



Vottunarstofan Tún ehf.

Sustainable Fisheries Scheme

Marine Stewardship Council Sustainable Fisheries Assessment

Faroe Islands Queen Scallop Fishery

Certificate Code: F-TUN-1103

Third Annual Surveillance Report

Conformity Assessment Body:

Vottunarstofan Tún ehf.

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Client:

O.C. Joensen P/F

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1. General Information

Fishery name	Faroe Islands Queen Scallop Fishery		
Unit(s) of assessment	Queen Scallop (<i>Aequipecten opercularis</i>) in FAO Statistical Area 27/ ICES Area Vb1b within the exclusive economic zone of the Faroe Islands using Scallop Dredge.		
Date certified	5 th September 2013	Date of expiry	4 th September 2018
Surveillance level and type	Normal / Default Surveillance – On-site		
Date of surveillance audit	7 th -9 th November 2015		
Surveillance stage (tick one)	1st Surveillance		
	2nd Surveillance		
	3rd Surveillance	x	
	4th Surveillance		
	Other (expedited etc)		
Surveillance team	Lead assessor: Tristan Southall, Principle 3 expert Assessor(s): Dr. Guðrún Þórarinsdóttir, Principle 1 and 2 expert Assessment coordinator: Lovísa Ólöf Guðmundsdóttir		
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2. Background

This report contains the findings of the third annual surveillance audit for Marine Stewardship Council Fishery certification of Faroe Islands Queen Scallop, caught by scallop dredge within the Faroes Islands exclusive economic zone (FAO Statistical Area 27/ ICES Area Vb1b).

The purpose of this report is to outline any changes to the Faroe Islands Queen Scallop fishery since the last surveillance, including (but not limited to) changes to management systems, relevant regulations, personnel involved in science, management or industry, scientific information base, and any changes that could impact traceability.

The surveillance audit assesses changes made from last surveillance or from the full assessment. Therefore, the full Public Certification Report provides the relevant context for this surveillance audit report.

Surveillance audits may raise or close conditions and recommendations as circumstances for the fishery and certification change. Therefore, the status of the certificate is defined by the latest Surveillance Audit.

2.1 Management systems

There have been no changes to the specific fishery management system since the certification.

2.2 Regulations

There have been no changes to regulations regarding the fishery.

2.3 Personnel

The team is not aware of any significant changes to the personnel involved in science and management.

2.4 Scientific base of information

2.4.1 Target stock

The site visit confirmed that there were no new stock assessments carried out since the first site visit in 2014. In 2013 the stock north of the Faroe Islands (Cruz and Matras 2013a) and in the north-west fjord (Cruz and Matras 2013b) was assessed.

No stock assessment has been carried out in the main fishing area in the east but a description of the fishery from logbook data of the fishing vessel for the period 2003-2015 has been provided (Cruz 2016).

2.4.2 Retained Catch, Bycatch and ETP

The annual surveillance site visit confirmed that there were no significant changes in catch profile in the fishery since the time of the original site visit or certification. There have been no ETP interactions.

2.4.3 Habitat and Ecosystem

Site visits conducted confirmed that there were no significant changes in the fishing pattern of the fishery since the time of the original site visit or certification in relation to the queen scallop fishery.

There have been no new closed areas, or significant new ecosystem research. No further issues related to the marine ecosystem were identified.

2.5 Enhanced fisheries changes

This is not an enhanced fishery.

2.6 Traceability

There have been no developments or changes within the fishery which impact traceability or the ability to segregate between scallops from the Unit of Certification (UoC) and scallops from outside the UoC (non-certified fish). The vessel covered by the UoC remains the only licenced scallop vessel operating in the Faroe Islands.

2.7 TAC and Catch Data

Table 1: TAC and Catch Data

		2014/15	2015/16
Northern Area	Overall quota (TAC)	2,000t	2,000t
	Client share of TAC	100%	100%
	Landings	688t	172t
Funningsfjord	Overall quota (TAC)	267t	267
	Client share quota	100%	100%
	Landings	72	29
Eastern Area	No quota (effort restriction)	n/a	
	Client share of total effort	100%	n/a
	Landings	4,301t	4,632t
Total Landings¹		5,061t	4,833t

2.8 Summary of Conditions

Table 2 details the status of the conditions at the commencement of this 3rd annual surveillance audit, prior to the conclusions detailed in the results sections of this report. The status of Conditions 1 & 3 reflects the revised status of the condition, following the suspension of the fishery and the acceptance of a client action plan. Further details about the suspension are outlined in report section 3.1.

¹ Note that landings figures are for shell-on scallops only, with the rusk component of the landed weight removed.

Table 2: Summary of Assessment Conditions – prior to this 3rd annual surveillance

	Title / relevant PI	Status <i>prior to surveillance 3</i>	PI original score	PI Revised Score
Condition 1	1.2.2 (Harvest Control Rule)	On Target <i>Condition 1 was 'Behind Target' in year 1 & 2 – leading to suspension. Actions and commitments detailed in the Client Corrective action plan enabled the year 2 conclusion to be revised to 'on target'</i>	60	60
Condition 2	1.2.3 (Information / Monitoring)	Behind Target	75	75
Condition 3	2.4.3 (Habitat Information)	<i>On Target</i> <i>Condition 1 was 'Behind Target' in year 1 & 2 – leading to suspension. Actions and commitments detailed in the Client Corrective action plan enabled the year 2 conclusion to be revised to 'on target'</i>	75	75
Condition 4	3.2.4 (Research Plan)	Behind Target (year 2)	70	70
Condition 5	3.2.5 (Management Performance Evaluation)	Behind Target (year 2)	70	70
Rec. 1	Monitoring	Closed / removed	n/a	n/a
Rec.2	2.1.3/2.2.3/2.3.3 information (catch profile)	Open	n/a	n/a

3. Assessment Process

3.1 Scope and history of assessment

The intent of the Faroe Islands Queen Scallop fishery to enter assessment against the MSC standard for sustainable fisheries was announced in June 2008. In 2010 Moody Marine completed a full assessment of this fishery and concluded that it should not be certified to the MSC Principles and Criteria, due to the absence of stock assessment, reference points, formal fishery objectives, a research plan and external review of the fishery's performance.

In April 2012, Tún completed a pre-assessment of the fishery on behalf of O.C. Joensen, using the MSC Default Assessment Tree but making use of the MSCs Risk Based Framework (RBF) for Principle 1. A full assessment for the scallop fishery was subsequently launched, with site visit and scoring taking place in October 2012. Upon final publication of the Public Certification report no objections were raised to the Determination and the fishery was successfully certified on 5th September 2013 with 5 conditions.

In 2015, at the time of the second annual surveillance audit for the fishery, the assessment team concluded that progress against condition 1 (regarding harvest control rule) and condition 3 (regarding habitat information) was not on target within 12 months of falling behind target, thus triggering suspension as required by clause 7.23.13.2 of MSC's Fisheries Certification Requirements v2.0. The certificate was formerly suspended on 1st October 2015.

In response, the fishery client provided a corrective action plan for addressing the cause of suspension within the timeframe set by MSC's FCR. The CAB reviewed the corrective action plan, with particular focus on the Client's ability to meet the 2nd annual milestones of the two conditions. The CAB concluded that the evidence provided by the client, as well as actions already taken within the framework of the corrective action plan, were sufficient to reach the 2nd milestone for both conditions (1 & 3).

The CAB therefore announced the uplifting of the suspension and confirmed the reinstatement of the certificate on 4th February 2016.

This is the third annual surveillance audit for this fishery.

3.2 Surveillance activities

This third annual surveillance audit was carried out by Tristan Southall (Team Leader); Guðrún Þórarinsdóttir (Expert), and Lovísa Ó. Guðmundsdóttir (Coordinator). Tristan Southall was primarily responsible for Principle 3 and reporting, and Guðrún Þórarinsdóttir for Principles 1 & 2. On site surveillance coordinator was Lovísa Ó. Guðmundsdóttir, with off-site preparation provided by Gunnar Á. Gunnarsson.

Table 3: List of visits and representatives at each meeting.

Visit	Date	Representatives	Institution
Site visit	08.11.2016	Viggo Dam Jacob P. Joensen	Client; O.C. Joensen
Stakeholder consultation 1	08.11.2016	Luis Ridao Cruz, Amundur Nolsø, Jákup Reinert	Faroe Marine Research Institute
Stakeholder consultation 2	08.11.2016	Ulla S. Wang Martin Kruse	Ministry of Fisheries Faroe Fisheries Inspection

Vottunarstofan Tún advised all known stakeholders that the surveillance would take place in Faroe Islands on 8th November 2016. Vottunarstofan Tún maintains an active list of stakeholders who were contacted and notified of the surveillance audit. All stakeholders were given the opportunity to request an onsite meeting with a member of the assessment team during the surveillance visit to the Faroe Islands. No such requests were received and no verbal or written stakeholder submissions were received other than from the client in support of the surveillance audit process.

In order to seek updates with respect to regulations, management and performance of the fishery in terms of the conditions of certification the assessment team held a meeting with representatives of the client fishery. In addition, Vottunarstofan Tún also requested consultation meetings with the Ministry of Fisheries and Faroese Fisheries Inspection, the authorities responsible for implementing the management and surveillance of Faroese fisheries, and with the Faroese Marine Research Institute (FAMRI), which is the responsible fisheries science and advice. These agencies kindly agreed to meet the team and meetings proved helpful in providing information relevant to the surveillance audit. The meetings provided an opportunity to discuss any changes to the operation or management of the fishery and the conditions of certification were discussed in specific detail. Details of these meetings are in *Table 3* above.

3.3 MSC standards

This surveillance audit was carried out according to the procedures in the MSC Fisheries Certification Requirements v2. However, the original full assessment used the default assessment tree as defined in the MSC Fisheries Certification Requirements v1.2, and for scoring this remains the standard used for the certificate.

4. Results

4.1 Progress Against Conditions

Please note the language and milestones of some of the conditions were revised at the time of the 1st surveillance audit. The conditions presented below reflect these changes. To see the detail of these changes and the justification for changes please refer to the 1st annual surveillance report.

Condition 1

Performance Indicator(s) & Score(s)	Insert relevant PI number(s)	Insert relevant scoring issue/ scoring guidepost text	Score
	1.2.2	There are well defined and effective harvest control rules in place	60
Rationale	<p><u>SG80a:</u> “Well defined harvest control rules are in place that are consistent with the harvest strategy and ensure that the exploitation rate is reduced as limit reference points are approached.”</p> <p><u>SG80b:</u> “The selection of the harvest control rules takes into account the main uncertainties.”</p> <p><u>SG80c:</u> “Available evidence indicates that the tools in use are appropriate and effective in achieving the exploitation levels required under the harvest control rules.”</p> <p><u>Rationale:</u> In order for the fishery to score 80, a limit reference point (LRP) or proxy thereof must be set for the stock and actions for reducing exploitation rate as the LRP is approached. Since a LRP cannot be analytically determined, measures should be introduced to respond to changes in the fishery, e.g. by reducing susceptibility of the stock when the fishery is not heading in the direction of its objectives.</p> <p><u>Previous conditions raised:</u> The fishery failed a previous assessment and this PI scored 60. For a failed fishery, no mandatory conditions or defined actions are specified (CR 27.21.3.1). The Public Certification Report (PCR) is required to outline draft and non-binding conditions for relevant PI’s. However, no conditions are found in the PCR, only in the Public Comment Draft Report. However, PCRs of failed fisheries are not to include any agreement from the client to address conditions (CR27.21.3.4).</p>		
Condition	<p><u>SG80a:</u> A limit reference point or proxy thereof and actions as the LRP is approached shall be implemented for the fishery.</p> <p>Since a LRP cannot be analytically determined, measures should be introduced to respond to changes in the fishery, e.g. by reducing susceptibility of the stock when the fishery is not heading in the direction of its objectives.</p> <p><u>SG80b&c:</u> Evidence must be provided that the harvest control rule is set at an appropriate level to allow for recovery of local scallop beds. Uncertainties regarding the set level of the limit reference point and the appropriateness of the tools used to control exploitation rate must be addressed as well.</p>		
Milestones	<p><u>Milestone 1:</u> At the first annual surveillance, the client shall provide evidence that a program/project to evaluate the effectiveness of the harvest control rule, including uncertainties, has been initiated and that funding and/or resources have been made available for the evaluation. Evidence shall also be provided of a draft LRP and resulting actions. Resulting score: 60</p> <p><u>Milestone 2:</u> At the second annual surveillance the client shall provide evidence of progress in evaluating the effectiveness of the harvest control rule, including</p>		

	<p>identification of uncertainties. A limit reference point shall be set for the fishery and resulting actions in case the LRP is approached. Resulting score: 60</p> <p><u>Milestone 3:</u> At the third annual surveillance the client shall provide evidence that the set level of the harvest control rule is effective for the sustainable management of all relevant scallop beds, that the tools in use are appropriate and effective in achieving the exploitation levels required under the harvest control rules and that uncertainties have been taken into account regarding the set level. Resulting score: 80</p> <p>The effectiveness of the set level shall be monitored throughout the period of certification. The LRP and associated actions shall be implemented throughout the period of certification.</p>
Client action plan	<p>Based on successful stock maintenance for decades the present practice will be formalized by writing guidelines, which will be followed. A certain minimum catch limit (kg/hour) will be included in this guideline. Also, the company will initiate a small project to evaluate the move on rule by analysing the available data on the geographical positions of each tow the past years.</p> <p>We will contact the Faroe Marine Research Institute, and/or the Ministry of Fisheries as appropriate, in order to implement a limit reference point or proxy thereof and related actions.</p>
Client Corrective Action Plan (post Suspension – December 2015)	<p>The best evidence that the harvest control rules, used in the fishery, are set at an appropriate level to allow for recovery of local scallop beds is the relative stable fishery in the specific areas around Faroes the last 30-40 years. The fishery is strictly limited to one vessel, to breadth of the dredge and to the winter period. Uncertainties regarding the Limit Reference Point is especially the weather condition. Uncertainties regarding the appropriateness of the tools used to control exploitation rate are addressed in the yearly evaluation of the fishery.</p> <p>Corrective action:</p> <ul style="list-style-type: none"> - Present practice formalized by guidelines and including minimum catch limit (kg/hour) <p>See Appendix 1: Harvest Control Rules for the scallop fishery around Faroe Islands</p> <ul style="list-style-type: none"> - Evaluate “move on” rule by analysing the available data on the geographical positions <p>See Appendix 2: Table, indicating Good area, Awareness areas and Closed areas for the past 4 years.</p> <ul style="list-style-type: none"> - Contact the Faroe Marine Research Institute (FAMRI) regarding the limit reference point and ensure a verification of the used reference points, especially the Limit Reference points. <p>See Appendix 3: Review from FAMRI on CPUE. FAMRI has been reviewing the scallop fishery in the period 2003 – 2015. The company will continue to supply FAMRI with data to support their research and to look closer at the ability to work on a scientific review of the eastern areas.</p> <p>FAMRI is invited to participate in the evaluation of the data from the 2015/16 fishing season. This evaluation will also include a newly written Fishery Manual as a whole. The evaluation will be in May/June 2016.</p>
Progress on Condition [Year 3]	<p>Since the time of the 2nd annual surveillance and the suspension of the fishery in October 2015 the client undertook to take a number of steps, such as contracting FAMRI to undertake further dedicated research on the stock. At this time the assessors concluded that these commitments represented sufficient “progress in evaluating the</p>

	<p>effectiveness of the harvest control rule". As a result, it was concluded that the fishery was back "on target" at the 2nd annual milestone, thus contributing to the lifting of the suspension (along with Condition 3).</p> <p>At the time of this 3rd surveillance in November 2016, the assessors therefore focussed on the degree to which the commitments set out in the client corrective action plan (which was submitted in response to the suspension) have been undertaken and whether the 3rd annual milestone is met.</p> <p>In response to commitments in the client corrective action plan which the assessors identified as being most focussed on the condition:</p> <ul style="list-style-type: none"> • FAMRI have not undertaken any review or evaluation of the reference points in the fishery. Nor have they been commissioned to do so by the fishery client. • No evaluation or analysis has been carried out of the move on rule to determine if this may provide any basis as a harvest control rule or if the limits that are set for the move on rule are appropriate. <p>In relation to the 3rd annual milestone:</p> <p>No evidence has been provided that the set level of the harvest control rule is effective for the sustainable management of all relevant scallop beds, or that the tools in use are appropriate and effective in achieving the exploitation levels required under the harvest control rules and that uncertainties have been taken into account regarding the set level.</p> <p>The assessors therefore note that some important commitments made by the client at the time of the corrective action plan and which contributed to the lifting of the suspension have not subsequently been undertaken. Although a "move on rule" with "limits reference points" is in place and implemented, no independent or scientifically robust evaluation or analysis has been provided of this, therefore the assessors cannot conclude that this will ensure that the exploitation rate is reduced as (actual biological) limit reference points are approached. Furthermore, no evaluation or analysis has been undertaken at a stock level to determine a limit reference point or to define a harvest control rule which would limit the rate of exploitation (at a stock level) as this is approached.</p>
<p>Status of condition</p>	<p>This condition is <u>behind target</u> in relation to the year 3 milestone.</p> <p>Remedial action: A CAB is required to specify remedial action where a condition is behind target. However, a CAB must also remain independent and not provide explicit advice recognising that there may be a variety of ways of achieving the requirements of a condition. Furthermore, the description and milestones set out in the condition above already provide a structured remedial process.</p> <p>With that caveat, the assessors highlight that considerable and concerted expert analytical work is now likely to be required to bring this condition back on target. This condition applies to all 3 scoring issues of PI1.2.2. As well as technical / scientific expertise, progress towards this conditions is likely to also rely on the engagement of the management authorities noting that scoring issue a requires that the HCRs are 'in place'. The terms 'Harvest Control Rule' and 'Limit reference points' are both defined in the MSC requirements. It is therefore critically important that what the fishery understands by these terms is in line with the MSC definition, which the fishery will be scored against.</p>

Condition 2

Performance Indicator(s) & Score(s)	Insert relevant PI number(s)	Insert relevant scoring issue/ scoring guidepost text	Score
	1.2.3	Relevant information is collected to support the harvest strategy	75
Rationale	<p><u>SG80b</u>: “Stock abundance and fishery removals are regularly monitored at a level of accuracy and coverage consistent with the harvest control rule, and one or more indicators are available and monitored with sufficient frequency to support the harvest control rule.”</p> <p><u>Rationale</u>: In order to determine the effectiveness of controls in place, CPUE in the eastern area should be monitored by authorities in addition to CPUE for the exploratory areas.</p> <p><u>Previous conditions raised</u>: The fishery failed a previous assessment and this PI scored 60. For a failed fishery, no mandatory conditions or defined actions are specified (CR 27.21.3.1). The Public Certification Report (PCR) is required to outline draft and non-binding conditions for relevant PI’s. However, no conditions are found in the PCR, only in the Public Comment Draft Report. However, PCRs of failed fisheries are not to include any agreement from the client to address conditions (CR27.21.3.4).</p>		
Condition	CPUE in the eastern area should be monitored by authorities in addition to CPUE for the exploratory areas.		
Milestones	<p><u>Milestone 1</u>: At the first annual surveillance the client shall provide evidence that a program for regular monitoring of CPUE has been initiated in order to support the harvest strategy of effort control and the move-on rule. <u>Resulting score</u>: 75</p> <p><u>Milestone 2</u>: At the second annual surveillance the client shall provide evidence that a program for monitoring CPUE in all areas have been implemented in order to support the harvest strategy. <u>Resulting score</u>: 80</p> <p><i>A program for monitoring the CPUE in all areas shall be maintained throughout the period of certification.</i></p>		
Client action plan	We as a company will continue registering the CPUE for each tow and will request the authorities to monitor this. We will contact both the Faroe Marine Research Institute and the Ministry of Fisheries in order to have the CPUE monitoring formalized.		
Progress on Condition [Year 3]	<p>At the time of the 2nd surveillance audit in 2015, this condition was concluded to be behind target as there was no evidence that a program for monitoring CPUE (or stock abundance or any other appropriate indicators) in all areas of the fishery had been implemented in support of the harvest strategy or the harvest control rule.</p> <p>At the time of this 3rd annual surveillance, FAMRI indicated that CPUE data is now routinely provided by the client fishery and is evaluated by FAMRI. This supports a conclusion that the condition is now on target. However, this monitoring information is not reviewed by the Ministry of Fisheries (i.e. the management authority) to inform management decision-making, although this could in theory be done.</p> <p>Furthermore, this condition is intrinsically linked to the need for a well-defined harvest control rule (Condition 1). Given the lack of well-defined harvest control rule, if it is assumed that the resulting HCR would be defined in terms of CPUE, then the level of monitoring now undertaken would be of sufficient accuracy and coverage to be consistent with the harvest control rule.</p>		
Status of condition	It is concluded that the 2 nd milestone of this condition is met therefore this condition is ‘ <u>on target</u> ’ enabling the PI to be rescored to 80 and this condition closed (see appendix		

	<p>1 for rescore justification).</p> <p>However, the assessors caution that when rescoring this PI at the time of recertification it will necessary to demonstrate that stock abundance are collected at a level of coverage and accuracy consistent with the harvest control rule. This is therefore tightly linked to the development of the harvest control rule which must still take place (i.e. condition 1) prior to the recertification of this fishery. Therefore, the programme of monitoring must be tailored to the requirements of the harvest control rule as this develops.</p>
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Condition 3

Performance Indicator(s) & Score(s)	Insert relevant PI number(s)	Insert relevant scoring issue/ scoring guidepost text	Score
	2.4.3	Information is adequate to determine the risk posed to habitat types by the fishery and the effectiveness of the strategy to manage impacts on habitat types	75
Rationale	<p><u>SG80b:</u> "Sufficient data are available to allow the nature of the impacts of the fishery on habitat types to be identified and there is reliable information on the spatial extent of interaction, and the timing and location of use of the fishing gear."</p> <p><u>Rationale:</u> There is reliable information on the spatial interaction of the gear and habitat and studies on the impact of dredging have been conducted in the northern area (Matras 2001). However, no data is available for the impact of the dredge in use in the main eastern fishing area.</p> <p><u>Previous conditions raised:</u> No previous conditions raised.</p>		
Condition	Sufficient data must be provided to assess the impact of the dredge in use on the habitat for the main eastern fishing area.		
Milestones	<p><u>Milestone 1:</u> At the first annual surveillance the client shall provide evidence that a program is being planned to assess the impact of the dredge in use on the main eastern habitat. <u>Resulting score:</u> 75</p> <p><u>Milestone 2:</u> At the second annual surveillance the client shall provide evidence that a program has been initiated to assess the impact of the dredge in use on the main eastern habitat. <u>Resulting score:</u> 75</p> <p><u>Milestone 3:</u> At the third annual surveillance the client shall provide evidence of progress/completion of the program to assess the impact of the dredge in use on the main eastern habitat. <u>Resulting score:</u> 75-80</p> <p><u>Milestone 4:</u> At the fourth annual surveillance the client shall provide evidence of completion of the program to assess the impact of the dredge in use on the main eastern habitat. <u>Resulting score:</u> 80</p> <p>The CAB shall be notified of any changes in gear throughout the certification period, and PI 2.4.3 shall be rescored accordingly at the next surveillance.</p>		
Client action plan	A study will be initiated in order to assess a possible impact of the heavier dredge on the habitat for the main eastern fishing area. Our company will cooperate fully in all aspects of this study, including providing data, participate in in-site studies and provide funds.		

<p>Client Corrective Action Plan (post Suspension – December 2015)</p>	<p>To determine the risks posed to habitat types by the fishery the company OC Joensen, together with FAMRI, will start a program with underwater video camera to evaluate and assess the effects of dredging on the main eastern waters of the Faroes. Contacts are to be established with clients which can provide the guidance and expertise in this field. The first trials will expand the last months of the current fishing season (February to April 2016) and by the time the fishing activities resume in September 2016 an operational monitoring of the sea beds will be in place with underwater cameras attached to the fishing gear.</p> <p>Elements of the dredge has been improved in years but the breadth gap has not been changed. The aim of the last improvements on the dredge has been to reduce the wasted dredge tow, to give fish better possibilities to swim away and to get a better sea flow through the dredge.</p> <p>Differences between the former and new dredge will be evaluated, based on differences in trash and bycatch. We do not expect other differences in scallop catch than less wasted tow, due to the dredge ability to tow on both sides and in more rough weather condition. The evaluation will be done each year as a part of the general review in the end of the fishing season.</p>
<p>Progress on Condition [Year 3]</p>	<p>Since the time of the 2nd annual surveillance and the suspension of the fishery in October 2015 the client undertook to engage with FAMRI to undertake a program of underwater video camera surveys to evaluate and assess the effects of dredging on the main eastern waters of the Faroes. At this time the assessors concluded that though this field research was yet to begin, planning was underway, clear timelines existed and a letter from FAMRI confirms their intent to begin this research therefore it can be concluded that the program has been “initiated”. As a result, it was concluded that the fishery was “on target” at the 2nd annual milestone, thus contributing to the lifting of the suspension (along with Condition 1).</p> <p>At the time of this 3rd surveillance the client fishery presented evidence of having undertaken some seabed video survey work. Some contact with FAMRI staff was made prior to the commencement of this work to inform survey design although there was no direct involvement from FAMRI in the research. In spite of this, it is not clear that the results of the video survey will enable any quantitative analysis of the impacts of the dredge. No such analysis was presented and no further analysis on the video survey results are planned. Although the client fishery has provided FAMRI with the video footage, FAMRI confirm that they do not intend to undertake any analysis of this.</p>
<p>Status of condition</p>	<p>It is noted that the wording of this condition states “progress or completion” of a programme to assess the impact of the dredge. Whilst it is encouraging that the client fishery has some work in relation to collecting habitat data (i.e. meeting the requirement for ‘progress’), the lack of clear experimental design, or useful initial results suggest that it is unlikely to complete the required evaluation or analysis by the time of the Year 4 surveillance, therefore this condition is concluded to be <u>Behind Target</u>.</p> <p>Remedial action: A CAB is required to specify remedial action where a condition is behind target. However, a CAB must also remain independent and not provide explicit advice recognising that there may be a variety of ways of achieving the requirements of a condition. Furthermore, the description and milestones set out in the condition above already provide a structured remedial process.</p> <p>With that caveat, the assessors highlight that this condition is likely to require independent and robust scientific analysis, following standard scientific protocols.</p>

Condition 4

Performance Indicator(s) & Score(s)	Insert relevant PI number(s)	Insert relevant scoring issue/ scoring guidepost text	Score
	3.2.4	The fishery has a research plan that addresses the information needs of management	75 70
Rationale	<p><u>SG80a</u>: “A research plan provides the management system with a strategic approach to research and reliable and timely information sufficient to achieve the objectives consistent with MSC’s Principles 1 and 2.”</p> <p><u>Rationale</u>: To justify a score of 80, a research plan for the fishery must be provided.</p> <p><u>Previous conditions raised</u>: The fishery failed a previous assessment and this PI scored 60. For a failed fishery, no mandatory conditions or defined actions are specified (CR 27.21.3.1). The Public Certification Report (PCR) is required to outline draft and non-binding conditions for relevant PI’s. However, no conditions are found in the PCR, only in the Public Comment Draft Report. However, PCRs of failed fisheries are not to include any agreement from the client to address conditions (CR27.21.3.4).</p>		
Condition	A research plan for the fishery must be provided.		
Milestones	<p><u>Milestone 1</u>: At the first annual surveillance a draft research plan shall be presented. Resulting score: 70</p> <p><u>Milestone 2</u>: At the second annual surveillance the client shall provide a research plan for the fishery. Resulting score: 80</p>		
Client action plan	We as a company will contact both the Faroe Marine Research Institute and the Ministry of Fisheries in order to have monitoring formalized. We will also request a formal research plan and in this relation put our vessel fully equipped and crewed at disposal at no cost.		
Progress on Condition [Year 3]	<p>At the time of the 1st surveillance audit, the intent of this condition was clarified and it was stated that at the time of the 2nd surveillance audit that evidence should be provided that all of the outstanding research requirements as detailed in that surveillance had been planned (and in many cases already initiated). For example, outlining the research to be undertaken, detailing the responsible individuals / organisations and setting out how this will be funded.</p> <p>However, since the time of the last surveillance audit and indeed since the suspension of the fishery only limited research of relevance to the Faroes Queen Scallop fishery has been undertaken and no evidence of how this and other on-going research requirements were / are planned, funded or initiated has been presented. This in spite of a number of evident outstanding research gaps. This includes research highlighted at the time of the 2nd annual surveillance as being critical to address ‘behind target’ conditions, and which ultimately contributed to the suspension of the fishery.</p> <p>The clients Fishery Manual for the Faroese Queen Scallop Fishery identified the challenge in undertaking research and simply state that “Our research plan is (what we have stated under condition 3) to ensure a good field registration and to urge for more habitat studies with an involvement of FAMRI. We are steadily improving the documentation of catch, bycatch and trash and we will get it reviewed by FAMRI or other competent capacity”.</p> <p>This statement and commitment are not adequate to meet the 2nd annual milestone and does not enable the performance indicator to be rescored.</p> <p>As noted at the time of the last assessment the FAMRI do produce an annual research plan for all Faroese Marine and fisheries research which is the subject of an annual</p>		

	<p>contract between FAMRI and the Ministry of Fisheries. Although this could feature research of relevance to the Queen Scallop fishery, there is no fishery specific research included in this plan for the current planning period.</p> <p>Given the lack of fishery specific focus in this FAMRI research plan this does not provide evidence in support of the 2nd annual milestone so does not enable the performance indicator to be rescored.</p>
Status of condition	<p><u>This condition is concluded to be ‘Behind target’ for the second year running.</u></p> <p>This certification process has identified a number of areas where research is required. There are likely to be other areas of on-going research which should also contribute to informed management. This research needs to be identified, strategically and coherently planned, managed and funded to contribute to on-going management oversight in this fishery.</p> <p>Remedial action: A CAB is required to specify remedial action where a condition is behind target. However, a CAB must also remain independent and not provide explicit advice recognising that there may be a variety of ways of achieving the requirements of a condition. Furthermore, the description and milestones set out in the condition above already provide a structured remedial process.</p> <p>It is not clear what remedial action can be specified here as the condition and milestones are fairly self-explanatory. However, the assessors draw the fishery client's attention to the requirements for this PI in the MSC CRv1.3. In particular, CB4.10.3, which states that “(Assessment) teams shall interpret a “research plan” in both SG80 and SG100 to mean a written document that includes a specific research plan for the fishery under assessment relevant to the scale and intensity and the issues requiring research”.</p>

Condition 5

	Insert relevant PI number(s)	Insert relevant scoring issue/ scoring guidepost text	Score
Performance Indicator(s) & Score(s)	3.2.5	There is a system of monitoring and evaluating the performance of the fishery-specific management system against its objectives. There is effective and timely review of the fishery-specific management system	75 70
Rationale	<p>SG80b: “The fishery-specific management system is subject to regular internal and occasional external review.”</p> <p><u>Rationale:</u> The annual review processes have both internal and external elements. The Minister may commission an external review of a specific element of the management system, but there is no formal mechanism that requires such action on a regular basis and it has not happened in recent years for the scallop fishery. For this reason the score has been reduced.</p> <p><u>Previous conditions raised:</u> The fishery failed a previous assessment and this PI scored 75. For a failed fishery, no mandatory conditions or defined actions are specified (CR 27.21.3.1). The Public Certification Report (PCR) is required to outline draft and non-binding conditions for relevant PI's. However, no conditions are found in the PCR, only in the Public Comment Draft Report. However, PCRs of failed fisheries are not to</p>		

	include any agreement from the client to address conditions (CR27.21.3.4).
Condition	Formal mechanisms to review the fishery must be implemented. These mechanisms should provide for internal reviews on a regular basis and occasionally external review.
Milestones	<p><u>Milestone 1:</u> At the first annual surveillance the client shall provide evidence that formal mechanisms for internal review of the fishery-specific management system have been initiated. <u>Resulting score:</u> 70</p> <p><u>Milestone 2:</u> At the second annual surveillance the client shall provide evidence that formal mechanisms for internal review of the fishery-specific management system have been implemented and the mechanisms for occasional external review has been initiated. <u>Resulting score:</u> 70</p> <p><u>Milestone 3:</u> At the fourth and final annual surveillance evidence of an external review of the fishery shall be presented. <u>Resulting score:</u> 80</p> <p><i>An internal review of the fishery shall be maintained for the period of certification.</i></p>
Client action plan	We as a company will contact the Faroe Marine Research Institute and the Ministry of Fisheries in order to have implemented a formal review mechanism evaluating the performance of the management system.
Progress on Condition [Year 3]	<p>A review was undertaken immediately prior to last year's 2nd surveillance audit (Ridao Cruz 2015) which provided a summary of landings and to a lesser extent effort and catch sizes. Prior to this 3rd surveillance another short review was undertaken by the same author, primarily focused on CPUE – which is reflected in the scoring of Condition 2.</p> <p>Both reviews were very focussed on catch and effort data alone (i.e. a proxy stock assessment). The scope of these did not include consideration a wider range of relevant management issues or advice, nor did it review the efficacy and appropriateness of the management system, which might normally be expected to be part of a fishery evaluation, such as the appropriateness of management controls (i.e. TAC in the Northern areas but not in the Eastern Area) or the merits of issuing a further exploratory licence in the south, or of changes to gear configuration.</p> <p>It is understood that the 2015 review was requested and funded by the fishery client, perhaps in anticipation of the MSC surveillance audit, and carried out by FAMRI. This did not seem to be the result of a 'formal mechanism for internal review of the fishery-specific management system'.</p> <p>As noted at the time of the 1st surveillance audit a letter was sent on 30th April 2013, by Ulla Wang (special adviser within the Ministry of Fisheries) to O.C Joensen (the client fishery) which states:</p> <p><i>"The Ministry of Fisheries will annually review the management system for the Faroese queen scallop fishery. This will be based on the scientific report from the Faroese Marine Research Institute as well as information from the industry involved. Every 5 years the Ministry of Fisheries will also initiate an external review of the management system for the queen scallop fishery".</i></p> <p>Despite this Ministerial commitment neither the review for the 2014/15 fishery nor that of the 2015/16 fishery was the result of this formal process, nor did it cover all areas referred to in this letter (i.e. the <i>management system</i>). The Ministry confirmed that no review of the fishery has been undertaken by them since the time of the last surveillance in August 2015. In addition, the Ministry have confirmed that no plans are currently in place for external review of the fishery.</p>
Status of condition	Given that the reviews which have been undertaken since certification have taken a narrow focus on landings and effort and are not the result of the management process; and given that the focus of the review for this Performance Indicator should be the

	<p>“fishery specific management system”, it is concluded that this does not meet the intent of the 2nd milestone. <u>It is therefore concluded that this condition is Behind target for the 2nd year running.</u></p> <p>Remedial action: A CAB is required to specify remedial action where a condition is behind target. However, a CAB must also remain independent and not provide explicit advice recognising that there may be a variety of ways of achieving the requirements of a condition. Furthermore, the description and milestones set out in the condition above already provide a structured remedial process.</p> <p>Again, it is not clear what remedial action can be specified here as the condition and milestones are fairly self-explanatory. However, the assessors would highlight that fulfilment of this condition is likely to require input from the Ministry of Fisheries – as was committed to in the letter of 30th April 2013. One sensible approach (which would tie in with earlier conditions) could be for all management of the fishery to be defined in a management plan – which is then the subject of review, as per the requirements of this PI.</p>
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4.2 Progress against Recommendations

Recommendation 1

This recommendation was closed at the time of the 1st surveillance audit.

Recommendation 2 – Fisheries Catch Profile

It is likely that at the point of recertification a more empirical information base would be required in order to support scores for retained-, bycatch- and ETP species. The swept area stock survey work that was carried out on-board Nordheim in 2013 did undertake some profiling of the catch. This identified dominant cohabitants of whelk, mussel, starfish, brittlestar, sea urchin, sea anemones, hydroids, bristleworm and hermit crab. It is recommended that this catch profile, where possible to be analysed and formally presented for the fishery, sufficient to quantitatively estimate the impacts of the fishery on bycatch species (whether retained, discarded, or ETP). If necessary this may require further catch profiling work at sea, in order that robust species specific estimates can be provided.

Updated Progress

No further update since 2015 when it was concluded: The client fishery has provided the CAB with some simplified summary of bycatch species, however this had only limited species level identification, nor was there an indication of the spatial or temporal extent of this survey. Therefore, it would still be recommended that this exercise be expanded in order that a scientifically robust and representative catch profile can be presented at the point of recertification.

4.3 New Recommendations & Conditions

There are no new conditions or recommendations set at the time of the third surveillance.

5. Conclusion

Table 4: Summary of Progress Against Conditions and Recommendations

Condition No.	Title / relevant PI	Status (at surveillance 3)	PI original score	PI Revised Score
Condition 1	1.2.2 (Harvest Control Rule)	Behind Target (year 3)	60	60
Condition 2	1.2.3 (Information / Monitoring)	On target. Condition closed.	75	80
Condition 3	2.4.3 (Habitat Information)	Behind Target (year 3)	75	75
Condition 4	3.2.4 (Research Plan)	Behind Target (year 2 & 3)	70	70
Condition 5	3.2.5 (Management Performance Evaluation)	Behind Target (year 2 & 3)	70	70
Rec. 1	Monitoring	Closed / removed	n/a	n/a
Rec.2	2.1.3/2.2.3/2.3.3 information (catch profile)	Open	n/a	n/a

General Certification Requirements v2.1 state that a CAB shall suspend a fishery certificate if a certificate holder “has not made adequate progress towards addressing conditions (7.4.2.2)”. The CAB shall consider progress as inadequate where progress against a condition is not back on target within 12 months of falling behind target. Based on this definition of being behind target for 2 consecutive annual surveillances, progress against the following conditions is deemed to be inadequate, triggering suspension:

- Condition 4: progress against the condition is not back ‘on target’ within 12 months of falling ‘behind target’. The condition has now been concluded to be ‘behind target’ for successive surveillances.
- Condition 5: progress against the condition is not back ‘on target’ within 12 months of falling ‘behind target’. The condition has now been concluded to be ‘behind target’ for successive surveillances.

The ‘behind target’ status of condition 1 & 3 does not, at this time, contribute to the suspension. This is because neither is “behind target” in consecutive surveillances, by virtue of being concluded to be back on target, following suspension and the resulting commitments in the client action plan. However, the fact that so shortly after the corrective action plan these conditions are once again concluded to be ‘behind target’ indicates that there is considerable risk that these 2 conditions would contribute to a future suspension at the time of a year 4 surveillance. In particular, for condition 1, at the current rate of progress it is not expected that the PI will reach the requisite SG80 level by the time of a re-certification assessment.

The Faroe Island Queen Scallop fishery shall be suspended from the MSC program and any scallop caught by the client fishery (after the date of suspension) is no longer eligible to carry the MSC ecolabel until such time as this suspension is lifted. The date of suspension will be the date of publication of this report on the MSC website. The certificate is suspended until the cause of the suspension has been fully addressed.

5.3 Next steps

The following steps and timelines are based upon the MSC General Certification Requirements section 7.4 – Suspension or Withdrawal of Certification.

As a result of a suspension, Vottunarstofan Tún will on the date of suspension:

- Inform the Client and MSC about the suspension;
- Record the suspension on the MSC database

Furthermore Vottunarstofan Tún will within 4 days post an announcement regarding the suspension on the MSC website.

In response to the suspension, Vottunarstofan Tún will advise the client fishery that they should (also within 4 days):

- Advise client group members of the suspension (in this case this may mean all relevant company owners, directors, employees and crew of the fishing vessel)
- Advise existing and potential customers in writing of the suspension
- Keep records of such advice given to customers
- Not make any claims of MSC certification from the day of suspension
- Not sell any fish as MSC certified from the day of suspension. Fish caught prior to the date of suspension may continue to be sold as MSC certified provided Vottunarstofan Tún or other Conformity Assessment Body (CAB) has verified by means of Chain of Custody audit the client's ability to segregate fish based on date of capture.

In addition, Vottunarstofan Tún will advise the client fishery that they should (within 90 days) provide a documented corrective action plan for addressing the cause(s) of suspension, which is acceptable to the CAB as being able to address the cause(s) for suspension. This corrective action plan should include a binding timeframe. If this corrective plan is acceptable to the CAB (i.e. is expected to fully address the cause(s) of the suspension) then the CAB will instruct the certificate holder to implement the corrective action plan. If however, the certificate holder does not submit an acceptable corrective action plan within 90 days of suspension, the MSC certificate will be withdrawn.

Once the certificate holder informs the CAB that the actions detailed in the corrective action plan have been successfully completed, the CAB should verify this by undertaking any monitoring of relevant activities or interviews with relevant stakeholders as deemed necessary. It is anticipated that this would require a further site visit. The Faroe Islands Queen Scallop Fishery MSC certificate will remain suspended until such time that the cause of suspension has been verified to have been fully addressed. Once verified that the certificate holder has fully addressed the cause(s) of suspension the CAB shall reinstate the certificate (assuming this is within the original certification period) and produce a report documenting the evidence that describes how the cause(s) of suspension have been adequately addressed and a statement confirming the reinstatement of the certificate.

6. References

Cruiz, L., 2016. CPUE of queen scallops in Faroese waters (2003-2015). Unpublished report.

Appendices

Appendix 1. Re-scoring evaluation tables

PI 1.2.3		Relevant information is collected to support the harvest strategy		
Scoring Issue		SG 60	SG 80	SG 100
a	Guidepost	Some relevant information related to stock structure, stock productivity and fleet composition is available to support the harvest strategy.	Sufficient relevant information related to stock structure, stock productivity, fleet composition and other data is available to support the harvest strategy.	A comprehensive range of information (on stock structure, stock productivity, fleet composition, stock abundance, fishery removals and other information such as environmental information), including some that may not be directly related to the current harvest strategy, is available.
	Met?	Yes	Yes	No
	Justification	Unchanged from original assessment.		
b	Guidepost	Stock abundance and fishery removals are monitored and at least one indicator is available and monitored with sufficient frequency to support the harvest control rule.	Stock abundance and fishery removals are regularly monitored at a level of accuracy and coverage consistent with the harvest control rule, and one or more indicators are available and monitored with sufficient frequency to support the harvest control rule.	All information required by the harvest control rule is monitored with high frequency and a high degree of certainty, and there is a good understanding of inherent uncertainties in the information [data] and the robustness of assessment and management to this uncertainty.
	Met?	Yes	Yes	No
	Justification	<p>The Fishery Management Act requires that all catches must be weighed and reported. Port authorities are responsible for the correct weighing and recording of the catch. Log-books are kept of catch statistics (location, dates, gear catch quantity and fishing effort) and inspectors from the Faroe Islands Fisheries Inspections (Fiskiveiðieftirlitið) have access to the log-books.</p> <p>The information is delivered to FAMRI (The Faroe Marine Research Institute) that has described the standardization of catch per unit of effort data for the fishery from 2003-2015. The results indicate that catching and effort have been consistent and fluctuated in a narrow range these years suggesting that the stock not being subject to depletion (L. Cruz 2016). FAMRI intend to keep on working with these data in the future (Cruz <i>per. comms.</i>).</p>		

PI 1.2.3		Relevant information is collected to support the harvest strategy		
c	Guidepost		There is good information on all other fishery removals from the stock.	
	Met?		Yes	
	Justification	Unchanged from original assessment.		
References		Cruiz, L., 2016. CPUE of queen scallops in Faroese waters (2003-2015). Unpublished report.		
OVERALL PERFORMANCE INDICATOR SCORE:				80
CONDITION NUMBER (if relevant):				

Appendix 2. Stakeholder submissions

Appendix 2.1: Submissions from the Client, O.C. Joensen P/F.

Appendix 2.1.1 Audit comments received from the Client 12.12.2016.

Dear audit team

It is with great surprise that we received your audit report stating that our efforts to keep the scallop fishery within the MSC certification scheme were not appreciated. We find that there has been done great progress during the 3 years of MSC certification and we find the reasons for the suspension very weak. Therefor we ask for more time to get the conditions closed.

The conditions triggering the suspension are “no research plan” and “no formal review on the fishery”. These are both conditions which are addressed by the company although it is a challenge to ensure the required involvement from the Fishery Research Institute (FAMRI) and the Ministry of Fishery. It is not easy to get the Ministry and the Fishery Research Institute to give the scallop fishery further priority but we believe that we have got more attention the last two years. The Fishery Research Institute were at their first ICES Scientific meeting on scallops in autumn 2016 and as far as we are informed the fishery will participate within the regular ICES Assessment on scallops. Also, the Fishery Research Institute have started the work on a TAC for the scallop fishery.

The Fishery Ministry's has decided for many years ago, that the scallop fishery is so vulnerable that it has to be managed by one company only and has imposed strict restrictions on vessel, equipment and season. Each year all the data from the fishery is provided to the fishery control and based on an evaluation on these data and on remarks from the Fishery Control Authority the Fishery Ministry issues the licence to the company for the upcoming year. This is the management system in force for the scallop fishery today. The required “formal review on the fishery” has been established as internal annual evaluation meeting and a further participation by other stakeholders will be arranged. At the moment, the Faroese Fishery Ministry has undertaken a Fishery Management System Review where especially the Faroes Fishery Licence System is under review as it has to be renewed by the end of 2017.

Having the purpose of the MSC in mind we are sure that all the conditions mentioned in the first certification report will be met during the 5 years' certification period. The progress can be taken up at the 4th. surveillance audit but we will suggest that conditions can be taken up at the end of this certification period. It has been clear that the problems posed by the milestones show that there was not appropriate time to get the Ministry and the FAMRI to be engaged in the scallop fishery. We therefor ask for a variation where the assessment team can revise the milestones, to encourage the development of a stock assessment, a TAC and a Bottom Impact Evaluation, with the purpose to improve the stock knowledge and its management regime. We are sure that a research plan and a management plan are both milestones which can be reached within the current certification period.

The Faroese Scallop Fishery is sustainable and well-managed - its sustainability has been demonstrated through the continuous catch figures the last 40-50 years. Having the progress in the engagement of FAMRI in mind as well as the progress in management system during the 3 years of MSC certification the company will apply for the milestones 3.2.4 og 3.2.5 to be re-written. The revision will be in accordance with 7.23.13.1.i and as far as we know there are similar approved requests i.e. in the ISF heering fishery.

Comments to conditions

In the audit report several points need to be considered further instead of jumping to conclusions. We would think that falling behind a target also imposed a consideration on the progress of the fishery regarding the MSC principles. As we read this the suspension or withdrawal is the final step to take and should not be used on a fishery, which:

- Still confirms with the MSC Fishery Standards
- Has made a range of progress since the certification 5th September 2013
- Has provided all required information to allow verification that conditions are being addressed
- Has always allowed the CAB to hold surveillance audit as required
- Has provided all information requested by the CAB within 90 days of being requested to do so.

Clause 7.23.13.2 says: In the event that the CAB determines that progress against a condition is not back 'on target' within 12 months of falling 'behind target', the CAB shall: a. Consider progress as inadequate. b. Apply the requirements of GCR 7.4 (suspension or withdrawal).

Fishery certificate suspension in General Certification Requirements v2.1

7.4.2 A CAB shall suspend a fishery certificate if a certificate holder:

7.4.2.1 No longer conforms to the MSC Fisheries Standard; or

7.4.2.2 Has not made adequate progress towards addressing conditions; or

7.4.2.3 Does not provide information to allow verification that conditions are being addressed; or

7.4.2.4 Does not agree to allow the CAB to hold a surveillance audit as required in FCR 7.23; or

7.4.2.5 Does not provide information requested by the CAB within 90 days of being requested to do so.

The Faroe Islands scallops fishery have not got any specific requirement to deliver to the CAB within these 90 days. Since the certification, we have had progress with all the 5 conditions and should there have been the impression from the CAB members that we were not understanding the importance of fast closure of the conditions the CAB could have pointed the issue out and put it as a time depending requirement. This has not happened.

There has been no consideration on the progress of the companies work to address the conditions. We have continuously worked to get FAMRI to take up this scallop fishery into their priorities and this has been successful as the FAMRI in 2015 evaluated the fishery according to the principles of catch per hour (CPUE) for the period of 2003 to 2015 and concluded that "Although stock size of scallops in absolute terms is unknown the present analysis indicates that levels of both catches and effort are consistent and have fluctuated in a narrow range in the last 13 years, which suggests a stock not being subject to fisheries depletion". (Review from FAMRI: Adjustment of queen scallops CPUE data in Faroese waters (2003 – 2015). As mentioned, FAMRI has participated in OSPAR scientific meeting concerning scallops for the first time in 2016 resulting in that our fishery will be part of the scientific evaluation in the next OSPAR joint evaluation program on scallop which have a 3 years' interval. The third progress in FAMRI's work on the Faroese scallop stock is that they are now working on a TAC for the fishery, which they intend to present for us in the year 2017.

We will also point out that the certified fishery has not received any verbal nor written stakeholder submissions which have indicated the need to suspend the certification. Also, the audit report state that there were no significant changes in catch profile in the fishery since the time of the original site

visit or certification and there have been no ETP interactions (endangered, threatened, and protected species).

Going through the audit report we can identify a range of reasons for the fishery to keep the certification:

Condition 1: Harvest Control Rules

This condition is said to be behind target in relation to the year 3 milestones. The assessors indicate that there may be different understanding of the terms: Harvest Control Rules “A set of well-defined pre-agreed rules or actions used for determining a management action in response to changes in indicators of stock status with respect to reference points” and the Limit Reference Point: “The point beyond which the state of a fishery and/or a resource is not considered desirable and which management is aiming to avoid”.

During the process to address Condition 1, the company O.C Joensen has provided the assessment team with:

- Fishery guidelines, which holds “Limit Referent Points” (trigger limit for awareness in the fishery and a limit for area closure).
- A Management Evaluation List of areas targeted in the period 2011 – 2015, describing the status of the fishing area divided into 300 smaller areas with individual recommendations on “Good fishery, Awareness area and Closed area. The evaluation resulted in 14 closed areas for the period 2016 - 2018.
- A CPUE evaluation by an independent research institute (FAMRI) for the period 2003 – 2015.

The audits report says that “Although “limits reference points” is in place and implemented, no independent or scientifically robust evaluation or analysis has been provided of this, therefore the assessors cannot conclude that this will ensure that the exploitation rate is reduced as (actual biological) limit reference points are approached.” This is not right as the FAMRI evaluation of the fishery in the period 2003 – 2015 is both independent and scientifically robust.

Condition 2: CPUE in the eastern area should be monitored by authorities in addition to CPUE for the exploratory areas.

It is concluded that the 2nd milestone of this condition is met therefore this condition is ‘on target’ enabling the PI to be rescored to 80 and this condition closed (see appendix 1 for rescoring justification).

However, the assessors caution that when rescoring this PI at the time of recertification it will necessary to demonstrate that stock abundance are collected at a level of coverage and accuracy consistent with the harvest control rule. This is therefore tightly linked to the development of the harvest control rule which must still take place (i.e. condition 1) prior to the recertification of this fishery. Therefore, the programme of monitoring must be tailored to the requirements of the harvest control rule as this develops.

This condition is not a reason for the suspension. It is concluded that this condition is “on target”.

Condition 3: Sufficient data must be provided to assess the impact of the dredge in use on the habitat for the main eastern fishing area.

Milestone 3: At the third annual surveillance, the client shall provide evidence of progress/completion of the program to assess the impact of the dredge in use on the main eastern habitat.

The progress on this condition in 2016 is that the company now has undertaken a survey with underwater video camera, both on areas without any dredge fishery and on areas, where the scallop fishery has been undertaken for 40 years. The initial survey report was handed to the audit team. In the audit report the assessment team themselves notes “that the wording of this condition states “progress or completion” of a programme to assess the impact of the dredge. They also state that: “it is encouraging that the client fishery has some work in relation to collecting habitat data (i.e. meeting the requirement for ‘progress’)”, but audit-team jump to the conclusion that “it is unlikely that the Company can complete the required evaluation or analysis by the time of the Year 4 surveillance, therefore this condition is concluded to be Behind Target.”

The initiatives the company have taken to address Condition 3 is both the monitoring of bycatch as well as trash coming up with the dredge and the undertaken video camera review of the different bottoms. In fact, one of the concluding comment from Fishing Manual for the Faroese Scallop Fishery, dated in December 2015, is still relevant:

“In the end of 2016 we can deliver a note on the impact of dredging on bottom habitats based on former studies and what has been the company experience on the bottom habitat impact. The differences between areas will be further evaluated in 2016 and this will be part of the note on impact on bottom habitats, including bycatch and trash (rask). An evaluation on the differences between dredges will be part of this note as well.”

It cannot be according to the MSC principles to jump to conclusions although there is evidence that the condition is in progress. We have noted that the assessors have “highlighted that this condition is likely to require independent and robust scientific analysis, following standard scientific protocols” and we therefor expect this to be a part of a FAMRI (Fishery Research Institute) evaluation during 2017 which can be ready to reach Milestone 4 condition: “At the fourth annual surveillance the client shall provide evidence of completion of the program to assess the impact of the dredge in use on the main eastern habitat.”

Condition 4: A research plan for the fishery must be provided.

This condition is regarded as “behind target”. The audit team should know that the whole knowledge about the Faroese scallop fishery is based upon the well organised data collection the company has invented from the late 80’th. The monitoring has been improved and used for evaluation purposes since the company decided to work with an MSC certification.

We have stated our interest in supporting a scientific research on the Faroese Queen Scallop and are steadily supplying the FAMRI with fishery data. In FAMRI the scallop fishery may not have research priorities as this is a very limited fishery licensed to only one company. Our research plan is what we have stated: to ensure a good field registration and to urge for more habitat studies with an involvement of FAMRI. We are steadily improving the documentation of catch, bycatch and trash and we will get it reviewed, either by FAMRI or other competent capacity.

We have been in contact with FAMRI in response to this issue and urged for a research plan and it is decided to draw up a research plan for 2017. We expect to be able to send a note on this.

We had hoped that a more outlined research plan on the scallop stock around Faroes had been prioritised by the Faroese government and research institutes but to say that there is no research plan around the scallop fishery is wrong. Both this year and earlier years the company has had a research plan regarding the collection of data, the evaluation of data and the regularly voyages with the aim of collecting more information on the distribution of scallops and to get better information on the bottom i.e. with the underwater video camera voyage.

Condition 5: Formal mechanisms to review the fishery must be implemented. These mechanisms should provide for internal reviews on a regular basis and occasionally external review.

It is concluded that the reviews which have been undertaken does not meet the intent of the 2nd milestone. It is therefore concluded that this condition is Behind target for the 2nd year running.

Milestone 2: At the second annual surveillance, the client shall provide evidence that formal mechanisms for internal review of the fishery-specific management system have been implemented and the mechanisms for occasional external review has been initiated.

There must be some kind of a misunderstanding as there is a “fishery specific management system”, in place. The Ministry of Fishery has a yearly evaluation of the scallop fishery in force. They need to do this as a part of the process of issuing new scallop fishery licence for the upcoming year. The evaluation is mainly based on the catch data, the log books and the remarks from the Fishery Control Authority, based on their visits boarding the vessel during fishery.

The scallop fishery is within a well-managed framework with very strict regulations: only one vessel with limited size and engine power, only specific fishing areas are allowed for scallop fishery a specific time of the year and there are regulations on specific equipment in use. These regulations have ensured a stable fishery the last 40-50 years and this means that the Ministry of Fishery is satisfied with the enforced Management System.

The Management System used at the Ministry of Fishery is evaluated regularly. As late as this autumn a working group delivered a report on the Faroese Fishery Management System to use for the renewal of the licence system. This Ministry evaluation need to be finished by the end of 2017 as it is decided that all licences have to be viewed in a new context from 2018.

This condition was also addressed in the Fishing Manual for the Faroese Scallop Fishery, dated in December 2015, where it was stated that

“To ensure that an annual formal review meeting will be hold in good time in advance for the MSC annual surveillance we have decided to formalise the evaluation in the end of each fishing season with a meeting, where the FAMRI will be invited to participate:

The protocol from the meeting will register:

- a. Place, time and attends
- b. Agenda on the meeting
 - i. Fishing tours and catch this season
 - ii. CPUE and scallop meat evaluation
 - iii. Good areas, Awareness areas and Closed areas evaluation
 - iv. Bycatch and trash evaluation
 - v. Dredge efficiency evaluation
- c. Outstanding issues/conditions/recommendation from the certifier with regards to the MSC certification

d. Other items needed to discuss”

The report from the last evaluation meeting, which was in Mai 2016, was provided to the audit team at the 3th surveillance audit in November 2016.

In the surveillance report the audit team state that “One sensible approach () could be for all management of the fishery to be defined in a management plan – which is then the subject of review, as per the requirements of this PI.” If this mean that we could address this further by arranging a common meeting with all the stakeholders involving the Ministry of Fishery and the Fishery Control Authority, they should be welcome to participate at the yearly evaluation meeting. We will therefore invite them to the upcoming meeting in Mai 2017.

The team are jumping to conclusions not allowing the company the necessary time to work upon the willingness of the Faroese Research Community as well as the Ministry’s Management System to adjust to the different requests from the team. We got a certification for a 5-year period and the work which has to be done to adjust to the framework of MSC is not as easy which you may have expected when you put the Milestones, but we have been on a move not only in the company itself but also at the research institute. We are sure that also the Ministry of Fishery will be part of this move towards more formal reviews.

Let us get the necessary time to participate in MSC so we can adjust the fishery to hold the certification as one of the sustainable scallop fisheries in the world.

(This completes a letter submitted to CAB by the Client.)

Appendix 2.1.2 Audit comments received 14.12.16.

The following two statements of the Faroese Ministry of Fisheries and the Faroe Marine Research Institute were submitted by the Client to CAB on 14 December 2016.

Statement from the Ministry of Fisheries (Fiskimálaráðið) in the Faroe Islands

From: **Ulla Svarrer Wang** <Ulla.Svarrer.Wang@fisk.fo>
Date: Wed, Dec 14, 2016 at 12:03 PM
Subject: Skel - Faroese Queen Scallop Fishery
To: "jacobpaulijoensen@gmail.com" <jacobpaulijoensen@gmail.com> Cc: Andras Kristiansen <Andras.Kristiansen@fisk.fo>, Rógvi Reinert Rogvi.Reinert@fisk.fo

To Jacob Pauli Joensen
p/f O. C. Joensen

Eftir áheitan sendi eg hjálagt eina stutta lýsing av skipan av skeljaveiðini:

The Faroese queen scallop fishery is managed by Parliamentary Act No. 28 from 10 March 1994 on Commercial Fisheries. One Faroese fishing vessel is licensed to fish for queen scallop in Faroese waters. The queen scallop fishery is regulated by a fishing licence, and fishery is only permitted in specific queen scallop fishing areas and the fishing season is limited. In addition, the fishery in the Northern fishing area is regulated by an experimental fishing licence and is quota regulated.

The queen scallop resource in Faroese waters is sustainable managed and utilised by the current fishing vessel. There will not be issued new licences and no additional vessels will be permitted to fish for queen scallop.

Yours sincerely
Ulla Svarrer Wang
Senior Adviser
Ministry of Fisheries

Statement from the Faroe Marine Research Institute (Havstova)
(undated but sent to CAB on 14.12.2016)

Management plan

In 2017 and no later than 2018 a management plan will be investigated and implemented for queen scallops in the eastern area. The management plan will consist of catch and spatial regulations. A TAC can be established which might be adjusted according to trends in catch rates. Spatial restrictions in the form of a rotational management could also be used as a tool in the management plan.

On behalf of
Faroe Marine Research Institute
Luis Ridaó Cruz

Appendix 2.2: Team response to client comments

Faroe Islands Queen Scallop fishery

Response to Client/Stakeholder Comments

Subject: Comments on the 3rd surveillance report
Date received: 12 December 2016
Name of Client: O.C. Joensen P/F
Date of CAB response: 15 December 2016

Thank you for your submission.

O.C. Joensen (the Client) was presented with a draft report on the 3rd annual surveillance audit of the Faroe Islands Queen Scallop fishery, with an invitation to submit comments prior to final determination and publication. The Client submitted a written comment, together with letters from the Faroe Marine Research Institute (FAMRI, or Havstovan) and the Ministry of Fisheries (Fiskimálaráðið). The Client responded specifically to the assessment team's conclusion that the fishery is not achieving the expected rate of progress against conditions and is therefore to be suspended for the 2nd time (albeit for different conditions being behind target 2 years in a row). The Client raises several concerns, requests more time to address conditions that are behind target and requests that the audit team reconsider their conclusions.

The response of the assessment team to each of the main points raised in the Client's comments is set out below.

Adjustment of milestones

Clause 7.23.13.2 enables CABs to adjust milestones at the point at which a condition falls behind target if that is required to bring process back on track. Conditions 4 and 5, which are now the cause of suspension, were concluded to be behind target at the time of the 2nd surveillance audit in 2015. At that point, the CAB could have adjusted the Year 3 milestone. The reason no change was made was because the Year 3 milestone still appeared to be reasonable and achievable and an appropriate milestone. Indeed, in both cases, the milestone that is now the cause of suspension is the Year 2 milestone.

Clause 7.23.13.2 is not designed to enable CABs to retrospectively change milestones at the point of suspension to avoid suspension.

Contextual arguments

There is little value in re-presenting the argument that the fishery is sustainable because of a single vessel and stable catches. This is a plausible argument based on qualitative evidence, thus supporting scoring at the SG60 level, as was the case at the time of the original assessment. This argument does not help to address conditions which were raised at the time of the original assessment and which the client fishery committed to addressing through appropriate action.

Condition 1

It is encouraging that FAMRI are attending ICES WG Scallop and presenting catch figures. It is also encouraging that the client recognises the need for "a stock assessment, a TAC and a Bottom Impact Evaluation, with the purpose to improve stock knowledge and its management regime". However, if the fishery is to be recertified then by the time of Year 4 surveillance / recertification scoring then it

needs to meet the SG80 level. Discussions with FAMRI confirmed that they are fully aware of what could be done, but this process has not begun. If the progress against this “behind target” condition can be achieved by year 4 then it does not prevent successful recertification. If it is not, then it would be further cause for suspension and prevent recertification. In the experience of the assessors, drawing on the experience of many fisheries, this condition was always likely to be the most challenging, but also perhaps the most fundamentally important to demonstrate that the fishery conforms to the MSC standard. Progress against this condition was assessed to be behind target.

Condition 2

This condition has been closed. The additional justification provided was to ensure that appropriate monitoring continues to be included within the management framework as the harvest control rule develops.

Condition 3

This condition relies on the definition of ‘progress’. The third milestone states that the client shall provide evidence of progress/completion of the program to assess the impact of the dredge in use. The lack of clear experimental design or useful initial results lead to the assessment team to conclude that this condition was again behind target.

If scientifically robust conclusions are reached which allows this performance indicator to meet the SG80 level by the time of the 4th surveillance / recertification rescoring, then the condition can be closed and this will not present a barrier to successful recertification. The behind target status at this point is in recognition of the fact that considerable further work is required if this is to meet the SG80 level in time for recertification.

Condition 4

The client fishery states that the reason for suspension are very “weak”. The lack of research plan may be considered minor but it is a clear and unambiguous requirement in the standard. This should have been addressed since being first behind target in 2015. At the time of the suspension it was further highlighted that progress against this condition should not be overlooked. The reason for the suspension may appear small, but it reflects a correct interpretation and application of the standard.

Condition 5

The Ministry clearly told the assessment team that no evaluation of the fishery had taken place and no external review was planned. As with condition 4, the assessment team have little option but to conclude that this is behind target for the second year running.

Appendix 3. Surveillance audit information

N/A.

Appendix 4. Changes to Client Action Plan

None received, although it is expected that as a result of the fishery suspension a client corrective action plan will be submitted.

Appendix 5. Revised Surveillance Program

Table A5.1: Surveillance level rationale

Year	Surveillance activity	Number of auditors	Rationale
4th	On-site audit	2 auditors on-site	At the time of the original surveillance it was concluded that the fishery had a surveillance score of 3 as a result of the number of conditions and the level of scoring. As a result the fishery qualified for a 'Normal' level of surveillance, requiring an annual on-site surveillance audit. Given the largely unchanged status in the fishery at the time of this 3 rd surveillance audit, there are no grounds to change this requirement. Under the new MSC Certification Requirements (CRv2) the requirement for an annual on-site surveillance remains the default surveillance level and the fishery is not currently concluded to be eligible for a reduction in surveillance levels.

Table A5.2: Timing of surveillance audit

Year	Anniversary date of certificate	Proposed date of surveillance audit	Rationale
2017	5 September	4.-7. September 2017	This timing coincides with the start of the new fishing season and anniversary of the certificate.

Table A5.3: Fishery Surveillance Program

Surveillance Level	Year 1	Year 2	Year 3	Year 4
Normal / Default surveillance	On-site surveillance audit <i>Completed</i>	On-site surveillance audit <i>Completed</i>	On-site surveillance audit <i>This audit</i>	On-site surveillance audit & re-certification site visit.