will increase the confidence of stakeholders that fish entering the supply chain are in fact from certified fisheries. Revisions have been incorporated into the reporting templates, which will increase the ease with which the first link in the supply chain can determine which companies they can buy certified seafood from.

The Swedish Institute for Food and Biotechnology (SIK) has under an EU project on "Transparent Food - Quality and integrity in food: a challenge for chain communication and transparency research" (see <http://www.transparentfood.eu/>) and selected the MSC as an example of a system that fulfils transparency requirements. The overall goal of the project is to contribute to greater transparency of information about production and products throughout the supply chain.

The MSC Manager Baltic is also part of an internal working group on investigating options for on-line traceability systems.

## Budget and Financial Report

The project budget  
£1,918,000

The project has received the following amount for this reporting period  
£312,209

How much of that amount has been received from Baltic Sea 2020 Foundation?  
£214,519

How much has been used in the period of the total amount received?  
£340,852

## Prognosis and Summary

Give a general summary of the project and a brief prognosis for the coming six months. Indicate the obstacles or external factors that have affected the project negatively. If these obstacles may remain and affect the project in the future, state in which way these will be managed. If there are any other recommendations for the implementation of the project state these here.

All milestones identified for the period have been successfully achieved. Specific evaluation indicators have been met successfully with many of them surpassed to a considerable extent.

The recruitment of the Baltic Manager position to act as the overall Project Manager has now enabled a more co-ordinated focus and accelerated delivery and increased network and visibility of the program.

The rate of expenditure on the project in the second period has picked up with two new recruits based in Stockholm and the allocated funds for year 2 of the project will be spent by the end of the year.

The prognosis for next period is that growth will continue and that we will see a lot more MSC labeled products on the market in all of the countries. Some fisheries will have completed their pre-assessment and move into full assessment, the CoC applicants from the last quarter will have obtained CoC.

There will be some gaps in the communications department which will have to continue to be filled until a new communications officer has been recruited. However, it is still envisaged that the media coverage and MSC visibility through exposure at key events will continue to increase. The next consumer survey will be conducted in April 2012 and it is anticipated that it will show an increase in consumer recognition/awareness of the MSC ecolabel as a result of retailers' in-store campaigns and other partners' commitment to promote the MSC.

The MSC Baltic is also expected to receive continued support from its non-industry stakeholders such as eNGOs, media, science community and management authorities at regional, national and local levels. Both WWF Sweden and Svenska Naturskyddsföreningen have been very pro-active in communicating the benefits of the MSC program, through on-line campaigns, press releases regarding the Eastern Baltic cod and an animated film encouraging consumers to look for KRAV and MSC labels.

Date and place: 11<sup>th</sup> November 2011, London

Signature by authorized signatory

A handwritten signature in black ink, appearing to read 'Richard Leggatt', with a long horizontal stroke underneath.

Clarification of signature: Richard Leggatt, MSC Fundraising Director

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