

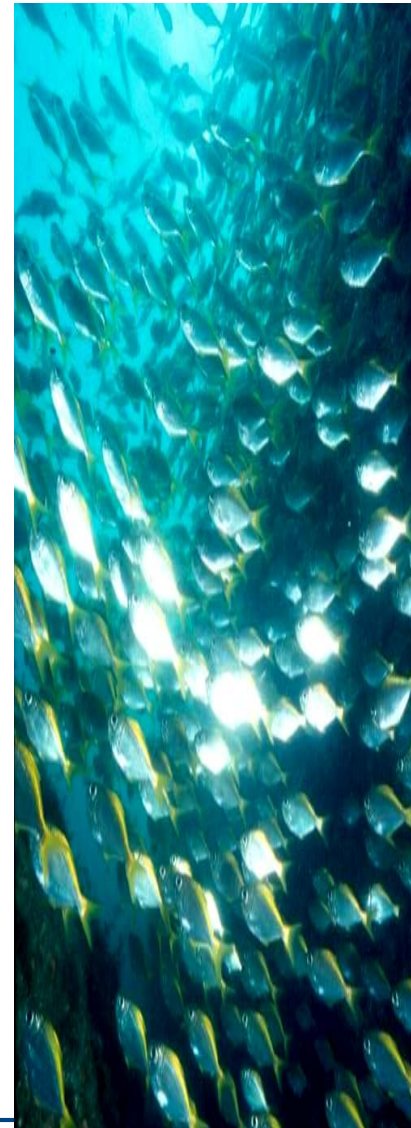


Incentivizing Sustainable Fisheries Management on a Global Scale: The Role of Markets and Science

**Werner Kiene, Chair of the Board of Directors
Marine Stewardship Council (MSC)
3rd Blue Planet Symposium, May 2017**

HOW DO WE MOVE FROM KNOWLEDGE TO ACTION ?

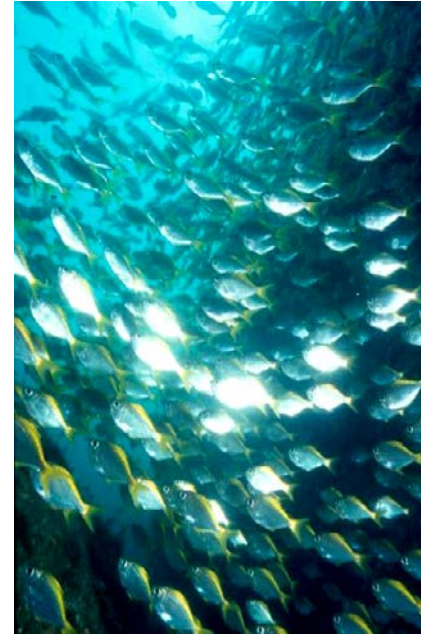
- **Process to achieve sustainable ocean outcomes consists of**
- **many elements and actors in the**
- Two “Value chains”
 - Products /commodities/services
 - Knowledge / Information
- **How to link actors and elements of the chain together** so they work towards sustainable use of living ocean resources **?????**
- **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**





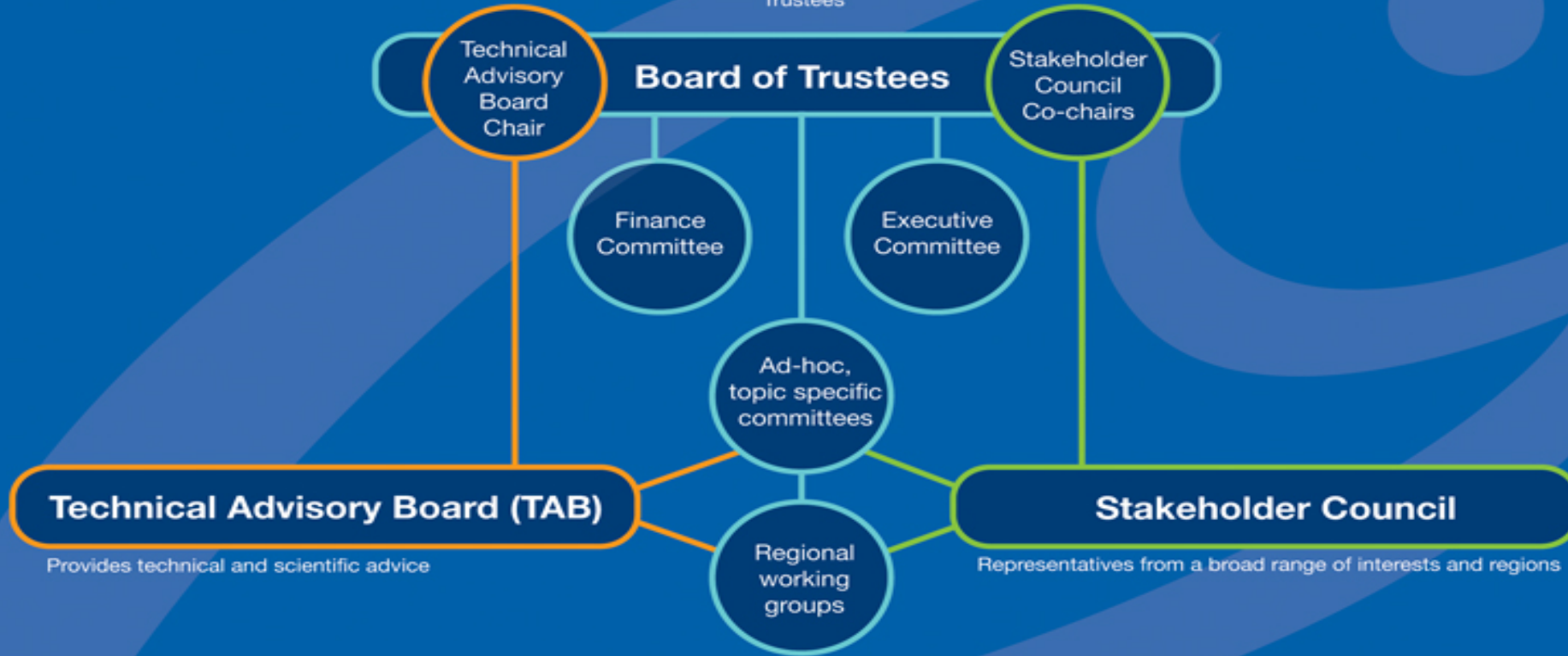
The Marine Stewardship Council -- MSC-- and its approach

- 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**



MSC Governance Structure

The MSC Executive supports all of the bodies shown below and reports to the MSC Board of Trustees



Technical Advisory Board (TAB)

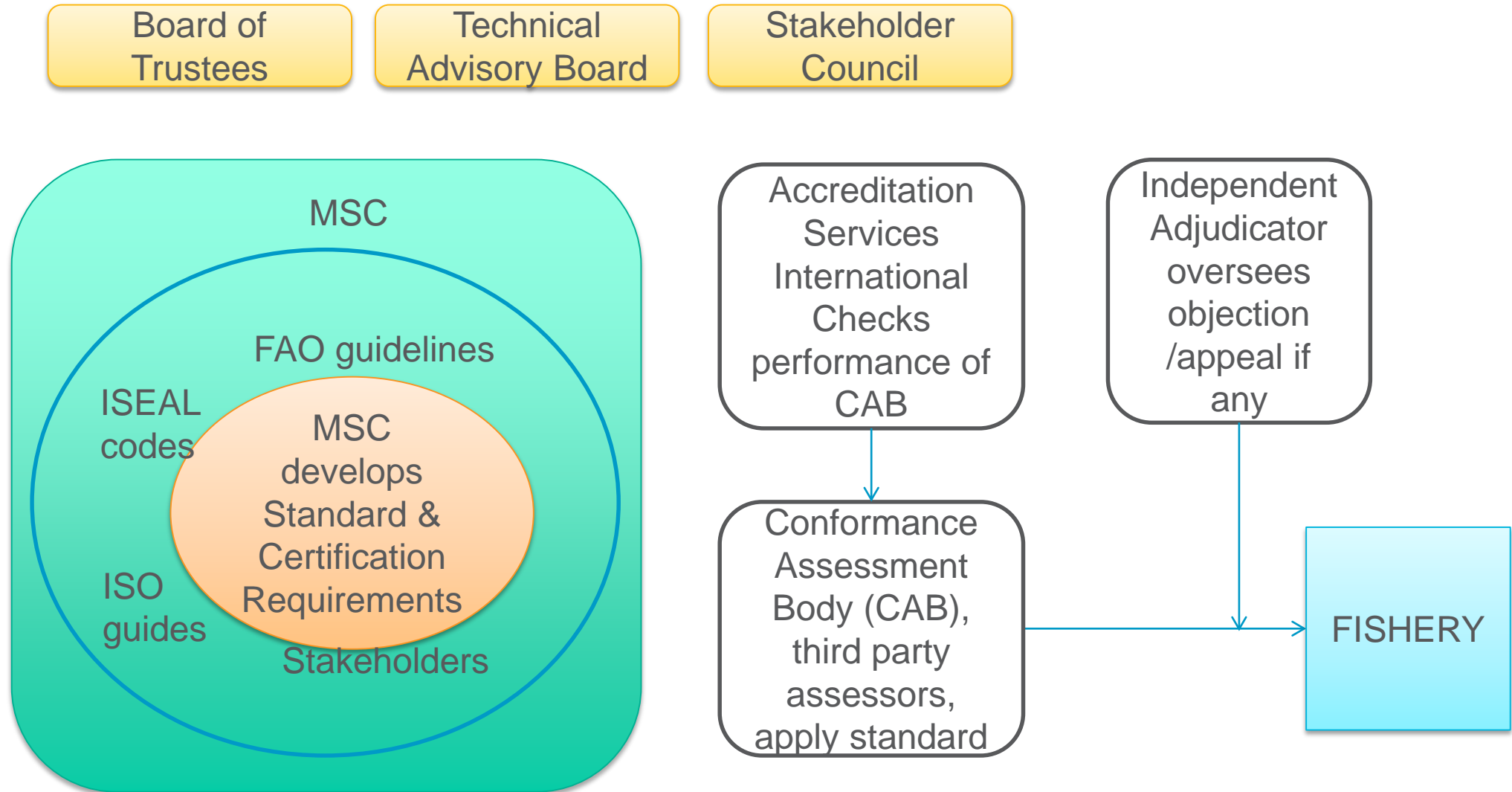
Provides technical and scientific advice

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



The MSC Program



Fishery



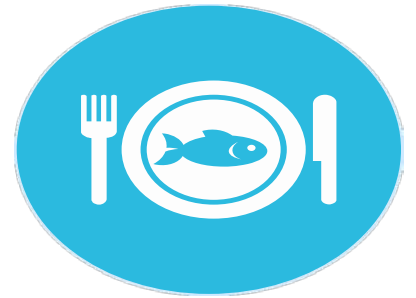
**Fishery
Certification**



**Chain of Custody
Certification**



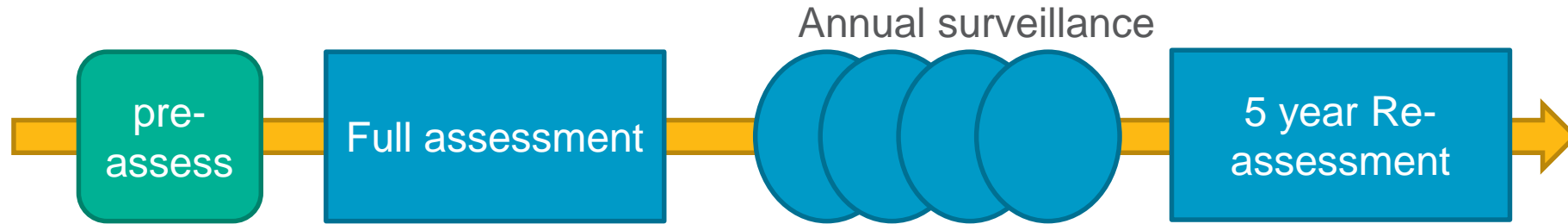
**Ecolabel
Licensing**



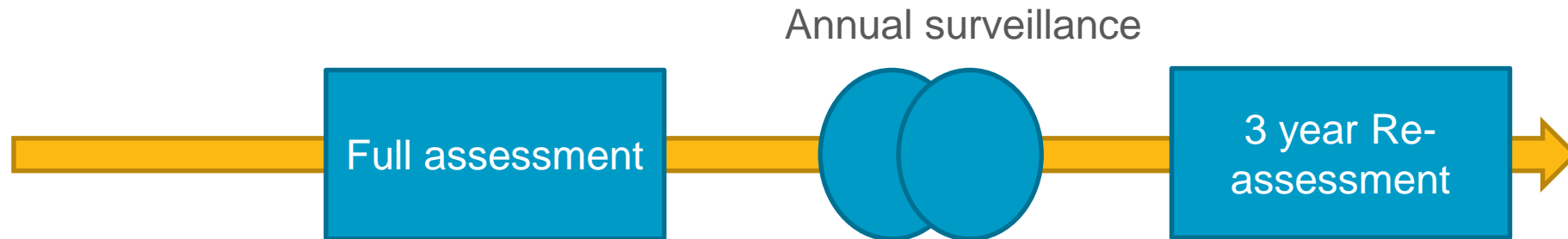
**Consumer
Product**

Assessment approach to key segments of the supply chain

Fisheries



Chain of custody



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**

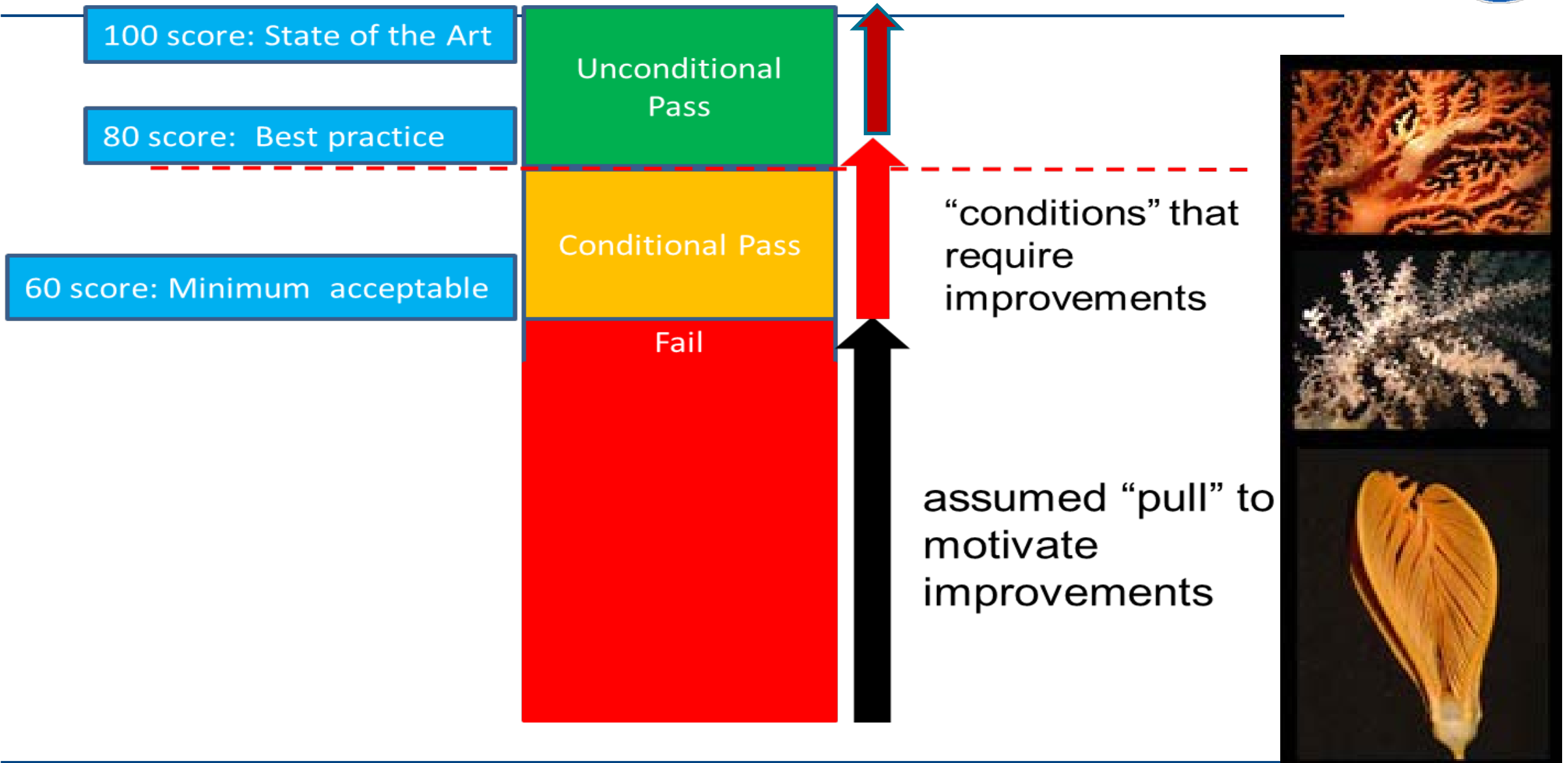
Principle 2: impact on ecosystem

- 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**
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Change



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



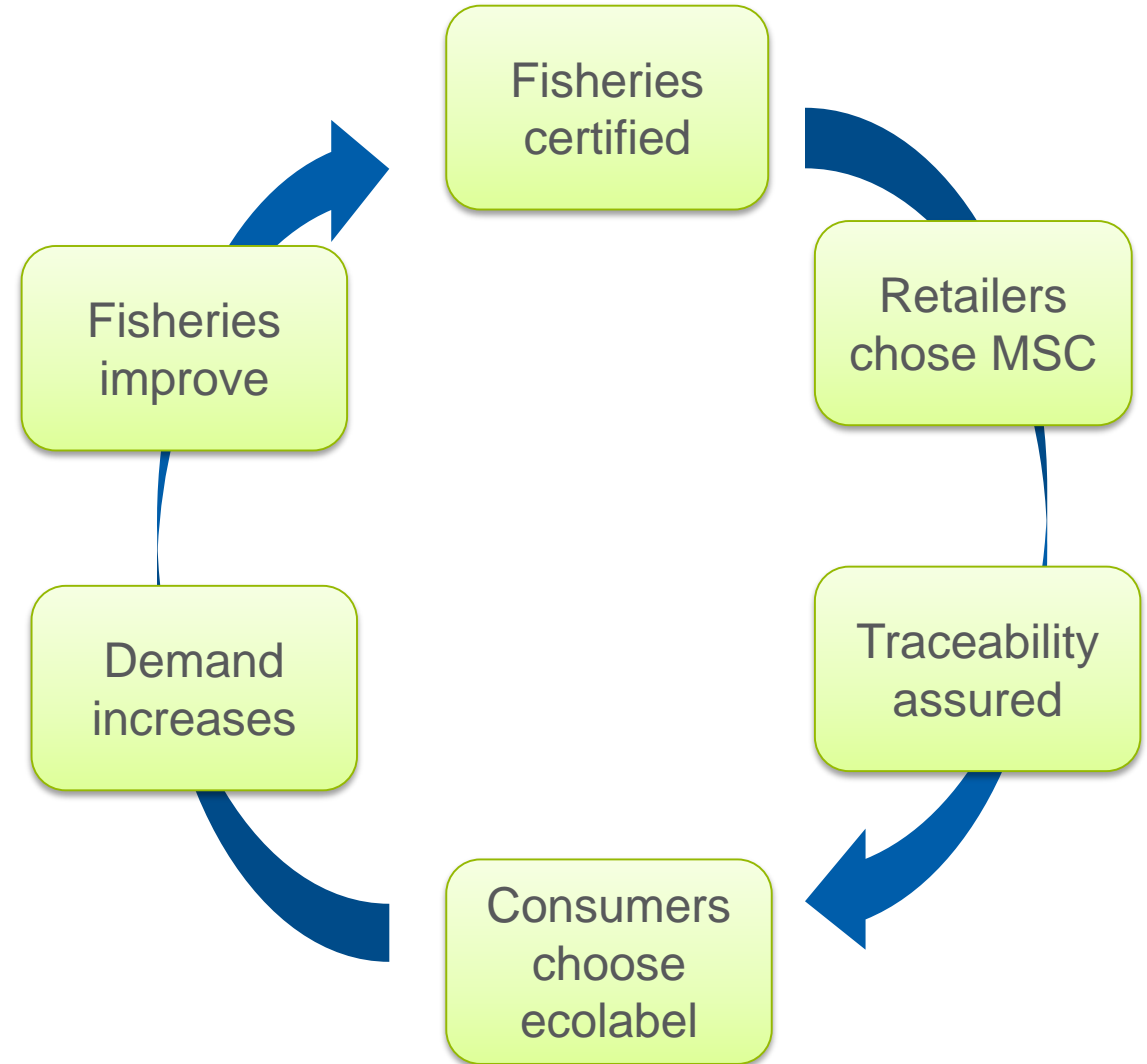
- 1 Certified products are purchased from certified suppliers
- 2 Certified products are identifiable
- 3 Certified products are segregated
- 4 Certified products are traceable and volumes are recorded
- 5 The company has reliable management system

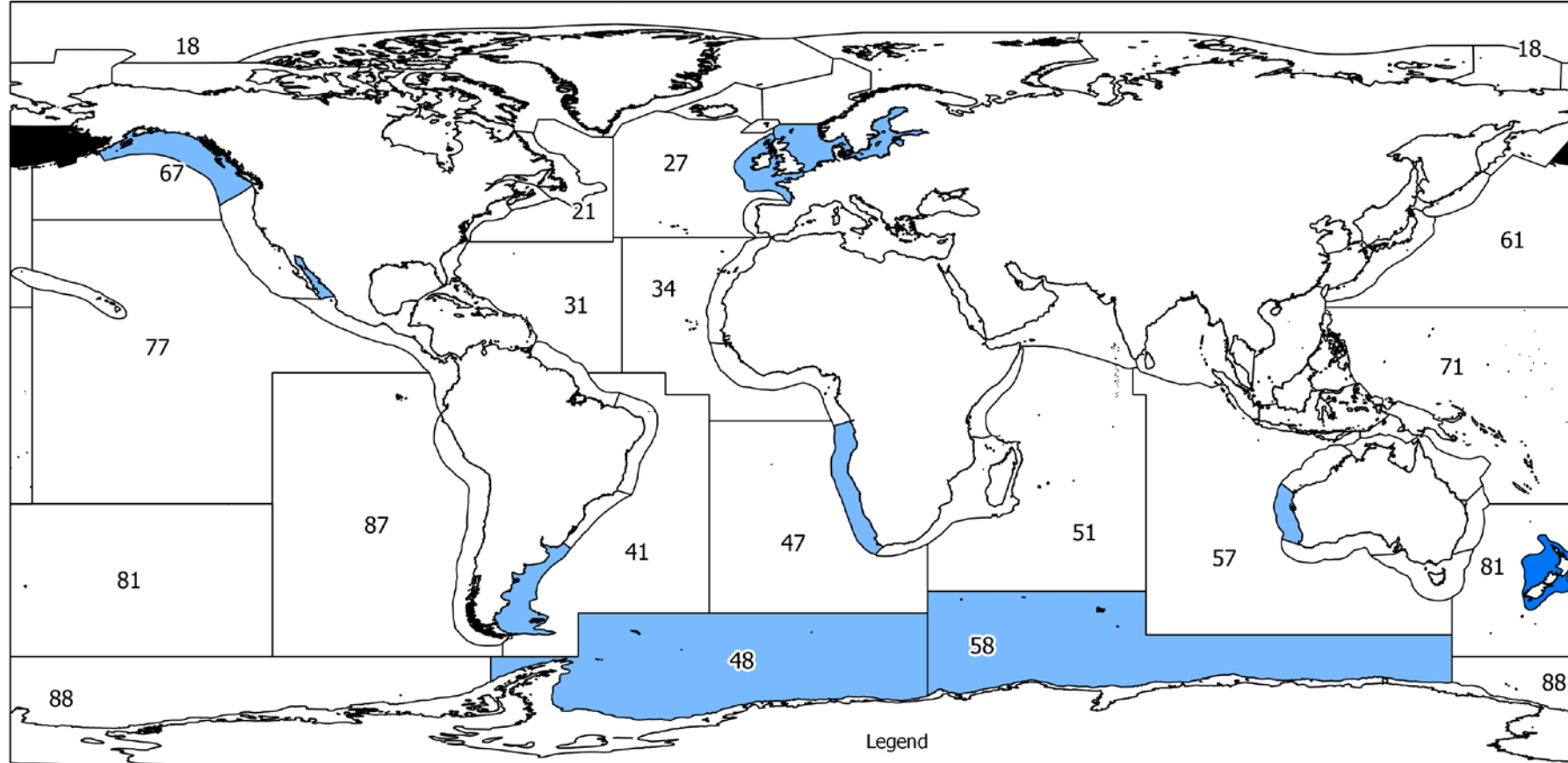
Principles apply to all supply chain companies that participate in the MSC Chain of Custody program

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

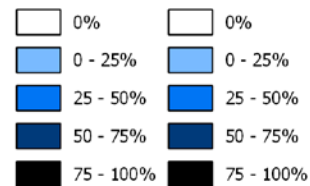


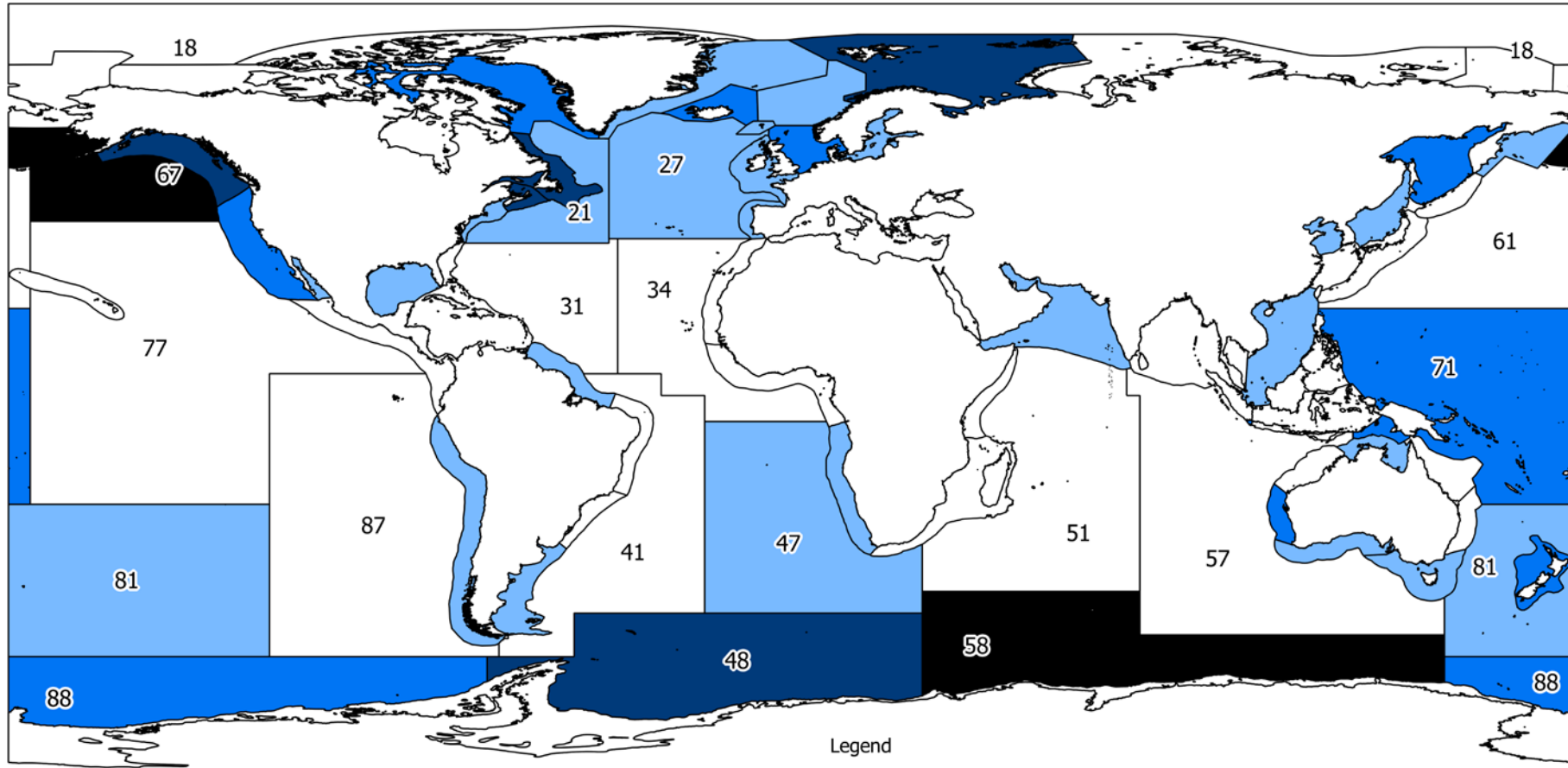


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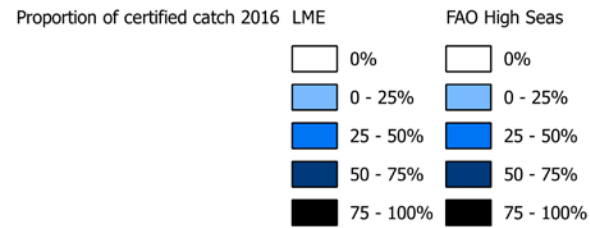
Percentage of certified catch 2006 LME

FAO High Seas





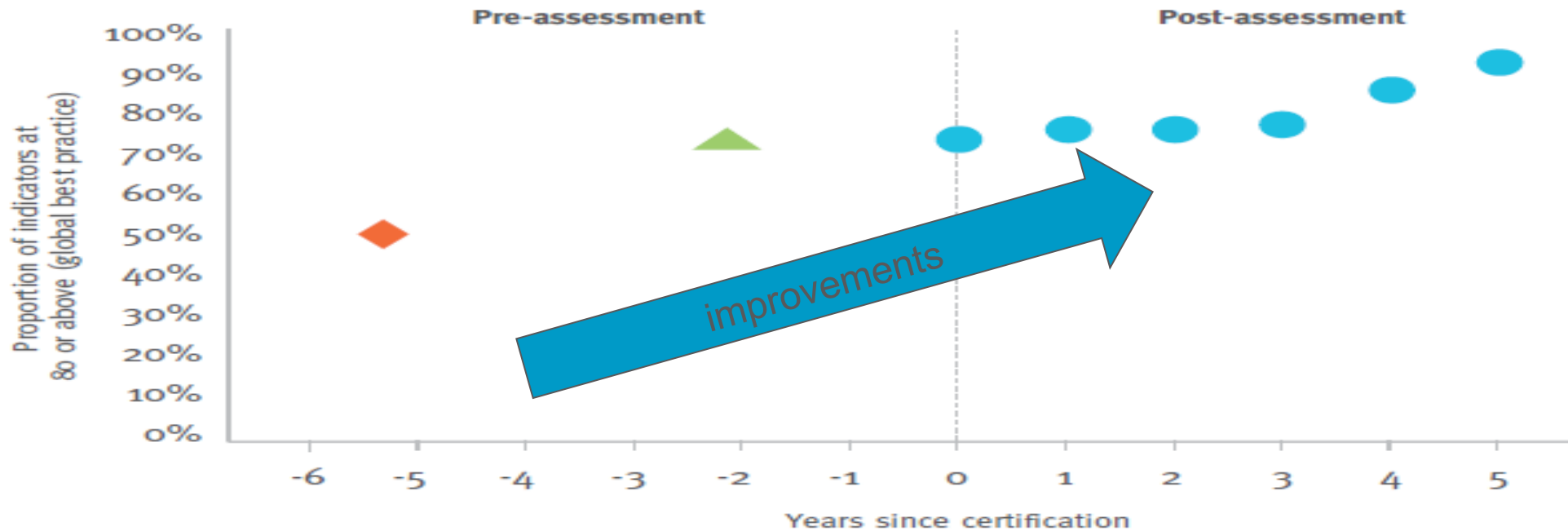
Legend



Incentivizing change



Improvement in scores over time



Key

- ◆ Fisheries completing pre-assessment receiving a cautionary recommendation to proceed to full assessment
- ▲ Fisheries completing pre-assessment receiving a recommendation to proceed to full assessment
- Fisheries post-assessment



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)

Season	Albatross catch rate (birds/haul)		
	2004-05	2006-09	
Winter	0.448	0.057	87% reduction
Summer	0.72	0.024	67% reduction

- 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



Example Impact : Maldives Government driving change

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
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Expectations for continued collaboration 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





Thank you

For more information, please visit: msc.org

standards@msc.org

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