Incentivizing Sustainable Fisheries Management on a Global Scale: The Role of Markets and Science

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Marine Stewardship Council (MSC)
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How do we move from knowledge to action?

- Process to achieve sustainable ocean outcomes consists of many elements and actors in the
- Two “Value chains”
  - Products / commodities / services
  - Knowledge / Information
- How to link actors and elements of the chain together so they work towards sustainable use of living ocean resources?
- One instrument is the utilization of market forces
  - Information creates awareness
  - Consumers / Public translate awareness into “Demand for Change”
  - Retailers Demand ………… Reward of consumer loyalty
  - Fisheries Response …. ……… Reward in sales and prices
- To use the market instrument in the right way, we need to base decisions on science and facts
The Marine Stewardship Council -- MSC-- and its approach

- International not-for-profit organisation set up in 1997 as a partnership between WWF and UNILEVER

- Aim: to transform the seafood market to a sustainable basis recognising and rewarding sustainable fishing practices

- Fisheries measured against a rigorous environmental standard created based on international norms and best practice.

- A partnership based organisation that works with industry, government and NGOs

- RESULT: Most recognised, highest performing seafood ecolabel
The MSC Executive supports all of the bodies shown below and reports to the MSC Board of Trustees.

- **Board of Trustees**
  - Technical Advisory Board Chair
  - Stakeholder Council Co-chairs
  - Finance Committee
  - Executive Committee
  - Ad-hoc, topic specific committees

- **Technical Advisory Board (TAB)**
  - Provides technical and scientific advice

- **Stakeholder Council**
  - Representatives from a broad range of interests and regions

Committees and groups provide advice and feedback to the Board, Stakeholder Council, TAB and MSC Executive.
Third party assessment

MSC develops Standard & Certification Requirements based on FAO guidelines, ISEAL codes, and ISO guides. Stakeholders are involved in the process.

MSC Conformance Assessment Body (CAB) is accredited by Services International Checks to perform the assessment of stakeholders. Technical Advisory Board and Stakeholder Council provide oversight, while the Independent Adjudicator oversees objection/appeal if any.

The assessment is related to fishery.
The MSC Program

Fishery > Fishery Certification > Chain of Custody Certification > Ecolabel Licensing > Consumer Product
Assessment approach to key segments of the supply chain

Fisheries

- pre-assess
- Full assessment
- Annual surveillance
- 5 year Re-assessment

Chain of custody

- Full assessment
- Annual surveillance
- 3 year Re-assessment
Structure of the fishery standard

Principle 1: target stock (species that will be labelled)
• status of the target stock
• management of the target stock
• Information on catches, bycatch, population / stock status, implementation of management rules

Principle 2: impact on ecosystem
• Information on bycatch, contact with seabed, catches/encounters with endangered species, discard/loss and ghost fishing of gear
• Assessment of sustainable impact on ecosystem, and management / mitigation of the impact

Principle 3: management system
• Compliance, presence and effectiveness of law & compliance, consultation and involvement of aboriginal peoples, effective management structures
Change

100 score: State of the Art
80 score: Best practice
60 score: Minimum acceptable

Unconditional Pass
Conditional Pass
Fail

“conditions” that require improvements
assumed “pull” to motivate improvements
The Chain of Custody program

What does MSC Chain of Custody do?
Provides assurance that throughout the supply chain, **certified sustainable products are segregated** from non-certified products and are traceable back to a certified source.

How does it do this?
Supply chain companies have to meet the MSC Chain of Custody Standard. These companies:

• Implement relevant **traceability systems and procedures**

• Are independently **audited by an accredited** Conformance Assessment Body (CAB) to verify their compliance
The five principles of the MSC Chain of Custody

1. Certified products are purchased from certified suppliers
2. Certified products are identifiable
3. Certified products are segregated
4. Certified products are traceable and volumes are recorded
5. The company has reliable management system

Principles apply to all supply chain companies that participate in the MSC Chain of Custody program
MSC’s “theory of change” and actual achievements

- 20 years of working with fisheries and markets to deliver sustainability
- 37% recognition by consumers (global average)
- 108 companies have commitments to source MSC certified seafood, 69 in Europe, 77 retailers, 14 brands, and 17 foodservice
- 24,000 MSC labeled products in 110 countries. Consumer facing retail value of US$4.6bn, 108 species available.
- 3700 MSC Chain of Custody certificate holders in 90 countries.
- 12% of global catch of wild caught seafood certified, + 2% in assessment, >300 certified fisheries in 36 countries.
- Organisation 185 staff, £18m budget

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Incentivizing change

![Graph showing improvement in scores over time](image)

**Key**
- Red diamond: Fisheries completing pre-assessment receiving a cautionary recommendation to proceed to full assessment.
- Green triangle: Fisheries completing pre-assessment receiving a recommendation to proceed to full assessment.
- Blue circle: Fisheries post-assessment.

**Graph Title:** Improvement in scores over time

**X-Axis:** Years since certification

**Y-Axis:** Proportion of indicators at 80% or above (global best practice)

**Legend:**
- Improvements
Example Impact: SA Hake - study on economic benefits

- Certification allowed SA Hake industry to benefit from fluctuating market conditions – readiness to adapt to unforeseen market changes

- Market diversification options gave them a competitive edge

- Greater stability and investment in local industry and infrastructure

- Clear employment benefits – without certification, Net Present Value (NPV) of the fishery would decrease by about 35% over a 5-year period, with a potential loss of about 12,000 jobs.

- Clear environmental benefits due to certification

South African Hake: ecosystem impacts

Improvements to stock status (2 species of hake)
Improvements of bird mortality (albatross particularly)

• Collaboration: Government, Industry, eNGOs
• Mitigation measures (reducing encounters)
• Observers (monitoring effectiveness)

<table>
<thead>
<tr>
<th>Season</th>
<th>Albatross catch rate (birds/haul)</th>
<th>2004-05</th>
<th>2006-09</th>
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</thead>
<tbody>
<tr>
<td>Winter</td>
<td>0.448</td>
<td>0.057</td>
<td>87% reduction</td>
</tr>
<tr>
<td>Summer</td>
<td>0.72</td>
<td>0.024</td>
<td>67% reduction</td>
</tr>
</tbody>
</table>

• The competitive effect: Namibian hake fishery improving prior to seeking certification
• The cumulative effect: certified south Georgia toothfish fishery + south African hake fishery TOGETHER reduce black browed albatross catches
Since becoming full members of the Indian Ocean Tuna Commission (IOTC) in July 2011, the Maldives have become one of the main advocates for conservation of tuna stocks in the Indian Ocean.

Maldives have proposed:

- Adoption of the Precautionary Approach
- Resolution 13/10: reference points and decision framework
- Harvest Control achieved in 2016

With their skipjack tuna fishery MSC certified, the Maldives is playing a key role at the IOTC to develop the region’s sustainable fishing credentials.
MSC Future Strategic Plan

- Increase % of global marine catch certified by MSC from 12% to 20%

- Engage strongly with the developing world. Work with partners and encourage certification of fisheries in low latitude regions. Increase engagement with eastern markets and global south countries: China, Japan, Korea, Indonesia, India, South America, Africa.

- Increase availability of certified squid, octopus, small pelagics, crabs.

- Increase MSC’s “ocean voice” and consumer recognition globally.

- Continued strong reliance on partnership with international science community.
• Reliable facts and Information that allow actors in the supply chain to work towards improvements in a steady process
• Agreements on scientific base by science advisers to different organizations
• Can we more usefully incorporate the social sciences in dealing with thorny issues? .... such as
  • e.g Socio-ethical agreements on dealing with marine mammals
  • e.g Forced Labor
  • e.g Solutions to issues of ”overlapping:” certified fisheries
  • e.g More pro-active RFMO’s

Expectations for continued collaboration with international science community
Thank you

For more information, please visit: msc.org

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