

Improving Application of the Principles and Criteria for Sustainable Fishing: The Quality and Consistency Project - A Cornerstone of MSC's 'Reform Agenda'

22 August 2005

Continuous Improvement

Since its inception the MSC fishery certification program has been underpinned by a conscious commitment to continuous improvement. The core philosophy uses the concept of creating market incentives so that fisheries will voluntarily enter the MSC assessment process and have their practices and outcomes evaluated against the MSC standard. A fishery must possess essential attributes to pass this evaluation but also must commit to implement and meet any specific conditions of certification that are defined in the assessment to improve that fishery's management performance to an 'unconditional pass' level. Perfection is not the basis for a fishery to become certified according to MSC's *Principles and Criteria for Sustainable Fishing* (the MSC standard) but achieving and maintaining certification does require high management performance combined with a firm commitment to improve that performance to a level that unconditionally represents compliance with the MSC standard.

Improving Application of MSC's Standard

Just as the certification system is structured around this concept so is MSC's operational model. MSC is committed to continually evaluating its fishery assessment process to ensure improved robustness and credibility. Some obvious challenges prompt this need:

- Fisheries interactions with aquatic and human systems are very complex as are their management and evaluation.
- Measuring the status of populations/ ecosystems and estimating the impact of fisheries is challenging and often subject to differing and legitimate scientific interpretations.
- Different views and values exist regarding the definition of sustainable fishing and these can be inherently difficult to reconcile.
- New science and knowledge is evolving regarding key topics such as precautionary management and ecological risk assessment.

Responding to these challenges MSC is endeavouring to ensure that its Principles and Criteria are interpreted and applied in a way that: (1) reflects the best available science on sustainability; and (2) results in consistent and quality certification decisions for a wide range of unique fisheries throughout the world.

Background

The MSC standard was developed through an extensive, international consultation process that spanned 18 months, involved some 300 fisheries experts and stakeholders worldwide, and culminated in 1998. The Principles and Criteria represent a thorough, hierarchical definition of essential elements that should be reflected in well-managed and sustainable fisheries and are fundamentally rooted in FAO's Code of Conduct for Responsible Fisheries.

Notwithstanding this background, our experience since 1998 has informed us that MSC's fishery assessment process can be improved. Performance indicators and scoring guideposts (known as PIs and SGs, or 'assessment trees') are established by third party, independent certification bodies, or CBs, (via their expert assessment teams) for each of the principles and criteria during a specific fishery assessment. These provide the specific measure of a fishery's performance against the MSC standard. The MSC reviews and comments on these assessment trees as they are developed to help ensure consistency and quality across various certifications. These reviews have verified and helped ensure that all the MSC fishery assessments have a high number of common features.

At the same time the MSC has not provided CBs with specific guidance requiring use of mandatory narrative or quantitative descriptions of the PIs and SGs that should be applied across fisheries. This means that CBs and their expert teams have needed to do a considerable amount of interpretation of how each assessment tree should be tailored to a specific fishery. As more fisheries entered the certification process, the MSC and its Technical Advisory Board (TAB) realised that this circumstance creates the possibility for variable and inconsistent results in applying the standard with respect to the underlying intent of the Principles and Criteria.

Since the standard's creation, the MSC has gained considerable experience from examining assessment trees during 25 independent fishery certification and re-certification processes. This experience provides a unique opportunity for the MSC to apply its continuous improvement model by using lessons learned from these assessments to improve operational interpretation of its standard. Furthermore, the MSC needs to conduct an updated review of current scientific interpretations of

sustainability and the precautionary approach in order to determine how they can best be implemented in operational applications of the MSC standard.

What Have We Heard?

These observations have been reinforced by various reviews of the MSC programme and input from fishery clients and other stakeholders. Specific (though sometimes contradictory) comments have included:

- The assessment process ‘sets the bar’ too low in evaluating whether fisheries are sustainable – higher, ‘must pass’ levels of performance are needed before fisheries can be called sustainable.
- Alternatively MSC has heard that assessments have ‘set the bar’ too high. In some cases the view is that the criteria used to define an unconditional passing score for certification have reflected almost perfect management performance. These have translated into conditions of certification that require expensive corrective actions for relatively minor fishery improvements when limited government resources should be focusing on fisheries that have larger sustainability gaps.
- Some view that the ‘bar’ for certification is continually creeping upward in some cases and that requirements for certification across fisheries are not consistent and equitable, potentially creating competitive disadvantages in the marketplace.
- Similarly, some believe that there are certain critical indicators of performance that have special significance and which should preclude certification if not unconditionally passed during a fishery assessment.
- Some suggest that MSC needs to enhance credibility with stakeholders by improving the consistency of fishery assessments and better enforcing compliance with corrective actions.
- Others believe that a blue ribbon panel should be convened to provide advice on Principle 2 (impacts of fishing on aquatic ecosystems).
- Better definition of precautionary management is needed for application during certifications.
- The MSC needs to clarify its narrative intent for the Principles and Criteria in order to identify acceptable scoring thresholds.

Figure 1 shows examples of these and other potential topics that the project will address.

MSC’s Action Plan

In 2004 MSC received partial funding commitments from several sources (including the David and Lucille Packard Foundation, Esmée Fairbairn Foundation, Garfield Weston Foundation and John Ellerman Foundation) enabling the MSC to implement a project aimed at addressing these needs. A new Fishery Assessment Manager (FAM) began work with MSC in mid-February 2005 to coordinate the project according to parameters previously described in MSC and Technical Advisory Board (TAB) proposals as follows:

- Project duration of approximately 24 months, with key results in the first 6-12 months.
- Use a core project team approach combining technical and scientific expertise from the TAB, MSC and external experts.
- Supplement project team with other targeted expertise on specific issues and broader outreach and consultation with key stakeholders (see more below).
- Collate and analyze relevant information to inform project (e.g., views about critical indicators, lessons learned across previous fishery assessments, new information on fisheries sustainability and the application of the precautionary approach in fisheries management.).
- Develop two expanded levels of interpretive guidance for MSC’s Principles and Criteria: (1) describe narrative intent for each MSC Criterion (intent only currently specified for the Principles); and (2) create specific operational interpretations, quantitative where possible, for performance indicators and scoring guideposts, perhaps categorised by species groups and/or fishery types. These two elements will be implemented as separate but complementary project functions.
- ‘Road test’ expanded interpretations through MSC’s engagement with certification bodies during specific fishery assessments, then evaluate and review.
- Adapt lessons learned from ‘road testing’ interpretive guidance through successive refinements.
- Where appropriate, make final recommendations to the MSC Board of Trustees regarding any formal adoption of narrative and/or operational interpretations of the *Principles and Criteria for Sustainable Fishing*.

Effective Consultation is Essential

The history of the standard’s original development and the challenges to improve the quality and consistency of its application highlight the essential need for broad and extensive consultation to inform and guide the project, as well as the MSC Board’s strategic policies on issues like where to ‘set the bar’ in fishery certifications. The MSC intends to consult

broadly and extensively, while acknowledging that our capacity to achieve the ideal breadth and extent of stakeholder and expert involvement is ultimately linked to the level of funding available for these activities. Nevertheless, MSC recognizes the tremendous investment and experience that key interests bring to the project, including:

- Environmental NGOs that have been heavily engaged in fishery assessments and other fishery sustainability efforts
- Fishery certification clients that have been involved in fishery assessments and pre-assessments to date
- Certification bodies and their expert teams that have practical experience interpreting the standard
- A wide range of other public, commercial, conservation and scientific interests

MSC Review Capacity – Another Key Ingredient

Successful implementation of the project also envisions a complementary effort to develop an increased, internal MSC capacity to actively engage in the fishery assessment process by providing certification bodies with timely and consistent input. This capacity will especially focus on the development of assessment trees, but increased review of fishery assessment reports, conditions of certification and post-certification surveillance audits is also being implemented. This will serve two complementary objectives:

- Actively oversee ‘road testing’ of expanded interpretive guidance and bring information back to the project team for subsequent refinements; and
- Ensure high quality and consistent applications of the Principles, Criteria and their operational interpretations on a long-term basis (addressing credibility and supporting continuous improvement)

What’s Next?

The TAB and the TAB/MSC Executive Quality and Consistency project team met in Sydney in early June 2005. These discussions refined descriptions of six project categories, including some of the questions to be resolved and the potential approaches to address these topics (Figure 2). In addition the key tasks, milestones and approaches for these functional areas were further elaborated, resulting in a draft 12-month work plan for the project (Figure 3). Highlights of this proposed plan include the following elements:

- The initial thrust of the project during the first 12 months will be development of the narrative intent for the criteria within the MSC standard with the MSC beginning this work in August 2005. At the same time, stakeholders will be invited to provide preliminary comments on the issues of relevance to them, which will feed into the work over the autumn months. A working session of a peer group will be

held to review this work and will likely consist of selected experts from certification bodies and/or their assessment teams, other scientists/managers and environmental NGOs. This group’s review will be used by the TAB/MSC Executive project team to finalise a consultation document of draft narrative intent that would be reviewed at a number of regional stakeholder meetings. These meetings would likely be designed and facilitated by the MSC Executive but the project team will encourage the members of the MSC Stakeholder Council to play a key role in facilitating and organising these meetings to help us ensure that the full range of interested parties participate. Following this outreach, the narrative of intent for the MSC criteria will undergo review by the MSC Board of Trustees, via the governing bodies (Technical Advisory Board and full Stakeholder Council) with a view to finalising guidance material for implementation with certification bodies. As noted above this implementation will be evaluated as a ‘road test’ to determine what further interpretive refinements might be warranted.

- A companion effort also will be initiated to conduct a review of structural issues surrounding the fishery assessment trees used to evaluate each fishery’s performance against the MSC standard. (see Figure 1 for example issues). This work will originate with a consultation draft developed by the MSC Executive intended for initial consultation with certification bodies and interested representatives from their expert teams. A public consultation document will then be finalised for external review.
- A third project track outlined in the 12-month work plan (Figure 3) is the initial phase of developing more detailed operational interpretations and guidance at the level of performance indicators and scoring guideposts. The specific approach to this effort is still being refined but will likely include consulting with experts for each of the MSC Principles (particularly 2 and 3) to begin the evaluation and sensitivity analysis of options for creating qualitative and, where possible, quantitative guidance for the content of assessment trees used to conduct MSC fishery assessments. This work likely will begin in the spring of 2006 and continue into the next 12-month project period.

The more specific timelines currently envisaged for various project tasks and milestones are displayed in Figures 3 and 4. It is important to note that these project work plans are adaptive planning tools that will be modified and elaborated upon as necessary to successfully accomplish the project’s intent. Further information or questions about this effort can be directed to Rich Lincoln at the MSC Office in London (rich.lincoln@msc.org).

Figure 1. Example questions and topics to be addressed through the Quality and Consistency Project

'Setting the Bar'

- How high the MSC standard – 'perfection' vs. high performance & continuous improvement
- Have minimum and unconditional pass bars been set consistently across fisheries?
- Should certification be precluded if any/some critical indicators of performance do not receive unconditional pass scores during fishery assessments?
- How do observed differences among assessment trees and evaluations relate to unique fishery attributes vs. variable interpretations of certification bodies and assessment teams?
- Do there appear to be directional trends in interpretations in assessment trees over time?

Clarifying the Intent

- Can narrative intent for MSC's Criteria and specific operational interpretations for PIs and SGs be defined to improve consistent application by CBs and their assessment teams?

Sustainability Issues

- Better guidance on how to treat uncertainty and risk within assessments: precautionary mgmt. (also see GASS/DD)
- P2 ecosystem impact assessment issues – additional guidance on approaches and expectations, e.g. appropriate incorporation of risk assessment?
- Other emerging science issues: cyclic abundance, climate change, etc.

Assessment Tree Structural Issues

- Have assessment trees been structured to promote appropriate balance between transparency, inherent complexity, understanding, scoring and weighting integrity, and equivalency across fisheries, e.g.:
 - Using multiple scoring elements within PIs and SGs vs. increasing numbers of PIs?
 - Appropriately consistent structure across fisheries and CBs?

P&C 'House Cleaning' Issues

- How do assessment trees align with Ps and Cs?
- Does non-alignment reflect structural 'clutter' in the way Criteria are articulated w/in and across Ps, e.g., overlaps and logical hierarchy?
- P3 is primary area where these questions have arisen.
- Should appropriate 'house cleaning' be logically dovetailed into project?

Integrate w/ Guidelines for Assessing Small-Scale/Data Deficient Fisheries (GASS/DD Project)

- Guidance on treating uncertainty and risk in relation to the inherent scale and intensity of fisheries.
- Consistent bar setting across fisheries while using different types of PIs and SGs where appropriate.
- Can examples of fisheries, data types and assessment applications be used for guidance?

Figure 2. Organisation and description of Quality and Consistency Project functions

Quality & Consistency Project Functions

Key Elements - Description

MSC's 'Fingers-On' Oversight of Fishery Assessments: Review Work of Certification Bodies (CBs)



- Internal MSC emphasis area to complement project
- Priority oversight point is fishery assessment tree
- CB defined performance indicators and scoring guideposts in tree 'drive' the assessment process
- MSC review /comment to CB essential at this stage

- MSC evaluates consistency of tree w/ intent and structure of the Pc and Cs: comments for careful CB consideration
- Other review points: assessment rpt (e.g., content of conditions & misc. FCM/Accreditation requirements
- 'Fingers-on' also informs project with 'lessons learned'

Narrative Interpretations of MSC's Principles and Criteria for Sustainable Fishing (Ps & Cs)



- Current MSC standard provides higher order narrative intent only for the three Principles, not for their Criteria
- Need better narrative intent guidance for independent, third party CBs to use when constructing fishery assessment trees
- These needs highlighted in 2004 external reviews of MSC

- Considerable experience has been gained via 25 existing or draft assessment trees to analyse current interpretations
- MSC Executive will develop draft narrative interpretations based on experience and external feedback to date
- This draft material will serve to focus consultations

Fishery Assessment Trees: Review Structural Hierarchy and Integrity



- Aside from questions re: content consistency of trees with intent (above), other structural issues must be addressed
- Has experience demonstrated any 'housecleaning' needs to better organise or state the PS & Cs without overlap?
- What critical indicators should be common to all trees?

- At what level should certain indicators be incorporated, e.g., as sub-criteria, performance indicators or scoring elements?
- What level of aggregation should occur among scoring guidepost elements, and when a number of scoring elements are identified, how should they affect scoring?

Operational Interpretations of Performance Indicators and Scoring Guideposts



- In addition to improving narrative guidance on intent of Ps and Cs, qualitative and quantitative guidance to CBs on measurable performance indicators and benchmarks for scoring would improve quality and consistency of fishery assessments

- What are good/robust indicators of sustainability?
- Over what range of variation are indicators useful?
- Can common indicators be defined for various species/ fishery groupings? Can indicators/scoring measures help measure long-term fishery mgmt. improvements?

'Road Testing' of Narrative and Operational Interpretations of the Ps and Cs



- Conscious intent to use iterative evaluation/adaptive mgmt. to implement improved interpretation and application of the Ps and Cs: approaches below still under development
- One key approach will be to use MSC's 'fingers-on' review and oversight of CBs to provide and evaluate new guidance

- Second approach could be use of expert workshops and/or blind tests to evaluate how well new guidance can be consistently applied within fisheries and across assessors
- Key individuals involved likely would be mixture of CBs and past assessment team members

Review and Consultation Process



- Consultation is key: MSC governing bodies, fishery clients, stakeholders, CBs, scientists, other interested persons/parties
- Draft narrative interpretations of Ps an Cs would be focal point for initial, 'front-end' consultations

- Anticipate two steps: (1) key peer technical/stakeholder review group of MSC draft, which; (2) helps creates consultation document/information used in regional mtgs.
- Use of Stakeholder Council to help facilitate/ organise these regional meetings; further process TBD