



Vottunarstofan Tún ehf.

Sustainable Fisheries Scheme

Marine Stewardship Council Sustainable Fisheries Assessment

Faroe Islands Queen Scallop Fishery

Second Annual Surveillance Report

Certificate Code: F-TUN-1103

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	5th September 2013	Date of expiry	4th September 2018
Surveillance level and type	Normal / Default Surveillance – On-site		
Date of surveillance audit	18 th -20 th August 2015		
Surveillance stage (tick one)	1st Surveillance		
	2nd Surveillance	X	
	3rd Surveillance		
	4th Surveillance		
	Other (expedited etc)		
Surveillance team	Lead assessor: Tristan Southall (Principle 3 expert)		
	Assessor(s): Gudrun Thorarinsdóttir Ph.D. (Principle 1 & 2 expert)		
	Assessment secretary: Lovísa Guðmundsdóttir		
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2 Background

2.1 Aim of Report

This report contains the findings of the second annual surveillance audit for Marine Stewardship Council fishery certification of the Faroe Islands Scallop Fishery, using scallop dredge as harvesting method, within the Faroe Islands Exclusive Economic Zone (FAO Statistical Area 27 / ICES Area Vb1b).

The purpose of the annual Surveillance Report is:

- 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;
- 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 addressed through conditions of certification and described in the Public Certification Report, and includes an Action Plan drawn up by the client;
- to re-score any Performance Indicators in response to material changes in the fishery, such as closing a condition;
- to monitor any actions taken in response to any (non-binding) recommendations made in the Public Certification Report.

The full Public Certification Report (published on-line by the Marine Stewardship Council in September 2013) provides the relevant context and further background to the fishery, including full justifications for all scores given. This surveillance should therefore be viewed in conjunction with the original assessment 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.

2.2 Fishery Background

The following text is an amended extract from the original certification report.

Queen scallops are the only bivalve species of commercial interest off the Faroe Islands since the fishery started in 1970. Initially there were several boats, but since 1988 O.C. Joensen's FV Nordheim has been the only vessel in the fishery, with the exception of 1989-1991 when a factory vessel was allowed to fish in the northern area (Nicolajsen 1997).

Since the certification in 2013, there has been no changes to ownership or operation of the fishery. O.C. Joensen is the only license holder and operates the fishery under Thor Ltd. Scallops are fished using twin dredges, each of which is 12 foot wide.

The main fishing area is located in the area east of Nolsoy, and there are two experimental fishing areas in the North; the northern area located north of 62°25'N, and Funningsfjord, respectively being fished by the Nordheim since 1997 and 2009. Licenses for the fishing of queen scallop are issued once a year. They are issued by fishing area; specifying fishing regulations for the area.

O.C. Joensen's processing factory does not accept scallops below 55mm. This means that all scallops landed have had a chance to spawn at least once, as the effective selection is substantially above the size at first spawning (40mm). All scallops are landed at the factory in Oyri for processing, retail and wholesale.

2.3 Updated Fishery Background

It is part of the function of an annual surveillance audit to provide an update on any significant changes in the operation, management and status of the fishery since the time of the original assessment and the publication of the Public Certification Report. The following report section therefore summarises any relevant changes.

2.3.1 *Changes to fishing operations / gear*

There have been 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. However, there have been some changes to fishing gear used.

Since the time of the last surveillance audit the client have been trialling a new gear configuration. The objective in making changes to the gear configuration has been to reduce the amount of “rusk” and bycatch in the catch. In addition, the new gear configuration is designed to be double sided, meaning that the gear can be used regardless of the orientation of the gear when it lands on the seabed.

The change of gear was possible within the existing licence conditions which do not stipulate what the design or configuration of the dredge should be. There was therefore no need to notify the management authorities of the change. The client fishery did however notify the MSC CAB of the change. However, this change also appears to be within the characteristics of the gear as defined in the MSC Unit of Certification.

Although some simple in-house analysis was done of the performance of the new gear, focussing on rusk and bycatch composition, this has not been subject to rigorous comparative analysis. Nor has there been any attempt to determine the result of the change on habitat impacts (see Condition 3 for further discussion of this).

2.3.2 *Stock Status, stock assessment (Principle 1)*

The 2nd Surveillance site visit confirmed that no new stock assessments had been carried out, for any of the licenced fishing areas, since prior to the first surveillance site visit in 2014. Therefore the most up to date assessments remain those for the stock north of the Faroe Islands (Cruz and Matras 2013a) and in a north-west fjord (Cruz and Matras 2013b).

No stock assessment at all have been carried out for the main fishing area in the east and no future research has been planned or budgeted. In addition, there is not an active monitoring programme in place of any indicators that may serve as a proxy of stock status. However, a brief review of the fishery data derived from logbook returns for the fishing vessel for the period 2014-2015 has been provided (Cruz 2015). This primarily focuses on landings and does not seek to make interpretations about stock status, or trends nor does it undertake any review of time series data. It did however conclude that the fishery appears ‘stable’. It is therefore difficult to make any definitive statements about stock status relative to reference points in any of the fishing areas at this time. However, this fishery was assessed using the MSC Risk Based Framework (RBF) and no evidence has been provided of any change to the scores provided in the RBF at the time of assessment, therefore the conclusions of this risk based exercise would be expected to be unchanged.

There have been no significant changes to key personnel involved in science in relation to the Queen Scallop fishery.

2.3.3 Ecosystem Interactions & Management (Principle 2)

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.

2.3.4 Sustainable Fisheries Management System (Principle 3)

Stakeholder meetings conducted during site visit have confirmed that there are no significant changes to the specific fishery management or regulatory system since the time of the original site visit or certification in relation to the queen scallop fishery. In addition there have been no significant changes to key personnel. The Fisheries Directorate record all non-compliance, including minor infringements and sanctions. They report no infringements or systematic non-compliance issues.

Once again, for the 2014/15 fishery 3 main licences were issued. These were as follows:

- Eastern Area (East of Nolsoy) – Licence issued for 15/08/14 – 31/03/15
- Funningsfjord (Exploratory Licence) – Licence issued for 31/10/14 – 31/08/2015, with a TAC of 267t.
- Northern Area (Exploratory Licence) – Licence issued for 31/10/14 – 31/08/2015, with a TAC of 2,000t.

In addition, the client fishery applied for and received a further exploratory licence to carry out trial fishing to the south and south west of the main Eastern fishing Area. This licence enabled a 48hr exploratory fish to try to identify good fishing grounds. It is understood that the Ministry consulted the FAMRI prior to issuing this licence and also requested that the client fishery provide a summary report of their findings on this trip.

It should be noted that much of the scoring justification provided at the time of the MSC assessment report highlighted the fact that the fishery took place in a restricted area and fished the same grounds that had already been fished. This was both an argument used in support of stock stability and habitat impact. **Any significant expansion of the area of fishery operation may therefore require that this scoring justification be revisited and that greater supporting evidence is required in support of scoring.**

2.4 Landings

The 2014/15 season was characterised by very poor weather meaning that the total number of fishing trips was reduced. This has contributed to a fall in overall catches, in spite of an increase in TAC.

Table 1. Overall quota (TAC) and landings for each fishing area.

		2013/14	2014/15
Northern Area	Overall quota (TAC)	1,000t	2,000t
	Client share of TAC	100%	100%
	Landings	951t	688t
Funningsfjord	Overall quota (TAC)	No quota (effort restriction)	267t
	Client share quota	100%	100%
	Landings	0	72
Eastern Area	No quota (effort restriction)	n/a	n/a
	Client share of total effort	100%	100%
	Landings	4,292t	4,301t
Total Landings¹		5,243t	5,061t

2.5 Relevant MSC Policy Considerations

There have been no changes in the fishery since the time of assessment in relation to any of the key MSC policy requirements.

2.5.1 MSC Enhanced fisheries changes

There have been no enhancement activities in this fishery

2.5.2 Destructive fishing / Controversial Unilateral Exceptions

It has again 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).

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

2.5.3 Traceability

No issues in relation to traceability have been identified during this surveillance audit and the statements in relation to this in the original assessment report remain correct.

2.6 Summary of assessment conditions

Chapter 4 of this report details the results of this surveillance audit. At the time of the assessment the Faroe Island Queen Scallop fishery had 5 conditions. This remain open and following this surveillance audit were concluded to be behind target (Table 2)

Table 2. Summary of assessment conditions.

Condition number	Performance indicator (PI)	Status (prior to 2 nd surveillance)	PI original score	PI revised score
Condition 1	1.2.2	Behind target	60	Not revised
Condition 2	1.2.3	On target	75	Not revised
Condition 3	2.4.3	Behind target	75	Not revised
Condition 4	3.2.4	On target	70	Not revised
Condition 5	3.2.5	On target	70	Not revised

3 Assessment Process

3.1 Scope and history of the assessments

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.

This is the second annual surveillance audit for this fishery.

3.2 Surveillance Activities

This second annual surveillance audit was carried out by Tristan Southall (Team Leader); Gudrun Thorarinsdottir (Expert), and Lovisa O. Gudmundsdottir (Coordinator). Tristan Southall was primarily responsible for Principle 3 and reporting, and Gudrun Thorarinsdottir for Principles 1 & 2. On site surveillance coordinator was Lovisa O. Gudmundsdottir, with off-site preparation provided by Dr. Gunnar Á. Gunnarsson.

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

Visit	Date	Representatives	Institution
Site visit	18.08.2015	Viggo Dam Hans A Kelduberg Jacob P. Joensen Högni Sóloy	Client; O.C. Joensen
Stakeholder consultation 1	19.08.2015	Luis Ridao Cruz Petur Steingrund Una Matras Jan Sörensen Eilif Gaard	Faroese Marine Research Institute Natural History Museum
Stakeholder consultation 2	19.08.2015	Ulla S. Wang Martin Kruse	Ministry of Fisheries Faroese Fisheries Inspection
Vessel Visit	19.08.15	Högni Sóloy Rúni Hansen	Client; O.C. Joensen
Client Summary Meeting	19.08.15	Hans Andrias Kelduberg Viggo Dam	Client; O.C. Joensen

VTUN advised all known stakeholders that the surveillance would take place in Faroes Islands, on 18th and 19th of August 2015. 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 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, VTUN 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 the table below.

3.3 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

At the time of the original assessment, 5 performance indicators were found to score less than the unconditional pass mark of 80, therefore 5 conditions were raised and a client action plan was prepared to set out how these conditions would be met. In the following section, we detail the surveillance audit findings of progress against the milestones contained in the original conditions and conclude whether the conditions are ‘on target’, ‘behind target’ or ‘closed’.

Note: Wording of the conditions were modified for clarification purposes at the time of the first surveillance audit. Crossed out sections show deleted text, while italics show additions.

4.1 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, evidence must be provided that the move-on rule is effective and allows for recovery of local scallop beds. In addition, 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 move-on <i>harvest control rule</i> is set at an appropriate level to allow for recovery of local scallop beds. Uncertainties regarding the set level of the move-on <i>limit reference point</i> and the <i>appropriateness of the tools used to control exploitation rate</i> 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 move-on <i>harvest control rule</i>, including uncertainties, has been initiated and that funding and/or resources have</p>		

	<p>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 move-on harvest control rule, including identification of uncertainties. A limit reference point shall be set for the fishery and resulting actions in case the LRP is approached. Resulting score: 70 60</p> <p><u>Milestone 3:</u> At the third annual surveillance the client shall provide evidence that the set level of the move-on harvest control rule is effective for recovery of local 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>
Progress on Condition [Year 2]	<p>There has been no progress in relation to timelines requirements since the 1st surveillance or the time of the original certification. The client fishery has continued to informally use the move on rule. However, this has no scientific basis and has not been subject to any analysis of the spatial or temporal scale that this would need to be applied at to afford meaningful stock-level protection (FAMRI <i>pers. comms</i>). It is therefore considered to offer limited potential as a harvest control rule in accordance with the MSC requirements and milestones set.</p> <p>No evidence has been provided of a program to evaluate the effectiveness of the harvest control rule (or indeed the move-on rule), which adequately addresses uncertainties. Nor have there been any further attempts to identify limit reference points in all relevant fishing areas. FAMRI have not undertaken any further detailed analysis or assessment of the main stock areas since last surveillance.</p> <p>Finally, there is no mechanism in place to control rate of exploitation in main eastern fishing grounds, although the annual licencing round at least allows some potential for tools to be rapidly introduced. However, there is no consideration of how exploitation rate may be reduced as limit reference points <i>are approached</i>.</p> <p>Even though the Faroes Island Queen Scallop Fishery was assessed using the Risk Based Framework (due to the absence of stock status indicators relative to reference points), there remains a MSC requirement to have some form of harvest control rule which ensures that the exploitation rate can be reduced as the limit reference point is approached. This implies that the fishery performance is monitored (perhaps using an appropriate proxy), that an appropriate limit reference point is identified, and that the tools for controlling exploitation rate are appropriate and available for use.</p>
Status of condition	<p><u>It is concluded that this condition is behind target, for the 2nd year in succession.</u></p> <p>In seeking to address this it is advisable that consideration is also given to the requirements of the 3rd milestone, so that this can also be demonstrated prior to any</p>

	future surveillance audit. Furthermore there are very close linkages between the requirements of this condition and the requirements of condition 2, therefore it is also advisable that these linkages are addressed.
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4.2 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 effort controls in place in combination with the move-on rule, 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 of effort control and the move-on rule. <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 2]	<p>There has been no evidence that a program for monitoring CPUE (or stock abundance or any other appropriate indicators) in all areas of the fishery has been implemented in support of the harvest strategy or the harvest control rule.</p> <p>Although landings and some effort data (Cruz 2015) is submitted, this is not being routinely monitored as part of management oversight and does not appear to inform decisions over future exploitation rate. In addition potential gaps and uncertainties in the data provided, in particular in relation to accurately determining fishing effort and location have not been addressed. This cannot therefore be described as a program of monitoring in support of the harvest strategy.</p> <p>Changes to Condition</p> <p>Earlier reference to move-on rules have been removed from this condition to make it clear that the monitoring should be tailored to the needs of the harvest strategy, controls and the harvest control rule, whatever shape such rules and controls ultimately take. This does not make any material difference to the intent or</p>		

	requirements of the condition.
Status of condition	<p><u>Behind target</u></p> <p>Addressing this condition should be done in close consideration with the work required to address condition 1. These are intrinsically linked and addressing one should assist with addressing the other.</p>

4.3 Condition 3

	Insert relevant PI number(s)	Insert relevant scoring issue/ scoring guidepost text	Score
Performance Indicator(s) & Score(s)	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 heavier dredge <i>in use</i> that has been in use since 2012 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 heavier dredge <i>in use</i> 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 heavier dredge <i>in use</i> 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 heavier dredge <i>in use</i> 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 heavier dredge <i>in use</i> 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 heavier dredge <i>in use</i> 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.		
Progress on Condition [Year 2]	<p>There has been no significant progress in relation to the timeline requirements since the time of the 1st surveillance, or indeed since the time of the original certification. No habitat impact assessment work has been carried out and no discussions have been initiated to begin planning any such research.</p> <p>Although at the time of this surveillance audit the client did provide some evidence of the composition of retained bycatch and debris, this is not sufficient to allow the nature of the impacts of the fishery on habitats to be identified. In addition it is not clear of the spatial or temporal extent of this analysis or the robustness of the process. This work therefore does not contribute to the fulfilment of this Condition.</p> <p>In addition, since the time of the certification (when this condition was drafted) and 1st</p>		

	<p>surveillance, the client fishery notified VTUN of a further change in gear configuration (April 2015). This change is designed to improve catches and reduce the level of bycatch or 'rusk'. This change is allowable within the licence conditions, however no assessment of changes in habitat impact was undertaken. Although some rationale was provided by the client that this change may lead to a reduced impact this has not been demonstrated.</p> <p>The need for further habitat consideration is also focussed by the fact that an exploratory licence was issued to allow the client fishery to carry out exploratory dredging to the south and south-west of the main fishing area, in an area that had been previously not dredged for many years (although it is understood that it may have been subject to dredging over 20 years ago). The granting of this licence did not appear to be the subject of any explicit consideration of potential habitat impacts.</p> <p><i>Changes to Condition</i></p> <p>Since the gear configuration has again changed since the time of the original assessment the wording of the condition has been changed to make clear that the gear which is in use in the fishery should be the subject of relevant habitat research. This in no way changes the meaning, intent or requirements of this condition.</p>
Status of condition	<p><u>This condition is concluded to be behind target for the 2nd year running.</u></p> <p>There remains a clear requirement for information to be provided which allows the nature of the impact of the fishery on the habitat types to be identified. This is likely to require some dedicated habitat impact assessment studies of the gear that is in use and in the main area of the fishery. This research work should be scientifically robust and ideally independent.</p> <p>In seeking to address this it is advisable that consideration is also given to the requirements of the 3rd milestone (and depending on how long this takes – also the 4th milestone), so that this can also be demonstrated prior to any future surveillance audit.</p>

4.4 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, at least some monitoring must be done by the authorities in the main fishing area as well as the exploratory areas and a formal 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	<p>Some monitoring must be done by the authorities in the main fishing area as well as the exploratory areas and a formal A research plan for the fishery must be provided.</p>		
Milestones	<p><u>Milestone 1:</u> At the first annual surveillance the client shall provide evidence that a program for regular monitoring of the fishery in all areas has been initiated and a draft research plan shall be presented. Resulting score: 75 70</p> <p><u>Milestone 2:</u> At the second annual surveillance the client shall provide evidence that a program for regular monitoring of the fishery in all areas has been implemented, in addition to a formal a research plan for the fishery. Resulting score: 80</p> <p>A program for regular monitoring of the fishery in all areas shall be maintained throughout the period of certification. The research plan shall be followed throughout the period of certification.</p>		
Client action plan	<p>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.</p>		
Progress on Condition [Year 2]	<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 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 no research of relevance to the Faroes Queen Scallop fishery has been planned, funded or initiated in spite of a number of evident research gaps. This includes research identified at the time of the 1st annual surveillance as being critical to address ‘behind target’ conditions.</p> <p>As noted at the time of the last assessment the FAMRI do produce an annual research plan for all Faorese Marine and fisheries research which is the subject of an annual 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</p>		

	included in this plan for the current planning period.
Status of condition	<p><u>This condition is concluded to be 'Behind target'.</u></p> <p>Research is likely to be an inevitable requirement of both condition 1 and condition 3 which are both behind target. How this research / work is planned, managed and funded may provide some evidence in support of this performance indicator as may the inclusion of some fishery specific research in the FAMRI annual research plan.</p>

4.5 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 include any agreement from the client to address conditions (CR27.21.3.4).</p>		
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> 75 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> 75 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 2]	A review was undertaken immediately prior to this 2 nd surveillance audit (Ridao Cruz 2015). It is understood that this was requested and funded by the fishery client, perhaps in anticipation of this MSC surveillance audit, and carried out by FAMRI. This did not seem to be as a result of a ‘formal mechanism for internal review of the fishery-specific management system’. This review provided a summary of landings and to a lesser extent effort and catch sizes. It was outside of the remit of this review to give consideration to other relevant management measures or the efficacy 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		

	<p>exploratory licence in the south, or of changes to gear configuration.</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>In spite of this Ministerial commitment it is not clear that the review for the 2014/15 fishery provided by FAMRI was as a result of this formal process, nor did it cover all areas referred to in this letter (i.e. the <i>management system</i>). In addition, the Ministry have confirmed that no plans are currently in place for external review of the fishery.</p>
Status of condition	<p>Given that the reviews which have been undertaken since certification have taken a narrow focus on landings and effort; given that most recently this review does not appear to be the result of the management process; and given that the focus of the review for this Performance Indicator should be the “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.</u></p>

4.6 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

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.

4.7 New Recommendations & Conditions

There are no new conditions or recommendations at this time.

5 Conclusion

5.1 Summary of Conditions

	Title / relevant PI	Status
Condition 1	1.2.2 (Harvest Control Rule)	Behind Target (year 1 & year 2)
Condition 2	1.2.3 (Information / Monitoring)	Behind target
Condition 3	2.4.3 (Habitat Information)	Behind Target (year 1 & year 2)
Condition 4	3.2.4 (Research Plan)	Behind Target
Condition 5	3.2.5 (Management Performance Evaluation)	Behind Target
Recommendation 1	Monitoring	Closed / removed
Recommendation 2	2.1.3/2.2.3/2.3.3 information (catch profile)	Open

5.2 Status of Certificate and Draft Determination

The MSC certification requirements state that “In 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 inadequate. (b) Apply the requirements of GCR 7.4 (suspension or withdrawal).”

As a result of both Condition 1 and Condition 3 being concluded to still be ‘behind target’ at this 2nd surveillance audit, 12 months after the initial finding of ‘Behind Target’, the surveillance assessment team is recommending the following certification decision :

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, VTUN will on the date of suspension:

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

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

In response to the suspension, VTUN 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 VTUN or other CAB has verified by means of Chain of Custody audit the client's ability to segregate fish based on date of capture.

In addition, VTUN 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

Ridao Cruz, L. & Matras, U. 2013a. Assessment of queen scallop (*Aequipecten opercularis*) north of the Faroe Islands in 2013. Faroese Marine Research Institute (Havstovan). 7pp.

Ridao Cruz, L. & Matras, U. 2013b. Assessment of queen scallop (*Aequipecten opercularis*) in a north-west fjord (“Djúpini”) of the Faroe Islands 2013. Faroese Marine Research Institute (Havstovan). 9pp.

Ridao Cruz, L. & Gaard, E. 2014. Faroese queen scallop fishery in the 2012-2014 period. Faroese Marine Research Institute (Havstovan). 6pp.

Ridao Cruz, L. 2015. Faroese queen scallop fishery in the 2014-2015 period. Faroese Marine Research Institute (Havstovan).

Appendix 1 – Re-scoring evaluation tables

Although a number of scores were changed in the 2014 1st surveillance audit. No further scoring changes have been made as a result of this 2015 2nd surveillance audit.

Table A1i: Principle Level Scores after revision during surveillance in 2014 (showing original score with strikethrough, where amended)

Final Principle Level Scores	
Principle	Score
Principle 1 – Target Species	82.5 - PASS
Principle 2 – Ecosystem	90.3 89.3 - PASS
Principle 3 – Management System	92.5 91.5 - PASS

Table A1ii: Performance Indicator scores after revision during surveillance in 2014 (showing original score with strikethrough, where amended)

Principle	Component	PI No.	Performance Indicator (PI)	Score
1	Outcome	1.1.1	Stock status	100
		1.1.2	Reference points	80
		1.1.3	Stock rebuilding	N/A
	Management	1.2.1	Harvest strategy	85
		1.2.2	Harvest control rules & tools	60
		1.2.3	Information & monitoring	75
		1.2.4	Assessment of stock status	80
2	Retained species	2.1.1	Outcome	80
		2.1.2	Management	90
		2.1.3	Information	90
	Bycatch species	2.2.1	Outcome	80
		2.2.2	Management	95
		2.2.3	Information	95
	ETP species	2.3.1	Outcome	100
		2.3.2	Management	100
		2.3.3	Information	100
	Habitats	2.4.1	Outcome	80
		2.4.2	Management	95 80
		2.4.3	Information	75
	Ecosystem	2.5.1	Outcome	100
		2.5.2	Management	90
		2.5.3	Information	85
3	Governance and	3.1.1	Legal & customary framework	100

	policy	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	95
		3.2.2	Decision making processes	80
		3.2.3	Compliance & enforcement	100
		3.2.4	Research plan	75 70
		3.2.5	Management performance evaluation	75 70

Appendix 2 – Stakeholder submissions

None received.

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 produced.

Appendix 5 – Revised Surveillance Program

Table A5.1: Surveillance level rationale

Year	Surveillance activity	Number of auditors	Rationale
3rd	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 2 nd 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
2016	5 September	22.-24.8.2016	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>This audit</i>	On-site surveillance audit	On-site surveillance audit & re-certification site visit.