



**Vottunarstofan Tún ehf.**

Sustainable Fisheries Scheme

Marine Stewardship Council Sustainable Fisheries Assessment

## **Surveillance Visit - Report for the ISF Icelandic Cod Fishery**

**Certificate Code: F-TUN-1104**

**2<sup>nd</sup> Annual On-Site Surveillance Report**

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**Prepared for: Iceland Sustainable Fisheries Ltd.**

**June 2014**



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## 1 Executive Summary

Name of fishery	ISF Icelandic cod		
Management Authority	Ministry of Industries & Innovation, Reykjavík, Iceland		
Species	North Atlantic cod ( <i>Gadus morhua</i> )		
Geographical area	ICES division Va / FAO Area 27 within the exclusive economic zone of Iceland.		
Harvest methods	Demersal otter trawl	Long line	
	Pelagic trawl <sup>1</sup>	Hand line	
	Danish seine	Gill net	
Client	Icelandic Group ehf. (transferring to Iceland Sustainable Fisheries ehf.)		
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Assessment Team	Ásgeir Daníelsson Ph.D. (Assessor) Paul Medley Ph.D. (Lead Assessor)		
Secretary to the team	Gunnar Á. Gunnarsson (Secretary)		
Certificate number	F-TUN-1104		
Certificate Issue Date	24th April 2012		
Certificate Expiry Date	23rd April 2017		
Standard Used	Full Assessment: FAM v.2. (1).1      Surveillance Audit: CR v1.3		

Audit stage	Year 1	Year 2	Year 3	Year 4
Surveillance Audit Type	Reduced (on-site)			
Surveillance Audit Date	23rd May 2014			
Conclusion	Icelandic Group ehf. <b>should</b> retain MSC certified status for the ISF Icelandic Cod fishery.			
At Start of Audit:	Conditions:	0	Recommendations:	1
Remaining:	Conditions:	0	Recommendations:	2

## 2 Introduction

This report contains the findings of the second surveillance audit for Marine Stewardship Council Fishery certification of the ISF Icelandic cod fishery, caught by demersal otter trawl, pelagic otter trawl, Danish seine, long line, hand line and gill net within the Icelandic exclusive economic zone (ICES Division Va / FAO Area 27).

The purpose of the annual Surveillance Report is:

1. to establish and report on whether or not there have been any material changes to the circumstances and practices affecting the original conformity assessment of the fishery.
2. to monitor the progress made to improve those performance indicators that have been scored as below the standard but above minimum acceptable practice ( $60 \leq \text{Score} < 80$ ). This is

<sup>1</sup> Pelagic trawl was not part of the certificate, but was part of the original assessment. The assessment team is proposing an extension of the scope to include this gear in the certificate (Appendix 3: Change of Scope: Pelagic Trawl) and its status was addressed as part of the surveillance audit.

addressed through conditions of certification and described in the Public Certification Report, and includes an Action Plan drawn up by the client.

3. to re-score any Performance Indicators in response to material changes in the fishery, such as closing a condition.
4. to monitor any actions taken in response to any (non-binding) recommendations made in the Public Certification Report.
5. to extend the scope of the certificate to include pelagic trawl (see Appendix 3: Change of Scope: Pelagic Trawl).

The surveillance audit assesses changes made from the last surveillance audit or from the full assessment. Therefore, the full Public Certification Report and previous Surveillance Audit reports provide 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.

## 3 General Information

### 3.1 Certificate Scope

The certificate currently excludes pelagic trawl. As part of the Surveillance Audit, an expedited audit was completed in order that the scope of the certificate can be extended to include pelagic trawl. Pelagic trawl did form part of the original full assessment.

The unit of assessment and certificate should then cover all gears landing cod in Iceland caught in the Icelandic Exclusive Economic Zone.

### 3.2 General Background to the Fishery

DNV (2012) provide a full description of the background and history of the fishery.

Atlantic cod (*Gadus morhua*) are distributed throughout the shelf waters of Iceland and they are fished throughout the year with peaks in spring and early winter. Virtually the entire cod catch is taken from the waters of the Icelandic continental shelf (i.e. <500 m depth).

There was an international fishery targeting Icelandic cod stock before controls were established in the late 1940s, when minimum landing and mesh sizes were introduced under an international agreement. Iceland took greater control of the fishery, culminating in the declaration of a 200 mile exclusive fishing zone in 1976. Iceland and the Faroes now account for almost all landings from this stock. In the mid-1950s, the international annual catch peaked at c. 550 000t, but subsequently landings have declined, with fluctuations, to the current level c. 200 000t.

The Icelandic government (Althing) introduced a system of transferable vessel quotas in 1984 and since 2006–2007 fishing season, almost all vessels operate under the TAC–ITQ system with fishing year (1<sup>st</sup> September to 31<sup>st</sup> August). In 2009, the “strandveiðar” (coastal fishing) was introduced, which allows vessels below 15 GRT that operate only hand-line to fish during May to August and is regulated by a common quota (not ITQ), with limits on the days at sea and length of a fishing trip. There is a statutory requirement to record, report and land all fish caught in Icelandic waters or by Icelandic registered fishing vessels, including undersize fish and fish excess to the capture vessel’s quota. To discourage discarding, inadvertent catches, such as undersize fish, are landed and sold. This does not count against the quota, and although some of the value may be allocated to the crew, the majority goes for research.

Under the current management regime, the Directorate of Fisheries maintains a centralized, publicly accessible, electronic vessel-by-vessel catch recording database that is updated every 6 hours (<http://en.fiskistofa.is/shipinfo.php>).

For most fishing trips, cod is the dominant target species for the demersal fishing fleet with all other species being taken as retained bycatch in a mixed fishery, although this varies dependent on quota availability. The Icelandic demersal fishing fleet comprises factory freezer trawlers, fresh-fish trawlers, Danish (Scottish fly) seiners, inshore and offshore longliners, gillnetters (including tangle net), auto-jigger and handliners as well as licensed recreational charter vessels. The fleet employs some of the most sophisticated technology available for navigational and fish detection as well as the development of more effective fishing gear.

## **4 The Assessment Process**

### **4.1 Scope and History of the Assessment**

The intent of the ISF Icelandic Cod fishery to be MSC certified was announced on 26<sup>th</sup> October 2010, and the fishery was certified on 24<sup>th</sup> April 2012 (DNV 2012). The full assessment was carried out at the same time as that for ISF Icelandic Haddock fishery, which is a different species effectively within the same fishery.

The fishery attained a score of 80 or more against each of the three MSC Principles and did not score less than 60 against any of the individual MSC Criteria (Table 1). No score for any Performance Indicator was less than 80, so no conditions were set for this fishery. One recommendation was made.

The first surveillance was a reduced off-site audit in April 2013 (DNV 2013a). No material changes that affected the original assessment were identified. No new conditions or recommendations were set.

The scope of certification is up to the point of landing and chain of custody commences from point of sale. Catch landed at Icelandic Group ehf. subsidiaries and subsidiaries of the certificate sharing partners, mainly processed on board vessels and sold through auction houses, are eligible to carry the MSC logo if sold to Icelandic Group ehf. subsidiaries, subsidiaries of the certificate sharing partners and processors who are a part of the certificate sharing mechanism.

Updated list of certificate sharers and other documents can be found can be accessed at [http://www.msc.org/track-a-fishery/fisheries-in-the-program/certified/north-east-atlantic/isf\\_icelandic\\_cod/assessment-downloads](http://www.msc.org/track-a-fishery/fisheries-in-the-program/certified/north-east-atlantic/isf_icelandic_cod/assessment-downloads).

### **4.2 Standards and control documents applied**

This surveillance audit was carried out according to the MSC Fisheries Certification Requirements v1.3. However, the original full assessment used the default assessment tree as defined in the MSC Fishery Assessment Methodology version 2.1 (FAM v.2. (1).1), and remains the standard used for the certificate.

Table 1 Scores for each performance indicator for each gear.

Principle 1								
Component	PI	Performance Indicator	All gears					
Outcome	1.1.1	Stock status	90					
	1.1.2	Reference points	90					
	1.1.3	Stock rebuilding	NA					
Management	1.2.1	Harvest strategy	95					
	1.2.2	Harvest control rules & tools	90					
	1.2.3	Information & monitoring	100					
	1.2.4	Assessment of stock status	100					
<b>Principle Score</b>			<b>93.1</b>					
Principle 2								
Component	PI	Performance Indicator	Demersal Trawl	Pelagic Trawl	Longline	Danish Seine	Handline	Gillnet
Retained species	2.1.1	Outcome	80	80	80	80	95	80
	2.1.2	Management	90	90	80	90	95	90
	2.1.3	Information	85	100	85	85	95	85
Bycatch species	2.2.1	Outcome	85	80	80	85	80	95
	2.2.2	Management	90	90	90	90	95	90
	2.2.3	Information	100	100	95	100	100	100
ETP species	2.3.1	Outcome	100	100	95	100	100	90
	2.3.2	Management	85	85	85	85	100	85
	2.3.3	Information	80	80	80	80	100	80
Habitats	2.4.1	Outcome	90	90	90	100	95	90
	2.4.2	Management	100	100	100	100	100	100
	2.4.3	Information	80	95	80	85	95	80
Ecosystem	2.5.1	Outcome	90	90	90	90	90	90
	2.5.2	Management	90	90	90	95	100	90
	2.5.3	Information	90	90	90	90	100	90
<b>Principle Score</b>			<b>89.0</b>	<b>90.7</b>	<b>87.3</b>	<b>90.3</b>	<b>96.0</b>	<b>89.0</b>
Principle 3								
Component	PI	Performance Indicator	All gears					
Governance and policy	3.1.1	Legal & customary framework	100					
	3.1.2	Consultation, roles & responsibilities	100					
	3.1.3	Long term objectives	100					
	3.1.4	Incentives for sustainable fishing	100					
Fishery specific management system	3.2.1	Fishery specific objectives	85					
	3.2.2	Decision making processes	100					
	3.2.3	Compliance & enforcement	100					
	3.2.4	Research plan	90					
	3.2.5	Management performance evaluation	100					
<b>Principle Score</b>			<b>97.5</b>					

### 4.3 Determination of surveillance level

The surveillance score determined that the surveillance level should be reduced (Table 2 Surveillance level: Score=0; Table 3). The second surveillance audit was required to be “on-site” (See Appendix 3: ).

Table 2 Surveillance level (source: CR1.3 Table C3)

Criteria	Surveillance Score		ISF Icelandic Cod
1. Default Assessment Tree	Yes	0	0
	No	2	
2. Number of Conditions	Zero Conditions	0	0
	1-5 Conditions	1	
	>5 Conditions	2	
3. Principle Level Scores (see Table 1)	≥ 85	0	0
	< 85	2	
4. Conditions on outcome PIs?	Yes	2	0
	No	0	
Total			0

Table 3 Level of surveillance required for audits based on the surveillance score (source: CR1.3 Table C4)

Score	Surveillance level		Years after certification or re-certification			
			Year 1	Year 2	Year 3	Year 4
2 or more	Normal surveillance		On-site surveillance audit	On-site surveillance audit	On-site surveillance audit	On-site surveillance audit & recertification visit
1	Remote surveillance	Option 1	Off-site surveillance audit	On-site surveillance audit	Off-site surveillance audit	On-site surveillance audit & recertification visit
		Option 2	On-site surveillance audit	Off-site surveillance audit	On-site surveillance audit	
0	Reduced surveillance		Review new information	On-site surveillance audit	Review new information	On-site surveillance audit & recertification visit

### 4.4 Dates of surveillance activities

A variation request was submitted to and accepted by MSC to alter the surveillance completion date from 24<sup>th</sup> April 2014 to 24<sup>th</sup> May 2014. The responsibility for surveillance audits on this fishery was transferred from Det Norske Veritas to Vottunarfisli on 21<sup>st</sup> March 2014. In order to have sufficient time to appoint a new assessment team and to issue appropriate stakeholder notifications, a later surveillance audit was considered necessary. The change in surveillance dates did not affect the fishery’s conformity to the standard.

The announcement for the reduced surveillance was published on the MSC website on 11<sup>th</sup> April 2014. Stakeholders were informed of the surveillance audit activities. No comments or requests for interviews were received. Information gathering was initiated on 19<sup>th</sup> May 2014.

## 4.5 Surveillance team member details

This surveillance audit was carried out by Dr. Paul Medley (Team Leader) and Dr. Ásgeir Daníelsson (Expert). Paul Medley was primarily responsible for Principles 1 and 2 and reporting, and Asgeir Daníelsson for Principle 3. Dr. Gunnar Á. Gunnarsson served as coordinator and secretary for the team.

## 4.6 Stakeholder consultations

VTUN advised all known stakeholders that the surveillance would take place in Reykjavik 19-21 May 2014. VTUN 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 site visit to Iceland. 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.

This surveillance audit was combined with that of ISF Icelandic Haddock. These fisheries are very similar and underwent full assessment at the same time. They share the majority of Principle 2 and Principle 3 issues, and combining surveillance audits minimises stakeholder fatigue.

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 requested consultation meetings with the Fisheries Directorate, the authority responsible for implementing the management of Iceland fisheries, and with the Marine Research Institute, which is the responsible fisheries science institute. These agencies kindly arranged to meet the team and meetings proved helpful in providing information relevant to the surveillance audit. A meeting was also held with the client organization ISF. The certifications were discussed in detail and the meeting provided an opportunity to discuss any changes to the fishery and specifically the recommendations that exist for this fishery.

All meetings took place in or around Reykjavik, Iceland.

## 5 Findings

### 5.1 TAC and Catches

Table 4 Atlantic cod: all landings in metric tonnes green weight.

	2011/12	2012/13	2013/14
Overall quota (TAC)	177 000	195 400	214400
Overall landings	185 000	210261	NA
Client <sup>2</sup> TAC share	177000	195400	214400
Client landings	185000	210261	NA

The TAC for each fishing year (Table 4) is set by the harvest control rule. According to the Icelandic Fisheries Directorate yearly reports there is a discrepancy between the TAC and the amount of cod caught in those years. Cod landings in 2011/12 and 2012/13 were 196132t and 225632t respectively. Part of the total cod landings is fished in the Barents Sea and this provides for a part of the discrepancy (Barents Sea Cod represents 13783 tonnes in 2011/12 and 15371 tonnes in 2012/2013). Barents sea cod are not part of this certification. Landings from the Icelandic stock in excess of the catch rule were due to undersized fish, project fund landings and landings by foreign vessels not considered in the catch rule.

<sup>2</sup> The Client share in this context is the total landings within the certification. In this case, all Iceland landings of cod are within the certificate scope.

To promote compliance, rules have been introduced into the Icelandic system, which support the policy of no discarding of catch, amongst them concessions for quota withdrawal for undersized fish (undirmál), where juvenile fish is only partially withdrawn from catch quotas. It is permitted to land undersize fish (max 5% of the total landings). This fish is sold and the proceeds go to Verkefnasjóður (VS). No part of the landings of these undersized fish will be counted against the vessel's quota. Each year the Ministry allocates a small proportion of the TAC to "longline" fisheries (línuvílnun) and coastal fisheries (strandveiðar), which are included in the TAC. Even allowing for these discrepancies, cod landed exceeded the TAC by small amounts in both years: 1.2% in 2011/12 and 6.1% in 2012/13.

Flexibility is built into the ITQ system, enabling the vessel owners and fishers to manage their fishing activities more easily and to support the policy of no discarding. 20% of each vessels catch quota can be transferred to the following fishing year. It is permitted to fish up to 5% in excess of a vessels catch quota, where the excess catch is in such instances withdrawn from next fishing year's quota of the vessel. Up to a certain limit, catch quotas can be converted between species (demersal species only), but not into quotas for cod. For all catch caught in excess of the set TAC, the Directorate of Fisheries imposes a fee to the vessel in question which represents the market value of the catch.

It seems likely that catches, under the current management system will continue to be in excess of the TAC which is defined by the catch rule, unless greater provision is made for undersize landings. The actual catches are included in the stock assessment, so the TAC will be corrected over time, and all mortality is recorded (no discarding), which decreases risk. Fishing mortality has been estimated as less than  $F_{MSY}$  in the most recent assessment (ICES 2013a). The excess catches are likely to remain small, but represent a small increase risk and will need to be monitored.

## 5.2 Stock Status and Harvest Strategy

The harvest ratio for Icelandic cod is below the MSY level ( $F_{2012} < F_{MSY}$ ) and biomass is at a level consistent with MSY ( $SSB > B_{trigger}$ ). In summary, the stock is being harvested sustainably and SSB is highly likely to be at or above the MSY level (ICES 2013a).

Historically, the spawning stock of Icelandic cod is increasing and is higher than has been observed over the last five decades. Fishing mortality has declined significantly in the last decade and is presently at a historical low and below likely candidates for  $F_{pa}$  and  $F_{lim}$ . Year classes since the mid-1980s are estimated to be relatively stable, but with the mean around the lower values observed in the period 1955 to 1985.

There have been no changes to the management system directed specifically at the target stock.

## 5.3 Retained Catch, Bycatch and ETP

It was determined whether there was any change in status of main retained from 2012 (Table 5) as this could materially change the status of the certification (e.g. lead to rescoring a performance indicator below 80). Although no changes have occurred in status from the main assessment, but Atlantic wolffish appears to be more at risk of a status change.

Indices suggest that fishing mortality and biomass of Atlantic Wolffish are declining. Biomass is above lowest historical levels observed in the late 1970s. However, recruitment has declined and is currently at a very low level. There is no strong evidence that this is due to fishing because biomass does not appear to be at a particularly low level. However, although catches have been reduced, they routinely exceed the TAC, which itself exceeds scientific advice, which is a concern.

Grey or common skate (*Dipturus batis*) was not considered a main retained species in the original assessment. It is however vulnerable, and its status was addressed in the recommendations. Atlantic halibut (*Hippoglossus hippoglossus*) is within a rebuilding plan in Iceland since 2012 (Regulation 470/2012), which requires live Atlantic halibut to be returned to the sea.

There is no evidence of significant changes with respect to bycatch or ETP since the previous surveillance audit. Discarding of commercial species is not allowed in Iceland waters. Bycatch is required to be recorded and reported. There have been no changes in protected species designations.

**Table 5 Species/stock status for main retained species only for each gear type in the main assessment (DNV 2012a).**

Species/Stock	Gear	Above Limit Reference	Preventing Recovery	Reference
Haddock <i>Melanogrammus aeglefinus</i> ICES Division Va	Demersal Trawl Danish Seine Longline	Yes	NA	ICES 2013b
Saithe <i>Pollachius virens</i> ICES Division Va	Demersal Trawl Pelagic Trawl Set Nets Hand line	Yes	NA	ICES 2013c
Golden Redfish <i>Sebastes marinus</i> ICES subareas V, VI, XII and XIV	Demersal Trawl Pelagic Trawl	Yes	NA	ICES 2013d
Deepwater Redfish <i>Sebastes mentella</i> Icelandic slope stock	Demersal Trawl	Unknown	No. Low impact of trawlers targeting cod. No change from 2012.	ICES 2013e
Greenland halibut <i>Reinhardtius hippoglossoides</i>	Demersal Trawl	Yes	No. Based on surveys, stock is increasing.	ICES 2013f
Atlantic Wolffish <i>Anarhichas lupus</i>	Longline	Likely, but uncertain.	No, but unclear. No change from 2012.	MRI 2013
Ling <i>Molva molva</i>	Longline	Yes	NA	MRI 2013
Tusk <i>Brosme brosme</i>	Longline	Yes	NA	MRI 2013

## 5.4 Habitat and Ecosystem

Habitat is a concern for the main active gears which are likely to impact habitat, in this case demersal trawl. Demersal trawl has been excluded from various areas to protect vulnerable habitats. This appears to be ongoing management of habitats. The Iceland Government declared five additional protected areas in April 2014 where all trawling is banned with the objective of protecting sites with high densities of cold water corals. This brings the total number of such protected areas to 14 (<http://www.umhverfissraduneyti.is/frettir/nr/2577>; mpa.ospar.org). However, the Iceland Government has as yet no plans to protect other habitat types, such as sponge beds, in this way. MRI reports that some data on the bycatch of vulnerable marine ecosystem indicator species are being collected, but data are, as yet, insufficient to allow any analysis.

No further issues related to the marine ecosystem were identified.

## 5.5 Sustainable Fisheries Management System (Principle 3)

There have been no changes to the specific fishery management system since the certification. The Fisheries Directorate record all non-compliance, including minor infringements and sanctions. They report no systematic non-compliance issues.

## 5.6 Destructive practices and/or controversial unilateral exemptions

It has been verified that the fishery is not being conducted under a controversial unilateral exemption to an international agreement (CR1.3 27.4.4.1) and that fishing operations do not use destructive fishing practices, as defined by MSC (CR1.3 27.4.4.2).

## 5.7 Conditions

All performance indicators scored 80 or higher in the Certification Report (DNV 2012a), and therefore no conditions have been raised on this fishery.

## 5.8 Recommendations

Note that only one recommendation, **Recommendation 2.4.3**, was included in the ISF Icelandic Cod Public Comment Report. One peer reviewer indicated that all recommendations in the ISF Icelandic Haddock Assessment should also be included in the ISF Icelandic Cod Assessment, and the assessment team appeared to concur with this suggestion, but the recommendations were not added. New recommendations have been proposed to harmonise this certificate with other Icelandic fisheries, including ISF Icelandic Haddock (see section 5.9).

**Recommendation 2.4.3:** The distribution of broad habitat types is known across Icelandic shelf waters but continuing surveying is required to improve knowledge of the distribution of vulnerable habitat types such as *Lophelia* reefs. Some studies have been undertaken by MRI to investigate fishing gear-habitat interactions but not with all gears. It is recommended that the client support the MRI habitat mapping programme, not least by skippers providing MRI with seabed habitat distribution data.

MRI talk to fishers directly and do not use client or its links to its members. MRI report that fishers are co-operative and have provided information, which has been used to design the habitat mapping surveys. Vessels reportedly avoid fishing habitats which capture significant quantities of benthic material (e.g. sponge or coral) as it damages and prevents the gear fishing effectively, so they do know many candidate locations (which they avoid). All known *Lophelia* reefs are already closed to demersal trawls. Therefore, this recommendation is met and is **closed**.

## 5.9 New Conditions & Recommendations

No new conditions are proposed.

Two new recommendations are proposed, which focus on outcomes within the CR1.3 MSC scoring methodology (i.e. maintaining scores at or above SG80). These recommendations address higher risk performance indicators and it is suggested that they are addressed before any reassessment, assuming the client wishes to continue certification. Action on these recommendations could help bring the cod fishery into line with other certified Icelandic demersal fisheries which are scored under more recent Certification Requirements.

It is not a requirement of certification that the client carry out recommendations, but any progress in carrying out recommendations will be monitored in future surveillance audits. To this end, the client should ensure that evidence of any relevant activity should be made available at future surveillance audits.

## Recommendations

1	PI 2.1	
Purpose	To ensure all main retained bycatch stocks are highly likely to be within biologically based limits or there are demonstrably effective management measures in place such that the fishery does not hinder recovery and rebuilding.	
Applies to:	Mainly Longline; Also Demersal Trawl and Danish Seine Grey Skate ( <i>Dipturus batis</i> ); Atlantic Wolffish ( <i>Anarhichas lupus</i> )	
Suggested Action	Atlantic Wolffish:	For Atlantic wolffish, management measures are in place, but the TAC has been exceeded and fishing mortality remains higher than the target level. The fishery should put in place a partial strategy of demonstrably effective management measures, such that the fishery does not hinder their recovery and rebuilding. This can take the form of reducing wolffish bycatch below the 5% threshold or to a low enough level that the population is demonstrably recovering or stable (as appropriate based on scientific advice).
	Grey Skate:	General conservation measures are in place which will help reduce impacts on the vulnerable populations (e.g. large-scale area closures), but do not address grey skate conservation specifically. Population trends for grey skate are unclear. The fishery should put in place a partial strategy of demonstrably effective management measures, such that the fishery does not hinder their rebuilding. This can take the form of minimising grey skate fishing mortality as far as possible (as has been done for Atlantic halibut), or any other effective approach.

2	PI 2.4	
Purpose	To ensure that the fishery is highly unlikely to reduce habitat structure and function to a point where there would be serious or irreversible harm.	
Applies to:	Demersal Trawl	
Suggested Action	The Icelandic Fisheries Management Act provides a strategy for protecting vulnerable benthic habitats and based on the act and scientific evidence, known cold-water coral areas have been closed. These measures are likely to prevent bottom trawling from doing further serious or irreversible harm to cold water corals. Other vulnerable benthic habitats around Iceland have not been closed to fishing. Vulnerable marine ecosystem (VME) indicator species include coral identified as gorgonians, <i>Lophelia</i> , and sea pen fields; crinoids; erect bryozoans; sea squirts; cerianthid anemone fields; and sponges that constitute sponge grounds or aggregations. Recording of the bycatch of VME indicator species on board fishing vessels is not required, although some data are being collected. Therefore, it is recommended that 1) client vessels co-operate with gathering information, including recording bycatch of VME indicator species; 2) promote extending the current strategy from cold water corals to protect benthic habitats to all vulnerable marine habitats.	

## 5.10 Conclusions

It is recommended that pelagic trawl should be included within the certificate. No reason to exclude this gear has been found.

No changes to the scoring, rationales or conditions have been made as a result of the information submitted.

There has been no material change since the previous Surveillance Audit and therefore Icelandic Group Plc **should** retain MSC certified status for their Icelandic cod fishery.

## 6 Planning for Third Surveillance Audit

The following checklist should be used to monitor higher risk issues at the next surveillance audit. This does not affect other surveillance activities, but should help ensure that surveillance audits are consistently applied.

- Check Icelandic cod catches against TAC and determine if risks remain low. The surveillance audit should check that the catches are not increasing, suggesting that the control is not functioning as intended, and that the HCR continues to be robust to the catch excess. Data need to be reconciled between the ICES catch data and data reported from the Fisheries Directorate. This can be done remotely.
- Recommendations (2): Monitor any management changes and status of Atlantic Wolffish, Grey skate, and vulnerable marine habitats.
- Request information on reporting of ETP and bycatch (e.g. unprotected birds and marine mammals) to assess mortality. A comparison of vessels reports with and without surveillance officers on-board may be possible, for example.
- Subject to any other evidence before the next surveillance audit, it is recommended that the fishery continue at reduced surveillance level (Table 2 and Table 3) with an off-site third audit in 2015.

## 7 References

- DNV (2012a) Final Report for Icelandic Group plc. Icelandic Cod Fishery. MSC Fishery Assessment Report Det Norske Veritas Report N. 2011-0001 Revision 06 – 14.03.2012
- DNV (2012b) Final Report for Icelandic Group plc. Icelandic Haddock Fishery. MSC Fishery Assessment Report Det Norske Veritas Report N. 2011-0002 Revision 06 – 14.03.2012
- DNV (2013) First Surveillance Report for ISF Icelandic Cod Fishery. Det Norske Veritas Report N. Report No. 2013 – 004 Revision No. 01 – Date 24.06.2013
- ICES, 2013a. ICES Advice Book 2. 2.4.4 Cod in Division Va (Icelandic cod). Advice June 2013.
- ICES, 2013b. ICES Advice Book 2. 2.4.6 Haddock in Division Va (Icelandic haddock). Advice June 2013.
- ICES, 2013c. ICES Advice Book 2. 2.4.14 Saithe in Division Va (Icelandic saithe). Advice June 2013.
- ICES, 2013d. ICES Advice Book 2. 2.4.13 Golden redfish (*Sebastes marinus*) in Subareas V, VI, XII, and XIV. Advice June 2013.
- ICES, 2013e. ICES Advice Book 2. 2.4.9 Beaked redfish (*Sebastes mentella*) in Division Va and Subarea XIV (Icelandic slope stock). Advice June 2013.
- ICES, 2013f. ICES Advice Book 2. 2.4.5 Greenland halibut in Subareas V, VI, XII, and XIV. Advice June 2013.
- MRI, 2013. Marine Research Institute State of Marine Stocks in Icelandic Waters 2012/2013. Prospects for the Quota Year 2013/2014

## 8 Appendices

### 8.1 Appendix 1: Written Submissions from Stakeholders

**Email from Áslaug Eir Hólmgeirsdóttir (Fisheries Directorate) explaining how catch quotas are managed and updating landings and TAC statistics (see report text).**

Hello Gunnar,

According to our yearly reports there is a small discrepancy between the TAC in 2012/2013 and 2011/2012 and the amount of Cod and Haddock caught in those years.

Part of the total Cod catch is fished in the Barents Sea and provides for a part of the explanation of the discrepancy, in 2011/2012 the Barents Sea Cod represents 13.782,7 tons of the total amount caught and in 2012/2013 it represents 15.371 tons. Each year the Ministry issues a regulation which specifies

the TAC and in that regulation the handline fisheries (línuvílnun) and coastal fisheries (strandveiðar) are included in the TAC.

To promote compliance, rules have been introduced into the Icelandic system which support the policy of no discarding of catch, amongst them concessions for quota withdrawal for undersized fish (undirmál), where juvenile fish is only partially withdrawn from catch quotas.

Another rule is the AVS-research fund (VS afli), It is permitted to land catch (max 5%) excessive to quotas as long as the catch is auctioned and the bulk of the value of the catch goes to support research, innovation and surveillance in the marine sector.

There is some other flexibility built into the ITQ system, enabling the vessel owners and fishermen to control better the structure of their fishing pattern and to support the policy of no discarding:

- Regardless of the fact that allocated catch quota can only be utilized within the fishing year in question, 20% of each vessels catch quota can be transferred to the following fishing year.
- It is permitted to fish up to 5% in excess of a vessels Catch quota. The excess catch is in such instances withdrawn from next fishing years quota of the vessel.
- Up to a certain limit, catch quotas can be converted between species (demersal species only).

For all catch caught in excess of the set TAC, the Directorate of Fisheries imposes a fee to the vessel in question which represents the market value of the catch.

Any further questions are welcomed.

Kind regards,

Áslaug Eir Hólmgeirsdóttir

(+354)5697900

[www.fiskistofa.is](http://www.fiskistofa.is) - Directorate of Fisheries

VTUN Response:

This information was provided on request to reconcile reported catches, landings and TAC allocation. Landings information was provided which has been included in the report.

No other written submissions were received.

## 8.2 Appendix 2: Changes to Client Action Plan

No conditions have been raised on this fishery and there is therefore no client action plan.

## 8.3 Appendix 3: Change of Scope: Pelagic Trawl

This following section of the report will also be submitted separately for public comment.





**Vottunarstofan Tún ehf.**

Sustainable Fisheries Scheme

Marine Stewardship Council Sustainable Fisheries Assessment

**ISF Icelandic Cod Fishery**

**ISF Icelandic Haddock Fishery**

**Change of scope to include Pelagic Trawl**

**Certificate Codes: F-TUN-1104 (Cod)**  
**F-TUN-1105 (Haddock)**

**Prepared by: Vottunarstofan Tún ehf.**  
**Prepared for: Iceland Sustainable Fisheries Ltd.**

**June 2014**



## 1 Introduction

Pelagic trawl was included in the original full assessment, but was not included in the certificate or announcements requesting stakeholder comment. Therefore, while the gear was assessed, the procedure was not followed or completed for this unit. This report brings the assessment up-to-date, and concludes with a recommendation whether the pelagic trawl meets the MSC standard and could therefore be included within the ISF Icelandic Cod and ISF Icelandic Haddock certificates.

Cod and haddock are considered together. Scoring for Principles 2 and 3 were identical for this gear under these two principles since cod and haddock are targeted and caught together on trips. Any differences are noted where they occur and Principle 1 is considered separately.

This report does not rescore any pelagic trawl performance indicator. It reviews the available information from the full assessments (DNV 2012a; DNV 2012b), Surveillance Audits (DNV 2013a; DNV 2013b; VTUN 2014a; VTUN 2014b) and a site visit conducted in May 2014 for the second Surveillance Audit to ensure that information used in the full assessments and subsequently has not materially changed. Short summaries of the findings are provided. For greater detail, it will be necessary to refer to the original reports.

## 2 Previous Assessments and Current Audit

The full assessment was completed in April 2012 and the fishery was certified on 24th April 2012.

The ISF cod fishery attained a score of 80 or more against each of the three MSC Principles and no score for any Performance Indicator was less than 80, so no conditions were set for this fishery. One recommendation was made for the ISF Cod assessment, but was not relevant to pelagic trawl.

The ISF haddock fishery attained a score of 80 or more against each of the three MSC Principles, but one score for a Performance Indicator (1.2.2) was less than 80, and therefore a single condition was set for the fishery. This condition was closed at the first surveillance audit. In addition, six recommendations were made for the ISF Haddock assessment, but none were relevant to pelagic trawl.

The first surveillance was a reduced off-site audit in April 2013, and pelagic trawl was included even though it was not part of the certificate. No material changes that affected the original assessment were identified. No new conditions or recommendations were set.

The second surveillance audit likewise included pelagic trawl. However, this audit also explicitly considered extending the scope to include pelagic trawl into the certificates. Comments from stakeholders were elicited on this issue during meetings, and results are presented in this report. No objection to certification of pelagic trawl was encountered with those stakeholders who were consulted.

Table 6 Current scoring for each performance indicator for pelagic trawl. The scores in brackets represent original full assessment scores, and outside brackets the current score, where rescoring has occurred.

<b>Principle 1</b>			ISF Cod	ISF Haddock
Component	PI	Performance Indicator	All gears	All gears
Outcome	1.1.1	Stock status	90	90
	1.1.2	Reference points	90	90
	1.1.3	Stock rebuilding	NA	NA
Management	1.2.1	Harvest strategy	95	85 (70)
	1.2.2	Harvest control rules & tools	90	90
	1.2.3	Information & monitoring	100	100
	1.2.4	Assessment of stock status	100	95
<b>Principle Score</b>			<b>93.1</b>	<b>91.3</b>
<b>Principle 2</b>				
Component	PI	Performance Indicator	ISF Cod and Haddock Pelagic Trawl	
Retained species	2.1.1	Outcome	80	
	2.1.2	Management	90	
	2.1.3	Information	100	
Bycatch species	2.2.1	Outcome	80	
	2.2.2	Management	90	
	2.2.3	Information	100	
ETP species	2.3.1	Outcome	100	
	2.3.2	Management	85	
	2.3.3	Information	80	
Habitats	2.4.1	Outcome	90	
	2.4.2	Management	100	
	2.4.3	Information	95	
Ecosystem	2.5.1	Outcome	90	
	2.5.2	Management	90	
	2.5.3	Information	90	
<b>Principle Score</b>			<b>90.7</b>	
<b>Principle 3</b>				
Component	PI	Performance Indicator	ISF Cod and Haddock All gears	
Governance and policy	3.1.1	Legal & customary framework	100	
	3.1.2	Consultation, roles & responsibilities	100	
	3.1.3	Long term objectives	100	
	3.1.4	Incentives for sustainable fishing	100	
Fishery specific management system	3.2.1	Fishery specific objectives	85	
	3.2.2	Decision making processes	100	
	3.2.3	Compliance & enforcement	100	
	3.2.4	Research plan	90	
	3.2.5	Management performance evaluation	100	
<b>Principle Score</b>			<b>97.5</b>	

### **3 Principle 1: Icelandic Cod**

The assessment of Principle 1 for pelagic trawl is the same as for all other gears that are within the scope of the certificate. Therefore, the assessment of this Principle against the standard has already been through the full process, including correct notification and consultation with stakeholders.

The fishing mortality for Icelandic cod has below the MSY level ( $F_{2012} < F_{MSY}$ ) and biomass is at a level consistent with MSY ( $SSB > B_{trigger}$ ) since the full assessment (ICES 2013a). Reference points are consistent with MSY (both  $F_{MSY}$  and  $B_{MSY}$  are used to guide management).

Icelandic cod has a comprehensive management system, including permanent and temporary closed areas, a TAC governed by a well-defined harvest control rule, good data collection and stock assessment procedures. The original assessment in 2012 gave a relatively high score with no conditions (Table 6), and no substantial changes have occurred since 2012.

The primary comment from stakeholders was that cod bycatch is a very minor component of the landings for this gear (<0.5% total catch, 129t in 2012/13) and that pelagic trawl would not be used in preference to catch cod because it lowers the quality of the landed product.

### **4 Principle 1: Icelandic Haddock**

As with ISF Cod, the assessment of haddock Principle 1 for pelagic trawl is the same as for all other gears that are within the scope of the certificate. Therefore, the assessment of this Principle against the standard has already been through the full process, including correct notification and consultation with stakeholders.

The fishing mortality for Icelandic haddock has below the MSY level ( $F_{2012} < F_{MSY}$ ) and biomass is at a level consistent with MSY ( $SSB > B_{trigger}$ ) since the full assessment (ICES 2013b). Reference points are consistent with MSY (both  $F_{MSY}$  and  $B_{MSY}$  are used to guide management).

Icelandic haddock has a comprehensive management system, including permanent and temporary closed areas, a well-enforced TAC, good data collection and stock assessment procedures. However, there was no well-defined harvest control rule and a condition was raised under performance indicator 1.2.1 (sic). A new harvest control rule was implemented with 12 months of certification, and judged precautionary by ICES (ICES 2013b), so this condition was closed at the first surveillance audit (DNV 2013). The current score is high (Table 6), and there are no outstanding conditions. No substantial changes have occurred since the first surveillance audit.

The primary comment from stakeholders was that haddock bycatch is a very minor component of the landings for this gear (<0.1% total catch, 11t in 2012/13) and that pelagic trawl would not be used in preference to catch cod because it lowers the quality of the landed product.

## **5 Principle 2: Pelagic Trawl**

### **5.1 PI 2.1 Retained Species**

Although it was ascertained that cod is caught as a bycatch only in the pelagic trawl fishery directed at golden redfish. In this fishery, main retained species were golden redfish, saithe and haddock or cod (if not included in Principle 1). All these species are now well-managed with reference points and harvest control rules (Table 6). Other retained species were not exhaustively listed, but include Atlantic wolffish and lumpfish. Commercial species are generally all managed to some degree, usually based on survey indices (MRI, 2013). Therefore there has been no material change that would lead to relative reduction in scores on status, management or information within this scoring component.

**Table 7 Stock status for the pelagic main retained species (excluding haddock and cod, considered under Principle 1).**

<b>Species/Stock</b>	<b>Gear</b>	<b>Above Limit Reference</b>	<b>Preventing Recovery</b>	<b>Reference</b>
Saithe <i>Pollachius virens</i> ICES Division Va	Demersal Trawl Pelagic Trawl Set Nets Hand line	Yes	NA	ICES 2013c
Golden Redfish <i>Sebastes marinus</i> ICES subareas V, VI, XII and XIV	Demersal Trawl Pelagic Trawl	Yes	NA	ICES 2013d

## 5.2 PI 2.2 By-catch

Within the management system, all commercial species must be retained and landed. There are various management measures which discourage discarding, such as non-punitive sanctions for exceeding the quota by <5%. This ensures that all catch mortality is recorded. More recently, vessels are required to record capture of non-ETP species, such as birds and marine mammals, which can be enforced by surveillance officers. It is highly unlikely that pelagic trawl captures significant numbers of any non-fish species.

The conclusion of the original report was that, due to the attributes of the gear and the strong discouragements on discarding, bycatch is negligible for pelagic trawl targeting golden redfish. No evidence was found that suggests any material change to these circumstances.

## 5.3 PI 2.3 ETP

No significant bycatch of ETP species was identified in pelagic trawl. No evidence was found that impacts of ETP bycatch was significant. However, the definition of what the full assessments ETP was not well defined, and seemed to cover any bird or marine mammal, even though these are not specifically protected under national or international agreements. A more precise definition of ETP species would not affect this conclusion.

It is likely that a re-assessment might score this component more highly. It is now a requirement that fishers report captures of ETP, and provision is made on the log-book (although this may not be well enforced). This, together with a reduced but more precise set of ETP species, suggests pelagic trawl would have a negligible impact on ETP populations. Therefore, no information has been found since the full assessment that would suggest a material change to this scoring component.

## 5.4 PI 2.4 Habitat

Pelagic trawl will not (unless a catastrophic error is made) come into contact with the sea bed. As in all other cases reviewing pelagic trawl, this gear was considered low risk to any habitat in affecting its structure or function in the full assessment, and this conclusion remains unchanged.

## 5.5 PI 2.5 Ecosystem

Pelagic trawl takes a very small proportion of demersal species as bycatch, and therefore its direct impact on the demersal ecosystem is likely to be negligible. There is no evidence for any substantial change with this conclusion.

## 6 Principle 3: Icelandic Cod and Haddock

The Icelandic management system scored very highly under Principle 3 (Table 6). The management system is relatively transparent and reports activities and results from evaluations. Information is readily available to stakeholders via the internet. The available suggested that there was no systematic non-compliance and rules are well-enforced with consistent sanctions. There is clearly regular internal review of the management system and outcomes, but there has been no external review of the whole management system. One of the strengths of the Icelandic system is the recognition of traditional fishing and stakeholder rights and the relatively good enforcement.

The system remains unchanged since the full assessment, and there has been no material change that would suggest the management system does not meet the standard.

## 7 Conclusions

Pelagic Trawl has been included in the ISF Cod and ISF Haddock full assessments (DNV 2012a; DNV 2012b) and subsequent Surveillance Audits (DNV 2013a; DNV 2013b; VTUN 2014a; VTUN 2014b). Furthermore, no issues were raised with stakeholders or identified in a site visit conducted in May 2014 for the second Surveillance Audit. The findings of these assessments and audits were that Pelagic Trawl meets the required MSC Standard as laid out in FAMv2.1.

No issues have been found which conflict with the original finding of the full assessments and audits for ISF Cod Pelagic Trawl and ISF Haddock Pelagic Trawl. Therefore, it is recommended that Pelagic Trawl is included within the scope of ISF Cod and ISF Haddock fishery certificates.

## 8 References

- DNV (2012a) Final Report for Icelandic Group plc. Icelandic Cod Fishery. MSC Fishery Assessment Report Det Norske Veritas Report N. 2011-0001 Revision 06 – 14.03.2012
- DNV (2012b) Final Report for Icelandic Group plc. Icelandic Haddock Fishery. MSC Fishery Assessment Report Det Norske Veritas Report N. 2011-0002 Revision 06 – 14.03.2012
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- DNV (2013b) First Surveillance Report for ISF Icelandic Haddock Fishery. Det Norske Veritas Report N. Report No. 2013 – 005 Revision No. 01 – Date 30.06.2013
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- ICES, 2013b. ICES Advice Book 2. 2.4.6 Haddock in Division Va (Icelandic haddock). Advice June 2013.
- ICES, 2013c. ICES Advice Book 2. 2.4.14 Saithe in Division Va (Icelandic saithe). Advice June 2013.
- ICES, 2013d. ICES Advice Book 2. 2.4.13 Golden redfish (*Sebastes marinus*) in Subareas V, VI, XII, and XIV. Advice June 2013.
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- VTUN, 2014b. On-Site Surveillance Visit for the ISF Icelandic Haddock Fishery. Vottunarstofan Tún ehf. 2nd Annual Surveillance Report.