



**2nd MEETING OF CATCH DOCUMENTATION SCHEME INTERSESSIONAL WORKING
GROUP**

FSM-China Gymnasium, Palikir,
Pohnpei, FEDERATED STATES OF MICRONESIA
21 – 22 September 2015

MASS BALANCE RECONCILIATION

**WCPFC-2014-CDSIWG02-DP03
2 September 2015**

Paper by FFA Secretariat

This paper is submitted by the FFA Secretariat, and is without prejudice to the views and positions of FFA Members, individually or collectively.

Working Paper 3: Mass Balance Reconciliation

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Introduction

1. This paper introduces the concept of Mass Balance Reconciliation (MBR), essentially a comparison of declared catch with declared imports, exports and domestic consumption at different points in the commodity chain.
2. A MBR calculation can be used to identify areas where significant anomalies in catch or trade are occurring, acting as a trigger to investigate points where IUU product may be entering or leaving the commodity chain, as well as the sources of that product.
3. A WCPFC MBR calculation requires active participation of CCMs and the Secretariat, as well as some non-CCMs, as such it provides an indication of what roles and responsibilities may be expected in a final WCPFC CDS.
4. A MBR calculation generates a MBR ratio between declared catch and declared exports, imports, and domestic consumption. This ratio is indicative of how well existing catch and trade data collections systems are. It can be used as a Key Performance Indicator to gauge the effectiveness of WCPFCs' CDS development, implementation and management.
5. The ideal precursor to a WCPFC MBR is a CDS which requires product to be certified that it was caught, landed and distributed in accordance with applicable authorisations. In the absence of such, the accuracy of a WCPFC MBR calculation will be dependent on CCM's existing systems for collecting and verifying catch and trade data.
6. The absence of a WCPFC CDS should not however delay WCPFC from undertaking an annual MBR calculation. This might be a useful catalyst for a WCPFC CDS, especially if the end result is that there appears to be major discrepancies between the estimated catch and the estimated end product. It could also serve to identify those areas of the commodity chain in most need of robust catch documentation standards.

Mass Balance Reconciliation (MBR)

7. MBR is the process of reflecting the physical balance of trade and the difference between the amount of product traded and the amount of catch declared. It is premised on an accounting system of "what goes into the system must come out" (taking account necessary loss rates as the catch is processed into various forms).
8. In terms of the WCPFC an MBR may be used as comparison ratio of declared catch to declared trade data for particular species, where one would expect the ratio to be 1:1. Any difference and areas of uncertainty can serve as a trigger to identify and investigate where product disappearance or creation is occurring. MBR for a species would involve:

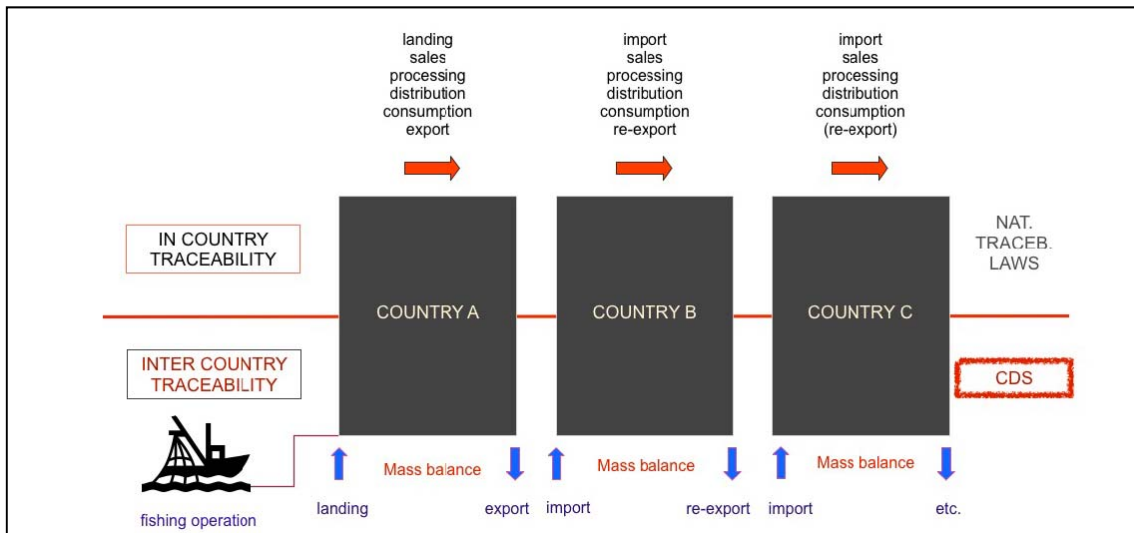
$$\text{Total WCPFC Landing} = \text{Total Exports} + \text{Total Domestic Consumption}$$

Total Exports = Total Imports

9. Noting:

- a. Processing factor is to be applied for each species product type
- b. WCPFC Scientific data provisions to derive Total WCPFC Landing
- c. The Part 1 Reports template requests some export information.

10. An example of how this would work in principle can be taken from the CITIES website which provides a dashboard of overall trade exports and imports of CITIES listed species (<http://dashboards.cites.org/>). Similarly a WCPFC MBR could display WCPFC trends of species catch and trade over time and allow an assessment of each CCMs declared catch and traded data.



(Source: Hosch 2015)

11. To perform a comprehensive WCPFC MBR ratio calculation requires an explicit commitment from the WCPFC Science Provider, Secretariat and Members, to provide, analyse and collate data for particular species:

- a. processing factor would need to be agreed for each species and its various product forms;
- b. CCMs to provide more detailed trade data under the existing Part 1 reporting requirements. The minimum information requirements in Table 1 and Table 2 would be required as part of CCMs 2016 Part 1 report.
- c. The Secretariat would be tasked with collating CCMs data and undertaking a MBR calculation in 2016.

12. In preparing to conduct a MBR calculation it is suggested that a consultant is engaged for the initial year. Tasked with collating the necessary data and performing a WCPFC calculation. It would, expedite the Commission’s abilities to perform a MBR calculation and provide highly informative insights for development of a Commission CDS.

Table 1 – Minimum requirements for Disposal of Species (Export and Domestic Market)

Requirement	
Flag CCM	
Catch Location (CCM EEZ or WCPFC HS area)	

Destination (Domestic or Country)	
Gear Code	
Net weight (processed) kg	
Estimated whole weight	

Table 2 - Receipt and Redistribution of Species (re-export and re-imports, transshipment activities to be considered as either export or import)

Requirement	
Export year	
Export CCM or Domestic	
Import CCM	
Harvest year	
Gear code	
Net weight (processed) kg	
Estimated whole weight	

Recommendation

13. The CDS-IWG is invited to consider making recommendations to the Commission that includes:

- a. A revision to the Annual Report Part 1 template to include data for exports and imports in a standardised format;
- b. Tasking the Secretariat, with the assistance of an appropriately qualified consultant, to provide an annual MBR calculation for the consideration of the Commission, TCC and the WCPFC CDS- IWG in 2016.