



Fisheries Standard Review
Establishing best practice in monitoring,
control and surveillance

Impact Assessment Report

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Tim Davies

Marine Stewardship Council

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The views and opinions expressed in this report do not necessarily reflect the official policy or position of the Marine Stewardship Council. This is a working paper, it represents work in progress and is part of ongoing policy development. The language used in draft scoring requirements is intended to be illustrative only, and may undergo considerable refinement in later stages.

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1 Purpose of this report

This report presents a summary of the impact assessment undertaken for alternative policy options developed for the monitoring, control and surveillance (MCS) best practice work package of the Principle 3 review. This is part of the [Fisheries Standard Review](#) project [Ensuring effective fisheries management systems are in place](#). A brief introduction to the work package is provided in the background section below.

This report provides a description of the options under consideration at the time of the impact assessment (July-September 2020) and a summary of the likely impacts for each of the different options.

The results of the impact assessment were used to inform the choice of recommended options, which were presented to the MSC's governance bodies in November-December 2020. This report was also presented as supporting background material.

2 Background

2.1 Impact Assessment Framework

The aim of impact assessment is to provide clear information on the impacts of the options developed to sort out the policy issues identified in the project inception. It serves as a basis for comparing options against one another and against the business-as-usual scenario, and identify a preferred option if possible. It does not replace decision-making but is used as a tool to support the decision-making process and underpin evidenced based decision-making; increasing transparency, making trade-offs visible and reducing bias.

Impact assessment should help to:

- Specify how proposed options will tackle the identified issues and meet objectives.
- Identify direct and indirect impacts, and how they occur.
- Assess impacts in both qualitative and quantitative terms.
- Help find perverse or unintended consequences before they occur.
- Where possible, make risks and uncertainties known.

This is achieved by following MSC's Impact Assessment Framework that outlines when and how to undertake Impact Assessment. This ensures an efficient, systematic and consistent approach to policy development to underpin a responsive, robust and credible program. In particular, the Impact Assessment Framework defines the different types of impact (see below) and a suite of methodologies best suited to assessing each type.

The impact types used in the Impact Assessment are defined as follows:

- 1. Effectiveness:** The extent to which the change is deemed likely to be successful in producing the desired results and resolving the issue(s) originally identified.
- 2. Acceptability:** The extent that the change is considered tolerable or allowable, such that the MSC program is perceived as credible and legitimate by stakeholders.
- 3. Feasibility:** The practicality of a proposed change and the extent to which a change is likely to be successfully implemented by fisheries within a given setting and time period.

4. **Accessibility & Retention:** The extent to which the change affects the ability of fisheries (both currently certified and those potentially entering assessment in the future) to achieve and maintain certification (i.e. changes in scores, conditions and pass rates).
5. **Simplification:** The extent to which the change simplifies and does not further complicate the Standard such that it can be easily and consistently understood and applied.
6. **Auditability:** The extent to which the change can objectively be assessed by Conformity Assessment Bodies (CABs) and Accreditation Services International (ASI) to determine whether the specified requirements are fulfilled, and CABs can provide scores.

The Impact Assessment report presents the results of this process, whereby each of the options for proposed changes to the Fisheries Standard are tested to understand their potential effects across the six defined impact types.

2.2 Problem Statement

Best practice in MCS is not precisely defined in the requirements of Principle 3 (MSC Fisheries Standard v2.01). This has resulted in assessors being able to pick and choose between various indicators of enforcement and compliance. There is also confusion over how and where compliance should be scored, which has led to this issue being scored haphazardly across assessments. These issues have led to inconsistent scoring outcomes and missed opportunities for the MSC Program to drive improvement through conditions.

MCS is a vital function of effective fishery management yet gets little space devoted to it in the Standard. It is covered by two scoring issues (SIs): one focused generally on the MCS mechanisms or system in place; the other on the use of sanctions. These SIs allow assessors free range in what parts of a system they assess and what indicators they use. This means that the key features and dynamics of MCS that are important in defining best practice are not considered equally in every assessment.

In addition, the compliance requirements are have been applied inconsistently in assessments. Some assessment teams have focused on the extent to which fishers comply, while others have considered the level of confidence that fishers comply. A number of compliance related SIs also exist outside of Principle 3 – endangered, threatened or protected (ETP) species limits, protection of vulnerable marine ecosystems (VMEs) and shark finning requirements – which potentially creates an inefficiency and an opportunity for incoherent scoring between these SIs and the compliance SIs in Principle 3.

2.3 Objectives

The two objectives of this work package are that:

- Best practice is considered clearly and systematically in the scoring of enforcement systems
- Compliance requirements are clear in their intent and proper application

The intended effect in terms of the [Theory of Change](#) is to optimise the structure of the [MSC Fisheries Standard](#) so that it more explicitly recognises, and therefore drives, best practice in MCS. In terms of implementation of the Standard, the intention is to ensure the scoring requirements are applied correctly in line with MSC's intent.

3 Options

In this section the business as usual option (BaU, option 0) as well as two alternatives (options 1 and 2) are described, including requirements or guidance language where relevant.

3.1 Option 0 – business as usual

Option 0 is the BaU scenario. A fishery's MCS system, and its compliance with management rules, are assessed together under a single PI. Four SIs examine, in turn: the design and effectiveness of the MCS system; the use of sanctions; the availability of information on compliance; and the existence of systematic non-compliance. Regarding the MCS components, these requirements are vague and allow auditors to pick and choose what indicators they consider in their assessment. The intent of the compliance SI is to examine the quality of information used to determine compliance, but is interpreted by many assessors as a question of whether fishers are compliant or not. In fact, this is closer to the intent of the systematic compliance SI, although this has not been clearly defined and causes confusion.

3.2 Option 1 – expand the existing performance indicator

Option 1 would retain the existing structure of performance indicator (PI) 3.2.3, but add a new SI and rewrite some of the scoring guideposts (SGs). These revisions would make it clear what features of MCS should be considered when scoring at the SG80 and SG100 levels. More generally, they would also help to provide a clearer separation between the scoring of operational aspects of MCS, the use of sanctions and fishers' compliance. Furthermore, the assessment of compliance would be split into two SIs: one focused on information, and the other on outcome. These SIs would address the information base and extent of compliance, respectively. The systematic non-compliance SI would remain unchanged, but new guidance would be added to clarify its definition and how it should be scored. The draft scoring guideposts for Option 1 are presented in [Table 1](#) below.

Table 1: Draft scoring guideposts for Option 1. The major changes from current requirements are shown in bold. Note that the language of these draft scoring requirements is intended to be illustrative only. It has been drafted to help visualise the proposed changes, and will undergo considerable refinement in later stages.

SI	SG 60	SG 80	SG 100
a – MCS implementation	Monitoring, control and surveillance mechanisms exist in the fishery.	A monitoring, control and surveillance system is in place for the fishery, including reporting requirements and physical monitoring. The different elements of the system work together to ensure compliance with regulations.	A comprehensive, risk-based monitoring, control and surveillance system is in place for the fishery, including reporting requirements as well as physical inspections on shore and at sea. The different elements of the system are well integrated and work together to ensure compliance with regulations.
b – Sanctions	Sanctions to deal with non-compliance exist, and there is some evidence that they are applied.	Sanctions to deal with non-compliance exist, at a level of strictness considered sufficient to provide effective deterrence. There is clear evidence that they are applied.	Graduated sanctions to deal with different types of non-compliance exist, at levels of strictness considered sufficient to provide effective deterrence. There is clear evidence that they are consistently applied.
c – Compliance (information)	Qualitative information exists about compliance in the fishery.	Some quantitative information exists about compliance in the fishery.	Comprehensive quantitative data exist about compliance in the fishery.
d – Compliance (outcome)	Most important regulations are largely complied with.	All important regulations are largely complied with.	All important and other regulations are consistently complied with.
e – Systematic non-compliance		There is no evidence of systematic non-compliance.	

3.3 Option 2 – create two performance indicators

Option 2 would create two separate PIs to assess the MCS system and compliance, respectively. This new structure would retain some of the existing SIs, and also include new ones to allow more detailed consideration of the design and interrelationships of MCS systems. Revisions would include all of those listed for Option 1, except that key features of MCS would be split out and considered in separate SIs. For instance, this would include separate SIs on inspection activities, sanctions, data reporting and management review. Furthermore, this option would require that compliance-related SIs currently situated in Principle 2 be assessed under Principle 3. This would include requirements on the prevention of shark finning, limits for ETP species and avoidance of VMEs.

The draft performance indicators and SGs for Option 2 are presented in the [Table 2](#) and [Table 3](#) below.

Table 2: Draft scoring guideposts for Option 2 with respect to monitoring, control and surveillance. The major changes from current requirements are shown in bold. Note that the language of these draft scoring requirements is intended to be illustrative only. It has been drafted to help visualise the proposed changes, and will undergo considerable refinement in later stages.

New performance issue for monitoring, control and surveillance			
Scoring issue	SG 60	SG 80	SG 100
a – Reporting requirements	Fishers are required to provide information about their fishing activities on a regular basis.	Fishers are required to provide information about their fishing activities, with a frequency and in a format appropriate to the scale and intensity of the fishery. This includes, as a minimum, information about catches, positions and fishing gear.	Fishers are required to provide comprehensive information about their fishing activities, with a frequency and in a format appropriate to the scale and intensity of the fishery. This includes information about catch of ETP species, information relevant to the protection of VMEs and, where applicable, shark finning.
b – Management review of submitted information	The information submitted by fishers is used to assess compliance in the fishery.	There are mechanisms in place to systematically review the information submitted by fishers to assess compliance in the fishery. This information is integrated with information obtained through physical inspections to assess compliance in the fishery.	

c – Physical inspection	Mechanisms for physical inspections are in place for the fishery.	A system for monitoring of the fishery is in place, including physical inspections of the catch at sea and on shore. The different elements of the system work together to ensure compliance with regulations.	A comprehensive, risk-based system for physical monitoring of the fishery is in place at sea and on shore. Last-haul inspections are conducted to assess compliance with catch, gear, ETP species and VME-related regulations and, where applicable, regulations on shark finning. The different elements of the system are well integrated and work together to ensure compliance with regulations.
d – Sanctions	Sanctions to deal with non-compliance exist, and there is some evidence that they are applied.	Sanctions to deal with non-compliance exist, at a level of strictness considered sufficient to provide effective deterrence. There is clear evidence that they are applied.	Graduated sanctions to deal with different types of non-compliance exist, at levels of strictness considered sufficient to provide effective deterrence. There is clear evidence that they are consistently applied.
e – Guidance on compliance		Mechanisms exist in the management system to guide fishers on how to avoid infringements.	Mechanisms exist within the enforcement bodies to guide fishers on how to avoid infringements.

Table 3: Draft scoring guideposts for Option 2 with respect to compliance. The major changes from current requirements are shown in bold. Note that the language of these draft scoring requirements is intended to be illustrative only. It has been drafted to help visualise the proposed changes, and will undergo considerable refinement in later stages.

New performance indicator for compliance			
Scoring issue	SG 60	SG 80	SG 100
a – Information	Qualitative information exists about compliance in the fishery.	Some quantitative information exists about compliance in the fishery.	Comprehensive quantitative data exist about compliance in the fishery.
b – Compliance with catch and gear restrictions	Most important regulations are largely complied with.	All important regulations are largely complied with.	All important and other regulations are consistently complied with.
c – Compliance with ETP, VME and shark	Most important regulations are	All important regulations are largely complied with.	All important and other regulations are consistently complied with.

finning regulations	largely complied with. Shark finning does not take place.	Shark finning does not take place.	Shark finning does not take place.
d – Systematic non-compliance		There is no evidence of systematic non-compliance.	

4 Summary of impacts

This section summarises the findings of the impact assessment, which are also presented in [Table A1](#) in [Appendix 1: Impact assessment table](#).

4.1 Impacts of Option 0

Option 0 has two main issues. The current PI sets only general requirements for the MCS measures or systems, which do not prompt assessors to consider MCS systems in a consistent or systematic way. This has resulted in inconsistency in how fisheries are scored. Moreover, best practice is not clearly reflected in scoring, resulting in missed opportunities for improvements driven by the setting of conditions. Furthermore, compliance SIs are frequently scored incorrectly due to misunderstanding of their intent, and compliance is also confounded in scoring of other SIs of PI 3.2.3. While the BaU option is structurally simple and is not associated with feasibility or accessibility issues, consulted stakeholders generally agreed that change is needed to better drive improvement in fisheries.

4.2 Impacts of Option 1

Option 1 achieves the objectives by clarifying more explicitly how assessors should take account of best practice when scoring a fishery. It also resolves how to assess the compliance requirements correctly. This option retains the existing PI structure except of adding a new scoring issue for compliance information. This change means that information on compliance, and the extent to which fishers are compliant, would be disentangled and assessed separately. Option 1 appears to address the issues effectively without adding complexity or creating auditability challenges.

A question remains regarding the burden it might place on enforcement agencies involved in the assessment process, although a preliminary review suggests this may not be significantly different to BaU. The main challenge will remain the openness of authorities in providing confidential information, rather than the administrative burden of doing so. Nevertheless, any increase in burden on management agencies, or willingness to cooperate in the assessment process, may create a challenge to assessment, in particular in gathering information and in supporting conditions. This may affect small scale fisheries in particular, as they are often less of a priority for management agencies, or fisheries in the Global South that do not have a strong centralised management systems.

There is no significant change to the complexity of the requirements. Clarification of compliance SIs may in fact simplify the requirements by avoiding confusion, despite the addition of a new SI. While scoring language has not yet been finalised for this option, it is not anticipated that the proposed revisions would create any substantial auditability issues.

4.3 Impacts of Option 2

Option 2 achieves the objectives in a similar way to Option 1, but involves more substantial change to the PI structure. Two PIs are created: one focuses on the MCS system, with key components of MCS split out as separate scoring issues; the other focuses on compliance, and would include all compliance-related scoring issues from other principles (ETP, habitats and shark finning). This has the advantage of bringing all compliance-related issues into one PI, and reduces the possibility of overlap and confounding between MCS- and compliance-related SIs.

As with the previous option, the greatest risk is on any increase on burden to authorities and how this might affect willingness to participate in assessments. This risk is more severe under this option given larger number of SIs that would need to be scored. Related to this, the increased scrutiny of this topic and possibility for fisheries to receive additional conditions may impact some fisheries ability to enter or remain in the program. The cost of assessment or audit is not expected to increase substantially, although an exception may be fisheries where increased document translation is needed.

Option 2 is structurally complex, which may have consequences for score weighting and assessment cost. Moreover, the increased detail of requirements may reduce accessibility and retention and there is a risk of some requirements being ‘nice to have’ rather than essential.

5 Discussion and conclusion

The relatively simple changes proposed under Option 1 appear to address the issues effectively without adding complexity or creating auditability challenges. The most significant change would be to add a new information-focused SI, which would mean information on compliance, and the extent to which fishers are compliant, would be assessed separately. This would address a major source of scoring inconsistency that exists in the BaU without requiring significant extra work from assessment teams.

The suite of proposed changes will naturally increase the focus of PI 3.2.3, which will likely lead to a small but meaningful increase in the time and effort spent by assessors researching and justifying these scoring issues. It is also likely that an increased number of fisheries will attract conditions on this PI, which, assuming these are set appropriately, should be considered as a positive in terms of driving the theory of change. For the most part, it is within the fishery’s influence to bring about changes to MCS and compliance, as many improvements can be achieved through voluntary actions at the fishery level. A question remains regarding the burden it might place on enforcement agencies involved in the assessment process, although a preliminary review suggests this may not be significantly different to status quo. The main challenge will remain the openness of authorities in providing confidential information, rather than the administrative burden of doing so.

While the business as usual option is structurally simple and isn’t associated with feasibility or accessibility issues, consulted stakeholders generally agreed that change is needed to better drive improvement in fisheries. The alternative option examined here, Option 2, is bolder and more explicit in how best practice elements are considered, but is structurally complex. This complexity is likely to have consequences for score weighting and assessment cost. Moreover, the increased detail of requirements may reduce accessibility and retention and there is a risk of some requirements being ‘nice to have’ rather than essential. On balance, this option and the BaU option are significantly weaker than Option 1.

Appendix 1: Impact assessment table

The impact assessment presented in the table below was based on expert judgement of the project and outreach leads, feedback provided by outreach co-readers, responses to a public consultation survey and the findings of a consultant. The consultant also undertook a qualitative analysis of the consultation responses, the results of which are reflected in the overall impact assessment.

Table A1: Impact assessment reporting table.

	Description	Option 0	Option 1	Option 2
Effectiveness	<i>Is the change effective at meeting the MSC's intent?</i>	<ul style="list-style-type: none"> a. The current PI sets only very general requirements for the MCS measures or systems; these do not prompt assessors to consider best practice features or dynamics of MCS, resulting in inconsistency in how MCS is assessed and how best practice is reflected in scoring b. Compliance scoring issues are frequently scored incorrectly due to misunderstanding of intent; compliance is also confounded in scoring of other SIs of PI 3.2.3 	<ul style="list-style-type: none"> a. Revised SI will ensure best practice elements are considered explicitly at SG80 and SG100 b. Compliance will be split across three SIs, ensuring a clear distinction between the adequacy of information available to detect rule breaking, and the extent to which regulations are complied with, and whether there is systematic non-compliance c. Revised scoring guideposts will clarify intent regarding compliance, including for systematic non-compliance d. Compliance-related SIs will not be incorporated into P3, although 	<ul style="list-style-type: none"> a. MCS and compliance are scored under two distinct PIs, reducing the omission or confounding of issues b. The essential elements of MCS will be considered in separate scoring issues, allowing best practice in these elements to be assessed separately and more clearly c. Compliance will be split across four SIs, ensuring a clear distinction between the adequacy of information available to detect rule breaking, the extent to which regulations are complied with (including compliance-related SIs moved from P1/P2), compliance with

	Description	Option 0	Option 1	Option 2
			their intent remains clear	MSC requirement (e.g. shark finning) and whether there is systematic non-compliance
	<i>The option seems effective at resolving the issue(s) consistently and reliably.</i>	<i>1 = Completely disagree</i>	<i>4 = Agree</i>	<i>4 = Agree</i>
Acceptability	<i>Is the change acceptable to stakeholders?</i>	a. General support amongst survey respondents for change	a. Mixed support for this option from the survey consultation, although slightly more positive than negative b. Compared similarly to the alternative option c. Many survey respondents were keen to see significant revision of the systematic compliance SI as part of the proposed changes	a. Same as option 1
	<i>The option seems acceptable to stakeholders</i>	<i>2 = Disagree</i>	<i>4 = Agree</i>	<i>4 = Agree</i>
Feasibility	<i>Is the change feasible to fishery partners?</i>	a. The status quo doesn't have any feasibility issues	a. This is a relatively simple change to existing requirements and shouldn't face major feasibility issues b. Scrutiny over this topic will be	a. This adds complexity to the requirements that may impact feasibility b. Similar to option 1 point c, but with even more scrutiny and opportunity for

Description	Option 0	Option 1	Option 2
		<p>increased and CAB will seek more information from the client and/or raise additional conditions</p> <p>c. The intent is not changed, so the bar should not change for new or existing certificate holders; however, more extensive assessment of MCS systems may increase burden on management agencies in the assessment process, although probably not to an unmanageable extent</p> <p>d. Survey respondents generally agreed this option would be possible to implement</p>	<p>additional conditions to be raised</p> <p>c. Similar to option 1 point c, but greater concern about administrative burden under this option</p> <p>d. Several survey respondents had concerns on the incorporation of P1/P2 compliance-related SIs into P3</p>
<i>The option seems technically feasible for fishery partners</i>	<i>5 = Completely agree</i>	<i>4 = Agree</i>	<i>4 = Agree</i>
<i>The option seems affordable for fishery partners</i>	<i>5 = Completely agree</i>	<i>4 = Agree</i>	<i>4 = Agree</i>

	Description	Option 0	Option 1	Option 2
	<i>The option seems possible given the management contexts of fishery partners</i>	<i>5 = Completely agree</i>	<i>4 = Agree</i>	<i>3 = Neither agree nor disagree</i>
	<i>The option seems doable within 5 years for fishery partners</i>	<i>5 = Completely agree</i>	<i>4 = Agree</i>	<i>4 = Agree</i>
Accessibility and retention	<i>Does the change affect the accessibility and retention of fisheries in the MSC program?</i>	<p>a. The status quo doesn't current create a barrier to accessibility or retention</p>	<p>a. The intent is not altered and so the bar does not change</p> <p>b. Increased scrutiny of this topic and/or possibility for fisheries to receive additional conditions may impact some fisheries ability to enter or remain in the program</p> <p>c. With more extensive assessment of MCS, a concern is that fisheries and/or management agencies will be reluctant to participate if MCS failures will be publicised</p> <p>d. Any increase in burden on management agencies, or willingness to cooperate, in the assessment</p>	<p>a. Same comments as Option 1 in all respects – likely even more acute impacts in Option 2 given the additional complexity of the proposed requirements</p> <p>b. Same as option 1 point b, but impact likely to be more severe</p> <p>c. Greatest concern is on burden to authorities and how this might affect willingness to participate in assessments</p>

Description	Option 0	Option 1	Option 2
		<p>process may create a challenge to assessment, in particular in gathering information and in supporting conditions; this may affect small scale fisheries in particular as they are often less of a priority for management agencies, or global south fisheries that don't have a strong centralised management system</p> <p>e. Cost of assessment or audit is not expected to increase substantially, although an exception may be fisheries where increased document translation is needed</p>	
<i>The option seems accessible to fisheries seeking certification in the future</i>	<i>4 = Agree</i>	<i>3 = Neither agree nor disagree</i>	<i>3 = Neither agree nor disagree</i>
<i>The option seems accessible to currently certified fisheries</i>	<i>4 = Agree</i>	<i>3 = Neither agree nor disagree</i>	<i>3 = Neither agree nor disagree</i>

	Description	Option 0	Option 1	Option 2
Simplification	<i>Does the change simplify the Standard?</i>	a. Existing requirements aren't complex	a. No major change in complexity b. Clarification of compliance SIs may simplify the requirements by avoiding confusion, despite the addition of a new SI	a. A new PI adds complexity, with additional SIs to assess b. The proposal has the advantage of bringing all compliance-related issues into one PI, and reduces the possibility of overlap and confounding between MCS- and compliance-related SIs c. It will be necessary to consider how this options affects the scoring of P3 overall
	<i>The option seems to simplify the Standard</i>	4 = Agree	4 = Agree	2 = Disagree
Auditability	<i>Is the change auditable by CABs?</i>	a. There are no outstanding auditing issues	a. Scoring language has not yet been developed for this option; however, It is not anticipated that the proposed revisions would create auditability issues	a. Scoring language has not yet been developed for this option; however, it is not anticipated that the proposed revisions would create auditability issues – that said, care would be needed in incorporating the compliance-related SIs from P1/P2 to ensure

	Description	Option 0	Option 1	Option 2
				they remain auditable
	<i>The option seems to auditable by CABs</i>	<i>4 = Agree</i>	<i>5 = Completely agree</i>	<i>4 = Agree</i>