
**Environmental benefits resulting from certification against
*MSC's Principles & Criteria for Sustainable Fishing***

EXECUTIVE SUMMARY ~ FINAL REPORT

for

Phase 1 of 2 to create a system of tracking environmental benefits of certification against
MSC's Principles & Criteria for Sustainable Fishing

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Executive Summary

The MSC, jointly with a team of fisheries researchers from MRAG UK Ltd³, has created a two-phase project aimed at developing a long term strategic framework for monitoring and evaluating the environmental benefits arising from the Marine Stewardship Council (MSC) certification programme.

This study focussed specifically on the first phase of the work:

- 1) developing tools and methodologies to measure the environmental or ecological impacts of certification to the MSC standard; and
- 2) cataloguing and assessing current evidence that the MSC eco-labelling programme results in positive outcomes (benefits) for the environment.

The project team embarked upon the study asking a number of critical questions. Are there meaningful and measurable changes happening on, or in, the water? Are the fisheries that have been certified really changing practices and will these lead to positive outcomes for the environment? Does certification cause more environmental gain than would otherwise occur? And finally, is there an ecological case for fishery certification?

The study examined the ten certified fisheries that, by late 2005, had been the subject of at least one post certification audit. In the ten fisheries, a total of 62 certification conditions were examined to determine whether changes or improvements observed would 1) ultimately lead to environmental improvement and 2) lend themselves to quantitative analysis. The project team identified environmental gain indices for each certification condition in the study group. Detailed investigation, looking specifically for quantitative indicators of change, was made on a sub-set of six fisheries.

The project team categorised the gains according to five different levels of environmental gain:

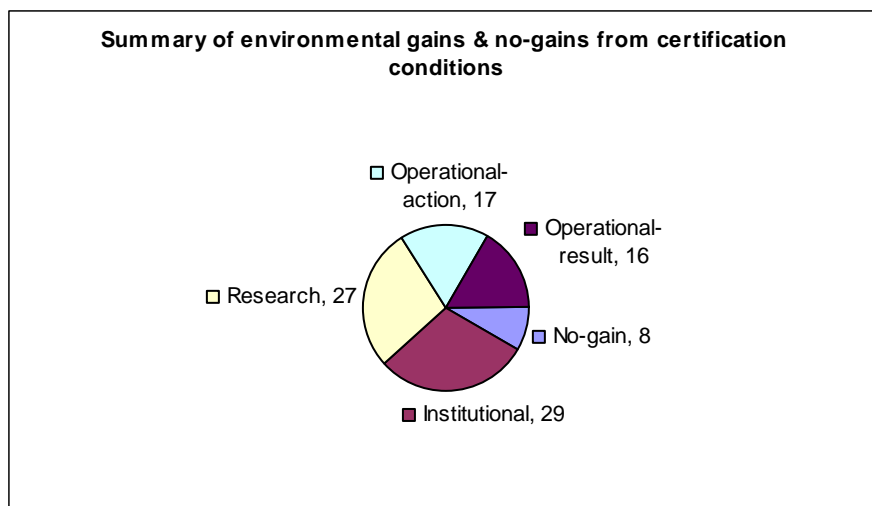
- *No-gain* to signal those circumstances where satisfying a certification condition could reasonably have been **expected to result in an environmental gain but such a gain did not result** or where satisfying a condition merely required the provision of information to the certification body.
- *Institutional gain* to denote changes to institutions and processes involved in fisheries management **that could lead to environmental gains**, including to the way that those institutions do business, the way they define the fisheries management systems, the data they require from the fishery and its regulations.
- *Research gain* for new research **that should lead to environmental gains if implemented by management**, such as on any aspect of the target stock, environment or management system.
- *Operational – action gain* for activities in the fishery such as new discard regulations, mesh regulations or bycatch mitigation methods **that are expected to lead to environmental gains**.
- *Operational – result gain* for real, ‘on the water’ outcomes or results of actions, such as reduced numbers of discards, continued absence of Illegal, Unreported and Unregulated (IUU) fishing vessels, demonstrated return to sustainability of bycatch species, recovering benthic diversity in protected or closed areas **that have resulted in environmental gains**.

Finally the team examined whether the gain was caused primarily by certification (i.e. satisfying the requirements of the condition); whether it was ongoing anyway, and was not a direct consequence of certification, even though it may have been coincidental; or whether it was a combination of the two.

The results of the analysis identified a total of 89 environmental gains over the ten fisheries. There were eight instances of no-gain identified. Sixteen of the gains were *operational result*

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gains, which in the project team's view, represent the most desirable gains and demonstrate real improvements in controlling the impact of fisheries on the environment: 11 arose directly from a condition, and 5 did not appear to be directly related to a condition. Of the 11 that arose directly from a condition, 8 were judged to be most likely stimulated or partially stimulated by the certification process itself; and for three, the certification process could not be identified as the primary catalyst.



Operational result gains were not as common as other gains: they represented 18% of the total gains that were identified. However, most of the result gains were supported by quantitative evidence. Taking all gains into account, and whether the gain was partially or mostly stimulated by the certification process, it appears that the certification process has stimulated about 65% of the gains observed.

In the eight cases of no-gain, some involved situations where the condition was satisfied simply by the provision of additional data to the certification body – in other words no additional work was done, except for filling an information gap. Other cases of no-gain resulted from apparent failures of certification bodies in some of the early certifications to be explicit about the requirement for change. Another case related to the fact that the certification client itself had no control over whether the stock remained above its precautionary reference point.

Most of the positive gains were in Principle 2⁴. This is out of proportion to the number of conditions raised: Principle 1 (P1) = 26%; Principle 2 (P2) = 37%; and Principle 3 (P3) = 37%, compared to the proportion of gains attributable to P1, P2 and P3 of 17%, 46% and 37% respectively. Since most fisheries actually score lower in their full assessment for Principle 2 than the other principles (roughly 70% of fisheries score lowest on P2) this is the principle in which there is most potential for progress. It is therefore encouraging that that is indeed where most of the progress appears to be being made.

The analysis shows that there is a strong positive relationship between the number of conditions and the overall gains realised, and a positive (although not statistically significant) relationship between the number of gains and the length of time the fishery has been certified (i.e., certification date). The analysis also shows the fisheries demonstrating the greatest overall environmental 'gain score' could be classified as more difficult or controversial.

There is some evidence, although not described in detail in the fishery results, of environmental gains occurring in other unrelated fisheries as a result of certification of a

⁴ The MSC's *Principles and Criteria for Sustainable Fishing* (known as the MSC standard) are based upon three fundamental elements that contribute to sustainable fisheries: maintaining healthy target fish populations (Principle 1); understanding and maintaining the integrity of marine ecosystems (Principle 2); and implementing effective fisheries management systems (Principle 3).

specific fishery in that region. And there appears to be evidence that research and action in one certified fishery can have far reaching effects on both uncertified and certified fisheries on the other side of the world.

Although not an objective of the study, the team encountered anecdotal and published evidence of economic and social benefits in three fisheries and reported on this. The team acknowledges that there is probably a great deal more to uncover in each certified fishery in relation to economic and social impacts of MSC certification.

The major lessons from the study are that:

- All certified fisheries have shown some environmental gain resulting from the certification process.
- Some environmental gain has resulted in areas where there were no conditions, but in general the biggest gains have been in areas which carried conditions for certification.
- There is a direct relationship between both the amount of gain, and the relative direct benefit of that gain to the environment (expressed as a 'gain score'), with the number of conditions that are set for a fishery. When the number of conditions is high, the total gains to a fishery appear to be greater than the number of conditions, whereas when they are low the gains are equal to the number of conditions.
- The instances of lack of gain in areas that we would expect to see gain resulted from issues in some of the early certifications, as well as from the difficulty of finding solutions to some very difficult environmental problems. The early certified fisheries show a lower average environmental benefit than the later certified fisheries mainly because the expectations contained in conditions (or corrective action requests as they were called) were not as well articulated as in later certifications.
- If environmental gain outweighs the other strategic objectives of the MSC, certification of difficult fisheries could be encouraged because these are the fisheries in which certification is likely to create the biggest environmental gains.
- It was virtually impossible to create a set of indices that would be equally applicable across certified fisheries for comparative purposes. The only index that comes close is target stock size in relation to target/limit reference points. But not all certified fisheries set target/limit reference points, nor do they have easily interpreted assessments of stock size. This approach should not be precluded in future analyses, but the project team deemed it not to be practical here.

Next steps

The initial findings show promising evidence of both quantitative and qualitative environmental benefits which now require critical analysis and peer scrutiny to determine whether the method and the results are robust and credible with the scientific community as well as with the range of MSC stakeholders. While tangible measures showing environmental improvements resulted from the analysis, the project team has expressed caution about causality (i.e., what were the stimuli for change) and other questions arising from the work that should be resolved in phase two. To mark the transition from the first to the second phase, the MSC is planning to host a targeted workshop in 2006 (currently proposed for mid-September 2006) to discuss both the results of the first phase and how to move forward.

The MSC has long acknowledged that it needs to develop a plan or framework for long term monitoring and evaluation of changes in fisheries management, environmental gains and other benefits resulting from certification. This idea has now come of age and future MSC work on each of the three major issues contributing to sustainable development (ecological, economic and social) should move ahead strategically and concurrently.

Therefore the main objective of the workshop will be broader than simply looking at the environmental benefits question. The main objective is to contribute to the development of a formal "Monitoring and Evaluation Plan" for the impacts of the MSC programme from environmental, economic and social perspectives. Conclusions that emerge from the

workshop will then be used by the MSC to determine 1) the highest priority needs; 2) the most appropriate methodologies; and 3) the basis for future research and funding proposals.

The conclusions and recommendations from the workshop will also be reported to the MSC Board of Trustees and will form the basis for an agreed Monitoring and Evaluation Plan for the impacts of the MSC programme from environmental, economic and social Perspectives to be published later in 2006.

The full report: "*Environmental benefits resulting from certification against MSC's Principles and Criteria for Sustainable Fishing*" by David Agnew, Chris Grieve, Pia Orr, Graeme Parkes and Nola Barker contains a complete description of the objectives, methods, results and conclusions, including specific examples of environmental gain from some of the fishery case studies. Annexed to the report is a matrix summarising all the certification conditions, the individual indices chosen by fishery / condition and the environmental gains for each of the 10 fisheries in the study group. And finally, also annexed to the full report, the complete fishery case studies are presented, along with detailed quantitative and/or qualitative analysis for each of the 10 fisheries.

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