2nd MEETING OF CATCH DOCUMENTATION SCHEME INTERSESSIONAL WORKING GROUP

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PRELIMINARY TUNA CDS PRINCIPLES PROPOSED BY ABNJ TUNA ACTIVITY ON BEST PRACTICE GUIDELINES FOR THE DEVELOPMENT OF TUNA CATCH DOCUMENTATION SCHEMES

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3RD DRAFT VERSION

(Updated and submitted to the 2015 WCPFC IWG on CDS development)

Preliminary Tuna CDS principles proposed by ABNJ Tuna activity on

Best Practice Guidelines for the Development of Tuna Catch Documentation Schemes

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Principle 1

Clarity of Language

A CDS for the certification of legal provenance would be more appropriately referred to as Catch Certification Scheme (CDS); the central document should be referred to as a Catch *Certificate* (CC) – as opposed to a Catch *Document* or a Catch *Form*.

Logbooks and landing records are – arguably – also *catch documentation schemes*.

Principle 2

Primary objective of a CDS

To ascertain and assure the legal provenance of fisheries products through government certification of unloaded catches, providing for their traceability throughout the supply chain, and restricting domestic and international trade of a species (or group of species) to batches of products which are accompanied by the relevant certificates.

In doing so, the CDS scheme will obstruct market access to non-certified and/or non-certifiable products of IUU origin, thus directly contributing as a market measure to combatting IUU fishing.

Principle 3

Secondary objectives of a CDS

CDS systems can also achieve other objectives. However, these extremely complex systems ought to only be used to reach secondary objectives if this does not imply the modification or complexification of the scheme, because of the risks of undermining the effectiveness of the scheme in achieving its primary purpose.

One secondary objective, which requires no modification, is the near-real time monitoring of landed quantities of fish, making the CDS a prime candidate to monitor the filling of quotas in TAC managed fisheries.

Another secondary objective is the gathering of scientific data through an associated tagging programme, as currently exists under ICCAT and CDSBT. When complemented with otolith sampling programmes, tagging data can be extremely valuable from a stock assessment point of view.

Other fisheries-related information, such as CPUE data, is much better handled through alternative and more appropriate tools, such as logbook and/or observer programs. CDS systems should not overlap with, or be used to duplicate, replicate or validate data collected through other means – they should be singularly focused and designed to achieve their primary objective.

Principle 4

Document flow

The document flow ought to be linear and forward-facing, from the fishery to the end-market. Loops, dynamic document ID numbers, added sections along the supply chain, double registration of catches across various documents, replicated sections between different certificate types, etc. ought to be avoided.

Principle 5

Document system

The core document system is made up of 2 certificate types; a) the Catch Certificate, and; b) the Trade Certificate (exports/imports). In fisheries where fattening (aquaculture) and tagging occurs, more documents may be needed to cover transfers into and out of farms.

Transhipments, landings by reefers, and splits require special consideration. The arising needs can be accommodated within the boundaries of the Catch Certificate, the document system and effective rules. However, electronic means are necessary to handle these supply chain permutations effectively and with a minimum of burden.

Principle 6

CDS simplicity

Any CDS system ought to be designed with simplicity in mind. Compliance with, and support of the system at both public and private sector user levels will be inversely proportional to system complexity. The success of the system resides to a large part in its simplicity and user-friendliness.

e-CDS system downtime – which is undesirable – is also a function of the complexity of the system. The more complex it is, the higher the risk for glitches to occur.

Principle 7

Catch Certificate – trigger

The issuing of a Catch Certificate is triggered when a batch of fish product(s) is leaving a fishing vessel (or its nets) as a transhipment, a transfer into tow cages, or a landing. This is referred to as an "unloading".

The unit of "recording" is hence the act of unloading catch from the fishing vessel, regardless of the full or partial nature of such unloading with respect to the totality of catch aboard the fishing vessel at any given point in time over the course of one or more fishing trips.

The setting of the trigger in this manner implies that CDS are inherently not an ideal tool to monitor operational data such as CPUE, bycatch, port-2-port trip data, etc., but are useful to ensure the capturing of data on all fish harvested and unloaded from the fishing vessel.

Principle 8

Catch Certificate – initiator and liability

The Catch Certificate is initiated by the Master of the fishing vessel, and signed by the latter, certifying that he/she harvested the products in compliance with national and regional fisheries regulations (or any further or other certifiable attributes that the initiator of the scheme would like to confer to the products).

Principle 9

Catch Certificate – time of initiation

A Catch Certificate is initiated at sea, and contains all information relative to the batch of products that are about to leave the fishing vessel.

Initiation at this point in time is of essence in order for MCS-related controls to be triggered at this point in time, so that legality of the fishing operation (and catch) may be asserted at a point in time when relevant checks may be carried out.

Principle 10

Catch Certificate – validation

A Catch Certificate is validated by one or more competent authorities (CAs) along the chain of custody up to, and including the point of landing. The most obvious such CAs are the flag State of the fishing vessel, the flag State of a reefer vessel, and the port State receiving and verifying a landing. While there are different options as to which CAs exactly should validate CDS, the principle that a CA should always be a central or federal government authority is clear. Delegated authority is a possibility.

The counter-signing by several authorities increases the verifiability (and hence reliability) of the data contained in certificates.

Principle 11

Catch Certificate – prior issue & permanent coverage

A Catch Certificate is always issued and validated before the next step in the supply chain is undertaken, so that the product that it certifies is always covered by the certificate. This increases the security and guarantees within the system, and any product moving without certificate coverage in international trade may *a priori* be identified as illegal.

Principle 12

Catch Certificate – estimated and verified weights

A Catch Certificate is validated first on the basis of estimated weights (at sea), and may be adjusted for verified weights when counter-validated by a port State authority, if the master so requests. (note: in some fisheries this is not necessary, in others it almost invariably is).

This will give rise to a system of catch certificates established on the basis of estimated weights first, and re-established and re-validated on the basis of verified weights in a second instance.

Principle 13

Catch Certificate – ownership

A Catch Certificate belongs to the Master of the fishing vessel, and/or his company. Copies of the validated CC must be supplied to buyers of the certified product as an annex to sales notes – in order to enable them to export any portions of their acquired products.

Principle 14

Trade Certificate – coverage

Two basic certificates make up the CDS system; these are a) the Catch Certificate, and; b) the Trade Certificate. (see principle 5)

The Trade Certificate covers a full consignment of fisheries products that is subject to a CDS system, and makes the link between the products in the consignment and the Catch Certificate(s) from which products were sourced.

It is only used in international trade, and does not cover domestic trade transactions between companies within the same territory.

Principle 15

Trade Certificate – trigger

The issuing of a Trade Certificate is triggered when a consignment of fish product(s) is getting ready to ship to another territory (State).

Principle 16

Trade Certificate – initiator and liability

The Trade Certificate is initiated by the FBO that is exporting the products, who is liable for the veracity of the information contained in the Certificate.

Principle 17

Trade Certificate – validation

The Trade Certificate and the products it lists is linked to original Catch Certificate data within the CDS system. Therefore it has to be pooled with the existing Catch Certificate data in the system, in order for verifiable traceability and meaningful product accounting to take place, and to ensure that anomalies can be detected by the CA at the time when an FBO requests validation of a Certificate that it has submitted to the CA.

Therefore, meaningful validation of Trade Certificates can only be done by the same CA which is in charge of receiving and validating Catch Certificates – or which has direct and unfettered access to those data.

Principle 18

Trade Certificate – traceability standard

The Trade Certificate contains a table which lists the various products in the consignment. The same table links the product batch(es) in the consignment to their original Catch Certificate on a line-by-line basis. Each line in the Catch Certificate contains a unique data combination of species, product type and unloaded weight combination (*e.g.* Skipjack; round; 345mt)

This means that for any lot of products obtained from a specific line in a Catch Certificate, there will be one line in the Trace Certificate table listing first the original Catch Certificate number, the original Catch Ceritifcate line number, the weight used in processing, and the weight obtained through processing (final product weight per batch).

The Trade Certificate must maintain a hard link between the original Catch Certificate line, and the resulting Trade Certificate line, rendering the product weight obtained after processing, in order to allow for monitoring and reconciliation of mass balance through trade to be done. No grouping of original certificates for resulting product lines must occur, else the traceability standard is undermined, reconciliation is not achievable, and the detection of non-originating fish into the supply chain is largely undermined – defeating the central purpose of a CDS system.

Principle 19

Trade Certificate – importation

Trade Certificate data must be logged at the time of importation by the FBO importing the goods. In paper-based systems, logging occurs by sending copies of the Certificates to the RFMO Secretariat (or other third party chosen to manage the system) – through the CA. In an e-CDS, this is done via an electronic interface, with the FBO logging the data directly, and the CA validating the entry. Note that under an e-CDS, the data for any particular trade already exist in the system (due to Trade Certificate logging at the time of exportation), and the importer merely needs to select and validate the existing trade transaction.

In the absence of logging of imported Certificates, no exports can take place, because FBOs (and the State) would not be "credited" with acquired certified products.

End-market State FBOs can opt to not log imports, when it is clear that no re-exports will emerge further down the national supply chain. An e-CDS system can automatically establish end-market State destinations through the absence of importation logs in the country of final destination indicated in Trade Certificates.

Principle 20

CDS traceability framework

Traceability along the supply chain is virtually split into external and internal traceability segments. The external traceability segment allows to establish, log and trace fisheries (transhipments, transfers, landings) and international trade (imports, exports and re-exports) transactions between countries – covered by the Catch and the Trade Certificates respectively. The internal dimension traces country-level or domestic commercial transactions, *i.e.* purchases, sales, distribution, splits, grouping, processing and retail. National traceability rules (*e.g.* record keeping for FBOs) may be in place already, and are governed by standards established in national food safety and traceability legislation.

No currently existing CDS covers internal traceability.

Principle 21

CDS traceability standard

The minimum traceability standard to be achieved by a CDS is to allow for the certification and recording of all catches of a given species or group of species (species; product form/type; weight) by a particular fishing operation, the identification of the point of introduction of this product into the first national market, and its tracing along the supply chain from export to import, and re-export to import, until the point of final importation.

Traceability shall be "line-by-line", allowing identifying and tracing back any imported product to its fishing vessel and the original line in the source Catch Certificate. Such standard allows the performing of mass-balance reconciliation of all product lines along the entire supply chain, taking into account processing yields.

For every territory along the supply chain, the landing/import and export of product will be logged on a CC-by-CC basis, as well as a time-integrated total, allowing assessing the consistency of product mass-balance (through so-called "reconciliation"), domestic consumption, mass-balance anomalies and the likely introduction of non-originating fish into the certified supply chain at operator level.

Territories provide their own internal traceability solutions, and are dealt with as "black boxes" by the CDS.

Principle 22

CDS reach – external traceability

The external traceability stops at the point of entry into a country (including first point of sale after landing), and re-starts at its point of exit.

If a product does not re-emerge as an export, following landing or import, it is deemed to have gone into domestic consumption.

Principle 23

CDS reach – internal traceability

Internal traceability is organised by national administrations and governed by national laws. While many countries have enacted one-step forward / one-step backward traceability legislation, and actively audit and enforce it, few to none provide electronic traceability systems where specific types of products (*e.g.* fish covered by an RFMO CDS) are electronically traced through the national supply chain from point of landing/import to point of export/re-export.

Countries like Papua New Guinea, Thailand and Indonesia have embarked on projects to put in place internal electronic traceability systems for product headed to the EU – in order to comply with the EU IUU Regulation – however, no single EU country or other Western country has such a system in place for any type of food product.

The existence of national traceability legislation allowing for full tracing of batches along the supply chain, based on mandatory record keeping, and combined with the ability to audit and detect fraud in national supply chains should be regarded as sufficient to complement the external traceability dimension provided by CDS systems. Territories along the chain of custody must hence have the ability to detect, to sanction and to enforce supply chain integrity, in order to provide strong disincentives to laundering non-originating fish into legal supply chains, and in order to be able to answer to RFMO requests to address detected mass-balance anomalies.

Principle 24

CDS coverage – landings

The CDS system ought to cover both foreign and domestic landings.

Failure to cover domestic landings creates the following problems:

- It prevents the triggering and initiation of a CC issuing, undermining MCS efforts forced by the system, and diminishing guarantees of legality of domestic operations and landings;
- Exports of domestically landed product is "tricky", as CDS must be "post-established" at a date close to shipment of a consignment, after product has passed through the national supply chain, making the tracing back to the original landing difficult and/or irrelevant;
- Data of non-exported domestic landings are lost to the system, implying that the CDS will not capture all landings – rendering it

useless as a TAC and quota management tool (the 2nd most important objective a CDS can achieve)

Principle 25

CDS coverage – products

The CDS system ought to cover the primary commercial products derived from the species covered by the CDS – *i.e.* meat. Exemptions should be granted for secondary products of commercial value such as heads and roes. The residual value of these products (compared to the whole fish and the primary products derived from it) is unlikely to fuel illegal fishing; the subjecting of the primary products of the fish to the certification scheme assures the legality of their harvesting.

Principle 26

CDS – RFMO oversight

The CDS system is an MCS tool *par excellence*, aiming to keep non-originating fish out of certified legal production streams. In order to achieve this aim, data generated by the system need to be monitored and analysed, and anomalies must be detected and be brought to the attention of the Commission. The Commission must then decide what enforcement action ought to follow.

Access to, and analysis of CDS data must hence be entrusted to an independent or non-partial party, so that that the necessary pressure points for compliance with rules across the system may be achieved.

Failure to put in place an oversight body with access to data, and the mandate to analyse these from a compliance perspective (as is the case for ICCAT, where no such mandate exists), results in the servicing of an law enforcement mechanism that is not used to effect.

Both CDSBT and CCAMLR Secretariats have obtained relevant oversight mandates from their respective Commissions. The minimum types of "reconciliation" reports that should be generated by the body exercising oversight should be defined, but not limited to that. Territories revealing mass-balance anomalies must be identified, and remedial action must be requested, and acted upon, in order for any CDS to be of true value.

Principle 27

CDS – National oversight

The primary onus of law enforcement resides on national administrations and the CA. Any mass-balance anomalies, yield factor anomalies, etc. – that would indicate that landing, importation or laundering of IUU fish is taking place ought to be acted upon immediately by national authorities.

If this is done in a pro-active manner, anomalies detected at system level are addressed – and possibly solved – before they are brought to the attention of the Commission.

Anomalies always occur at the level of specific certificates, which may be held by a single, or a group of companies. A thorough inspection should invariably lead to the identification of the company having filed incorrect paperwork.

Principle 28

CDS – CMM implementation rules

A CDS is a complex and inter-connected system. One of the most important challenges of a CDS is to be able to accommodate and service the complexities and permutations of international chains of custody, and unexpected and new "scenarios" arise regularly.

In order to cater for these challenges, a set of rules or implementation protocols need to be developed, and need to be updated regularly. Rules and procedures on how to implement the CDS have to be applied in a uniform manner across territories and apply to all parties, in order to guarantee an equitable or level playing field amongst parties.

Implementation rules or protocols ought to be excised from the CDS CMM, and be kept as a separate and evolving document, that the CMM refers to. The RFMO Secretariat, together with an IWG, ought to be given the mandate to update this set of rules whenever the need arises, and to submit t annually to the GA for adoption.

Principle 29

CDS – Other related CMMs on VMS & transhipment

A number of CMMs not directly related to the CDS system play a direct part in how the CDS will be implemented, and how it will work. Two of the most important aspects are those on VMS, and on transhipment.

For VMS, the RFMO will have to decide what type of VMS it will impose on the national (EEZ), and international (RFMO area of competence) fleets with regards to VMS rules. VMS data can be tied in electronically with CDS data in order to verify the stated area of operation of a given vessel, and a given batch of fish. This is particularly desirable in cases where zonal restrictions apply. In fisheries where zonal restrictions are few or do not exist, VMS data integration is not an immediately relevant consideration.

For transhipment, rules will directly impact the way the CDS document system must be structured, since it has to be able to accommodate the different (legally authorised) transhipment and product flow scenarios once a batch of fish leaves a fishing vessel. Partial transhipments and partial reefer landings pose the most important challenges.

In essence, a CDS should be designed in such a manner that the most unrestrictive options could be accommodated. Any tightening of rules would then not require an adjustment of the CDS, nor would a loosening of rules.

Principle 30

CDS – Related CMM on landing inspections / PSM

Landing inspections and the existence of a sound PSM framework in port States are inherent to good fisheries management practices, regardless of whether a CDS is in place or not.

A CDS regime that engages a port State CA to counter-validate landings reported on catch certificates will have a catalytic effect on the development of good PSM practices, as has been witnessed in a number of countries immediately following the entering into force of the EU IUU Regulation.

Sound PSMs are neither a pre-condition, nor a substitute for a CDS, but a complement and/or an improved product thereof.

Principle 31

e-CDS – CDS electronic infrastructure

Any new CDS ought to be developed on the basis of an electronic system, consisting of a centralised database with multiple private (FBOs) and public sector (CAs / RFMOs) user logons.

Existing CDS systems ought to migrate to such an electronic platform, in order to reduce the operational and administrative burden of CDS systems to an absolute minimum, and improve the quality and utility of the generated data towards the objectives of the system. Paper-based systems are incapable of physically responding to the certification needs of certain complex supply chain realities, without creating excessive (and unacceptable) levels of burden on all stakeholders.

Systems ought to be web-based, and provide an interface for users primed for utmost simplicity – complete with easily accessible online instruction notes. Web-based systems do not require the installation of specific software packages on a user's PC.

Users fall into three distinct user groups, which are:

a) Operators (industry)
b) Competent authorities (government)
c) RFMO (system administrator & data access/analysis)

Principle 32

e-CDS – data generation

In an e-CDS, all data are generated electronically by operators (industry) directly at the time of certificate initiation, whether it be a catch or a trade certificate. Every such action is followed by a validation request automatically generated and lodged with the relevant competent authority for official government validation.

The e-CDS removes all data entry routines and burden from both RFMO Secretariats and CAs. This burden currently exists in all existing schemes, whether electronic (*i.e.* CCAMLR) or not (ICCAT and CDSBT), and is prone to the introduction of errors.

Information available in the system moves from semi-annual lag (current minimum across existing systems) to near real-time data availability.

Principle 33

Paper versions of certificates

The electronic database and traceability infrastructure hinges around the defining of an initial batch of fish (source), qualified with an automated (system-generated) ID number, and the linking of all subsequent steps along the chain of custody to this original batch. Therefore, the idea of paper documents or certificates may appear superfluous, anachronistic or inappropriate.

However, there are valid uses to be made of print-outs of certificates along the supply chain. One example relates to the point in time when fish are sold from one operator to the next. Information about the batch source ID number and certificate line must be transferred between business operators, and a good way of doing this is to print out the relevant certificates (catch and export, as appropriate), containing the relevant information.

Paper versions should be handled and generated by the system as dynamic pdf files, populating pre-determined certificate templates with data existing in the database.

Principle 34

Coverage – type of operations

For any given tuna-RFMO, all types of commercial scale operations should be covered. Artisanal tuna fisheries should be excluded, as long as their catches do not enter international trade.

For artisanal catches entering international trade, a simplified Catch Certificate should be designed (the EU IUU Regulation provides a useful example for this).

Principle 35

Coverage - species

For any given tuna-RFMO, all tuna species harvested by the operations covered by the scheme can and should be covered. There is no truly relevant additional cost associated with covering one or all tuna species in any RFMO area of competence.

The idea of "phasing in" species over time would incur extra burden and extra costs to re-design the system over and over again, and train and re-train global users along the chain of custody in the handling of the interface.

Especially in purse seine fisheries, end products (mostly cans) can contain a mix of species ("light meat"), and covering only some of the species may create complications at the tail end of the supply chain, as only parts of consignments may contain the species covered by the scheme. And such a situation, may in turn give rise to renewed opportunities of laundering catch through the mislabelling of species – which is already a recognised phenomenon of fraud in the tuna industry today.
