



# CALL TO ACTION to co-create a Oceans Governance Scorecard

Idea by:



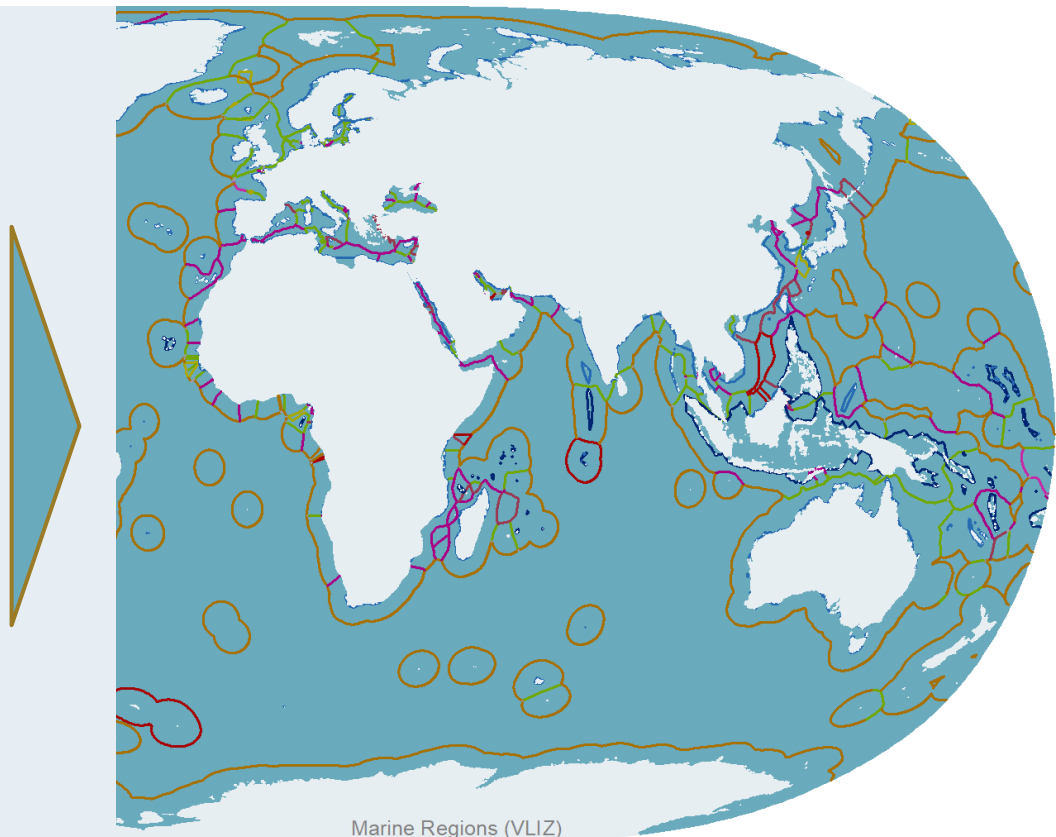
February 2020

# Oceans cover 70% of the earth surface, “Managing” the wellbeing of oceans is complicated

## The ocean is a



- The world’s seas and oceans are a public resource which within the 200 nautical mile zone are managed on behalf of the nation’s public by government
- Outside the 200 nautical mile national jurisdiction the worlds oceans are an international resource which everyone nominally owns but, few really do
- Unlike many commodities, fish and seafood has UN mandated and agreed codes of conduct for fisheries and aquaculture which include laws of the sea and other international policy

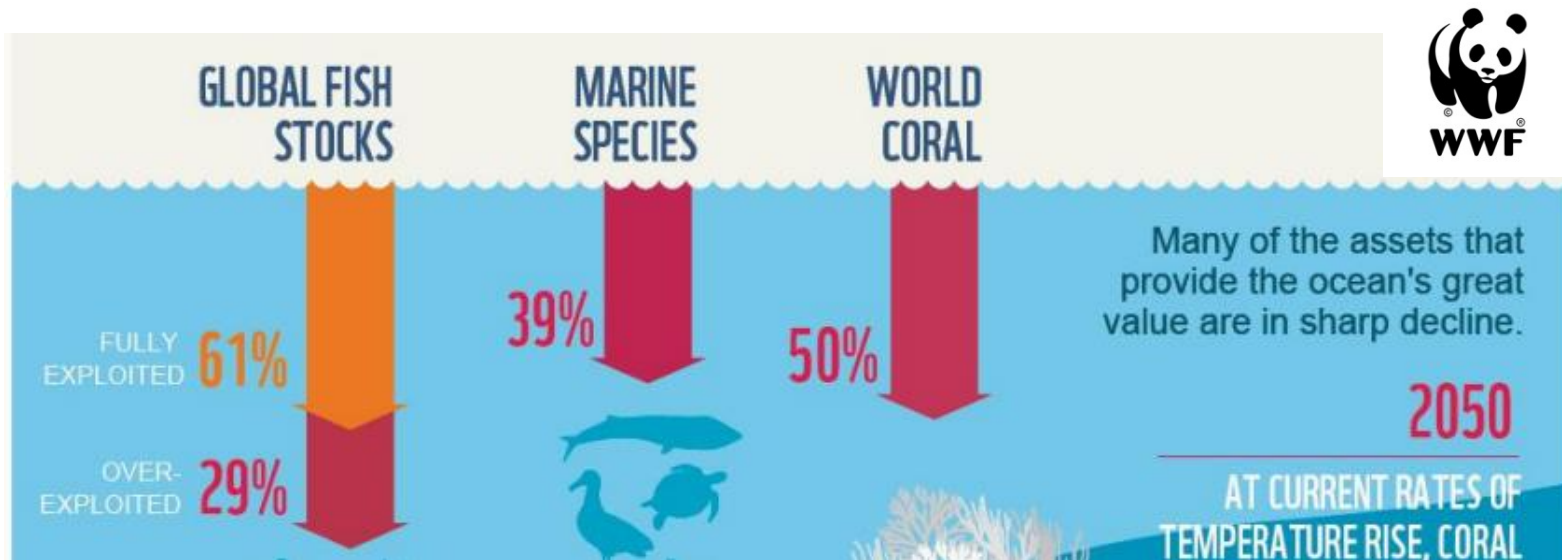


... as a consequence the oceans face serious risks

## Risks

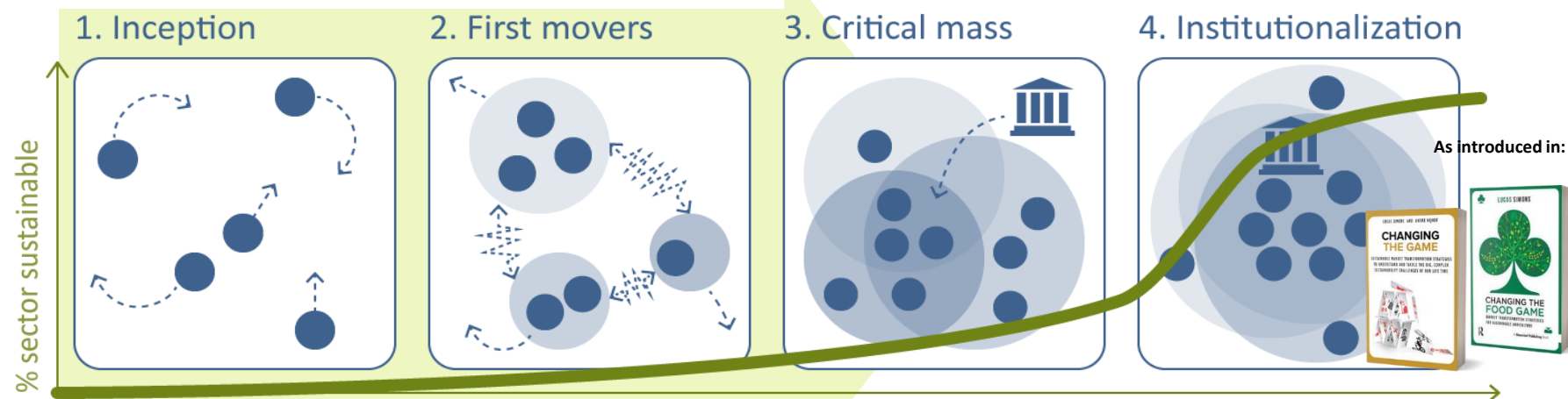


- Left to their own devices some countries have done a good job managing their own seas and engaging in management of international waters aligning to the international standards; whilst others have at best given them scant regard or been unable to garner the resources to actively manage and exploit them for the benefit of both today's generation or future generations
- During the last 20 years there has been an increasing realization that without active management of fish stocks, extractive activities and discharges into the seas around us that the world's oceans are becoming overfished, over-exploited, polluted, increasingly unproductive, threatened in numerous ways and in many ways unlawful



# Seafood-buyer's efforts of to tackle these challenges go back more than a decade ago

## The phases of market transformation – history & current situation



- Seafood buyers recognize that customers want to buy sustainable seafood
- First movers collaborated and formed fishery sustainability standards
- Countries with better fishery management even developed their own fishery standards

- A larger cohort of seafood buyers developed fishery improvement projects to transition fisheries to certification
- At the same time, fishery certification introduced conditions so that governments would implement fish stock management regulations

- Despite efforts seafood buyers are still criticized for continuing to buy from unsustainable fisheries
- Today industry collectively advocates for better regulation government to better manage fish stocks

- Government legislation is not only in place, it is also enforced
- There is a one-stop ocean governance database and scorecard
- There is Agreement on a common set of indicators of good fishery management

# The sector sees three major challenges that need to be tackled

## Three main reasons why we are still struggling to solve the issues



### Governance complexities



- Fish stocks often straddle numerous government jurisdictions
- Policies and legislation for ocean governance are often out of date and irrelevant to current activities
- Where policies and legislation are in place, they are poorly implemented and may carry insufficient sanction to deliver compliance
- Some stocks are moving jurisdiction with climate change whilst others in international waters are managed by Regional Fishery Management Organizations without the ability to influence change

### Governments and buyers working together



- Fish stocks are exploited by more vessels than individual buyers take from
- Fishing boats are mobile and different nations exploit the same stock, when over the horizon seafood buyers nor governments could see what vessels were doing
- To make matters worse many of the fish stocks that have previously been third party certified have already lost their certification or are in danger of doing so
- Limited engagement globally in certification, improvement, and advocacy limits progress

### Buyers taking responsibility



- Where policy and legislation exist, it needs to be embraced and adopted
- There are blurred lines between industry and national government interests
- Where policy and legislation is absent inaction allows short-comings and over exploitation to continue

# There are initiatives that try to address or solve these current challenges, but each faces their own barriers

## Initiatives



**Industry led**



**Industry led**






**Multiple government**

	Industry led	Industry led	Multiple government
<b>Description</b>	Focused on Thailand initially to tackle labour and IUU risks within Thai shrimp industry before widening to all Thai seafood supply chains – considering expanding to other states	A partnership of industry, NGO’s, and FAO initially benchmarking seafood certification schemes against the FAO environmental codes of conduct. Moving into labour and improvement work	A transparency process enabling governments to voluntarily transition their fishery management system by signing up to tome-bound improvement with public reporting of progress
<b>Strengths</b>	<ul style="list-style-type: none"> <li>• Multi-stakeholder</li> <li>• Transparent</li> <li>• Improvement</li> <li>• Mitigation and remediation</li> </ul>	<ul style="list-style-type: none"> <li>• Multi-stakeholder</li> <li>• Transparent</li> <li>• FAO anchored</li> </ul>	<ul style="list-style-type: none"> <li>• Transparent</li> <li>• Government improvement</li> </ul>
<b>What’s in place</b>	Considers fishery, flag, port and market state requirements for all aspects	Considers fishery requirements and consumer facing ecolabelling, exploring labour and ecosystem improvement	Voluntary sign up by governments against a clear standard
<b>What’s not in place</b>	<ul style="list-style-type: none"> <li>• Embedded government advocacy,</li> <li>• Wider than Thailand and possibly Vietnam</li> </ul>	<ul style="list-style-type: none"> <li>• Government advocacy (currently in exploring stage)</li> </ul>	<ul style="list-style-type: none"> <li>• Wide ranging adoption,</li> <li>• Endorsement from industry,</li> <li>• Tangible improvements &amp; elements of labour and flag state requirements</li> </ul>

# In order to solve these problem a good Ocean Management Systems is needed and a functional one has 7 components

## Components of a good Ocean Management System



<b>Policy</b> 	<b>Quota allocation</b>	Fishing opportunities are allocated based on transparent and objective environmental, social and economic criteria, in a way that incentivizes the most sustainable fishing
	<b>Port, flag, market state rules</b>	<ol style="list-style-type: none"> <li>1. Port state controls for both national and third country landings</li> <li>2. Flag state controls operate within national and international laws</li> <li>3. Market state controls, fish sourced from sustainable fisheries</li> </ol>
<b>Resources</b> 	<b>Ecosystem-based</b>	Managing fish as an integral part of healthy ocean ecosystems and taking account of the cumulative impact of human activities on the environment.
	<b>Individual stock assessment</b>	All fish stocks restored and maintained above biomass levels capable of producing the maximum sustainable yield
	<b>Long term management</b>	Fisheries management decisions and strategies include harvest control rules and are based on best available science
<b>Implementation</b> 	<b>Documentation</b>	Fully transparent & accountable fisheries where catches, both target and non-target, are fully documented, infringements are properly enforced, and fisheries are effectively controlled
	<b>Effective Monitoring</b>	Infringements are properly enforced, and fisheries are effectively controlled

There are three archetypes of fishery management systems, there is not yet a system in place that offers all the required components

### 3 Archetypes of Ocean Management Systems



*NewForesight &  
3 Pillars Seafood analysis*

#### Regional



**Yellowfin Tuna**

- Single species (often migratory)
- Caught by multiple states
- Caught in international waters

#### National



**Asian Coastal**

- Multiple species (some straddling different countries)
- Caught by a single state
- Caught in single nations' waters

#### Multiple government



**North East Atlantic, Pelagic**

- Single species
- Caught by multiple state
- Caught in multiple national waters

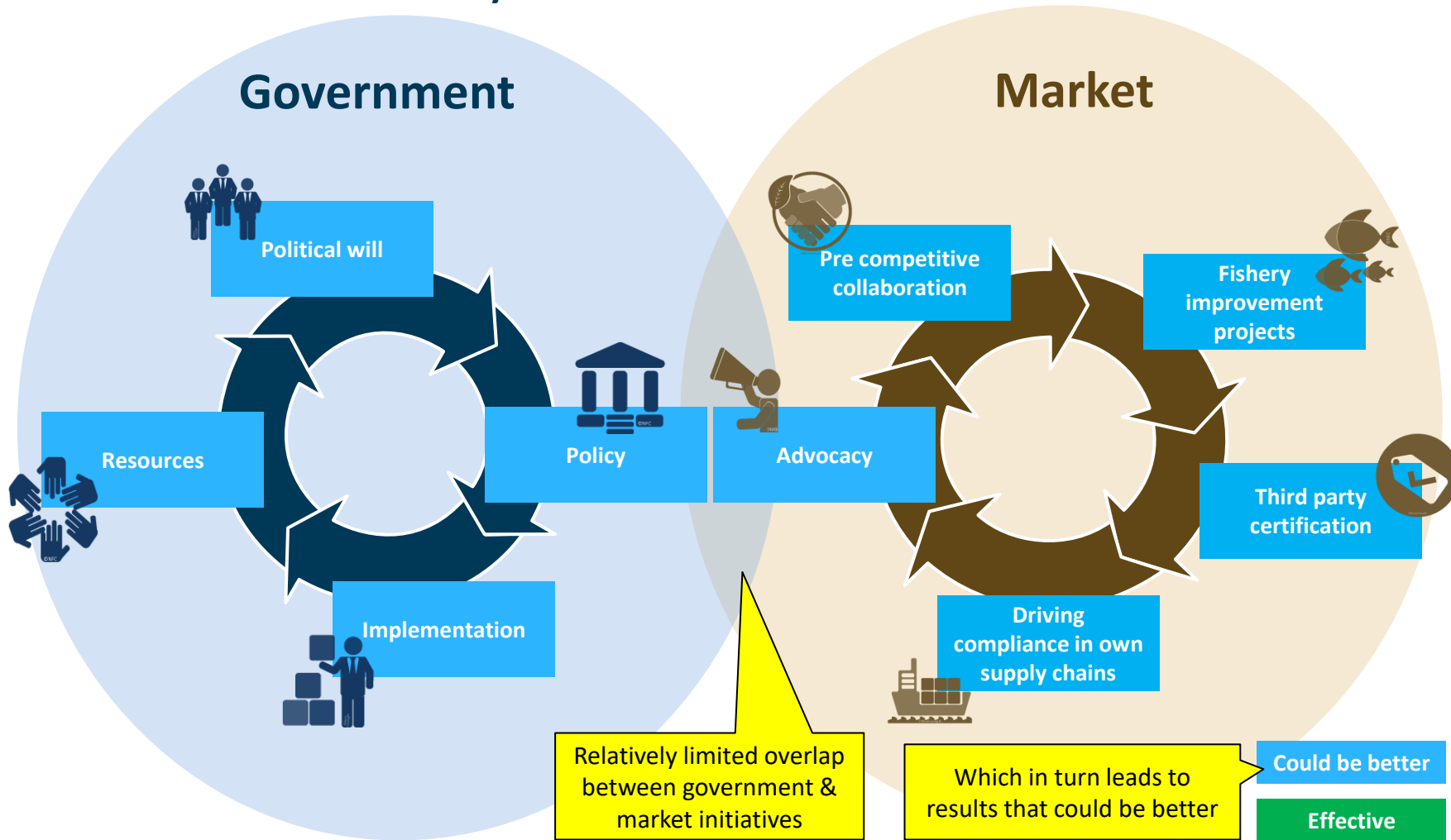
	Regional	National	Multiple government
<b>Quota allocation</b>	X	X	✓
<b>Port, flag, market state rules</b>	X	✓	✓
<b>Ecosystem-based</b>	X	X	✓
<b>Individual stock assessment</b>	✓	✓	✓
<b>Long term management</b>	X	X	X
<b>Documentation</b>	X	✓	✓
<b>Effective Monitoring</b>	X	X	✓



Currently there is separation between government-, policy- and market based systems – this explains why current systems face challenges

## As is situation – Low score system

As is To be Process Team



# So a better solution is needed – An Ocean Governance Scorecard can bring all the pieces of the puzzle together

## Ocean Governance System Scorecard



### What is the idea?

- Indicators of good fishery management and good labour practice
- Generates an assessment of what coastal, flag, port and market state regulations each country has and how well these regulations are implemented
- Enables gradual improvements of the fishery governance systems by recognizing stages in improvement trajectory and scoring the graduation through those phases
- Enables a coherent global sector-transformation strategy wherein all the FIPs, platform agenda's and investments are acting in sync
- Drives continuous improvement while we learn what works and what doesn't

### What will it do?

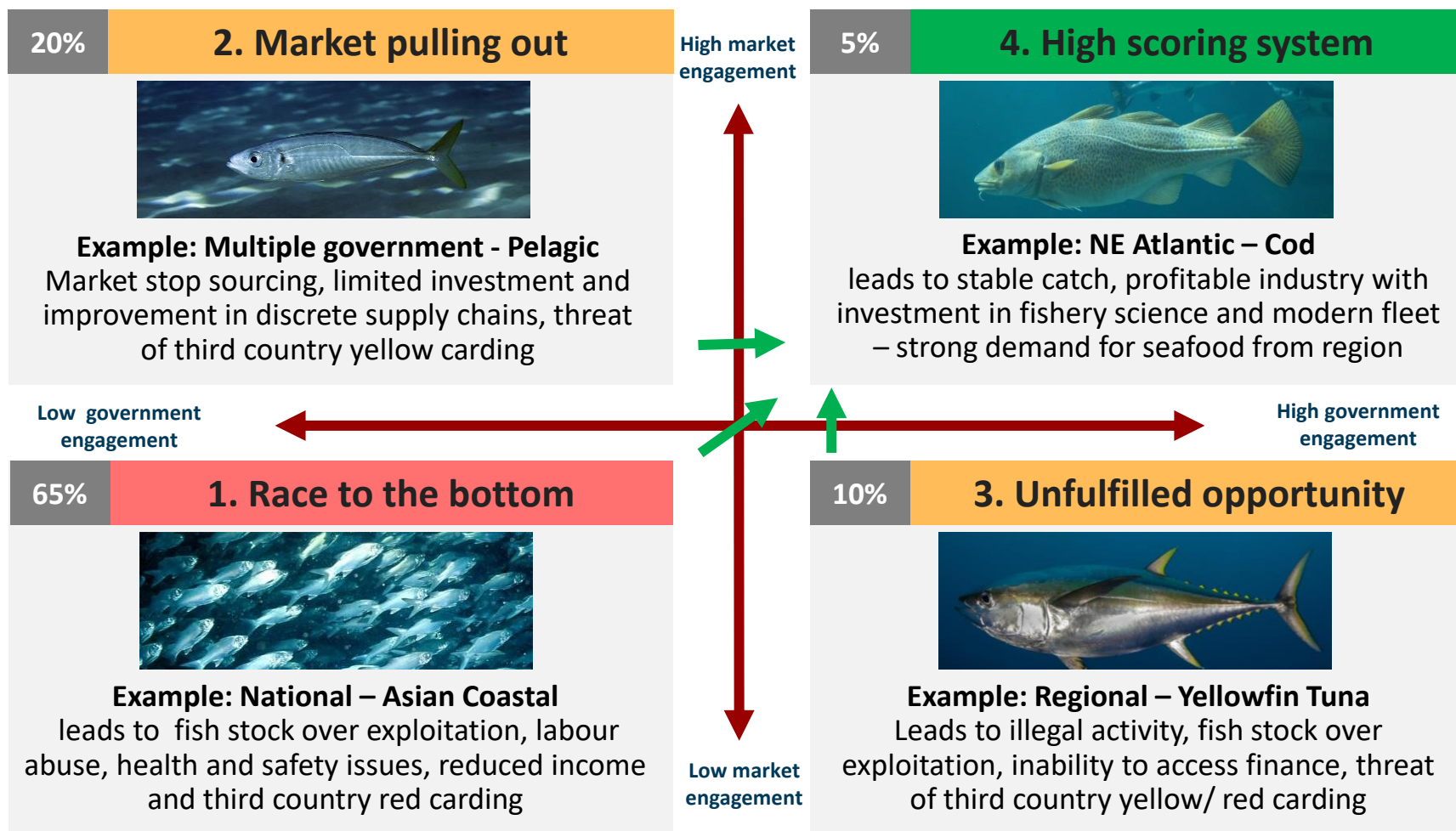
- Scores the main sustainability issues in the fishery sector per region. It flexibly includes the assessment of challenges specific to the local context and the FGS archetype – environment, stock and people
- Scores the maturity and quality of all important elements of good FGS practices
- Reveals the good, the bad, and the ugly for the fishery systems out there
- Scores inform the buy-side market actors and investors on sourcing and investment risks, ultimately driving market rewards (higher demand, prices, etc.) to the better fishery systems

### What will it lead to?

- No disadvantage small island and resource poor states
- Provide access to international funds that can be leveraged to remedy poor scores
- Allow seafood buyers the opportunity to understand where governments associated with their seafood supply chains are lacking regulation or implementation and support them to improve
- Supports capacity building in government policy and it provides a holistic and targeted engagement for industry with that
- Facilitate ongoing third-party certification where is it required to demonstrate compliance with buyer need

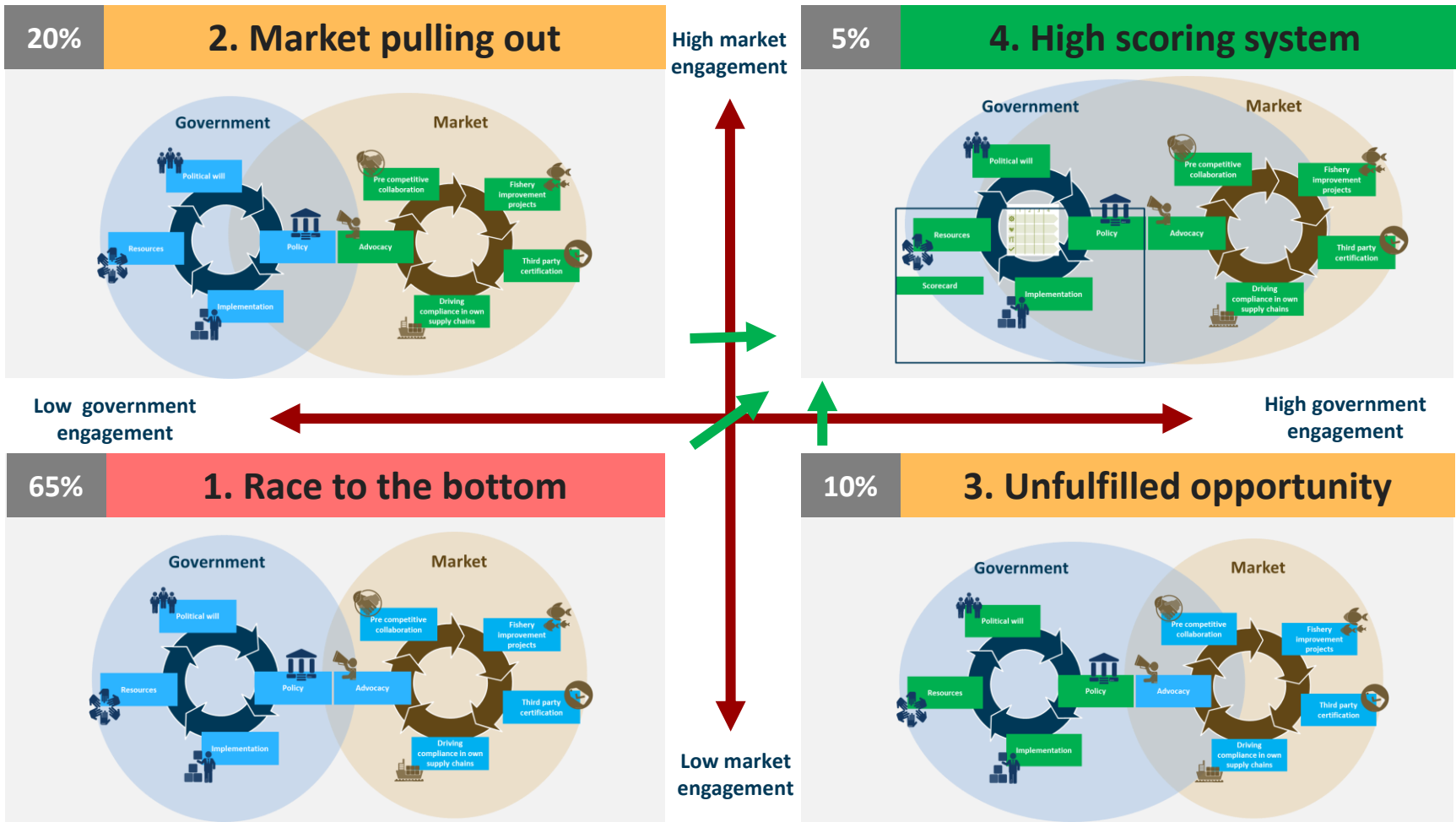
Using the introduced logic makes it easy to understand why most systems are currently not solving the major issues

## 4 systems – examples



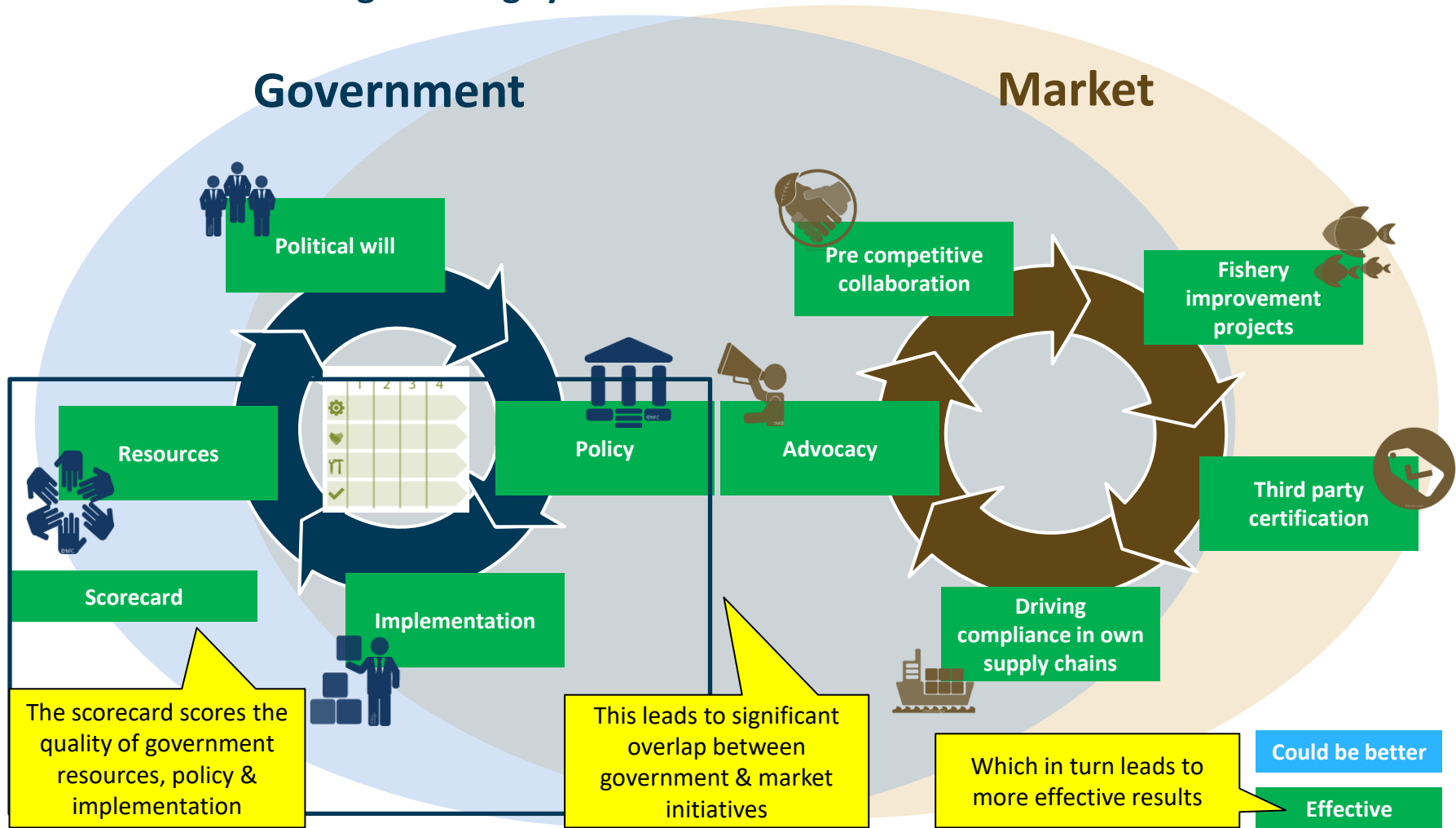
# The Ocean Governance Scorecard enables high engagement of markets and governments

## 4 systems – explained



The Scorecard brings all the components together and enables the activation of governments through increased collaboration

To be situation – high scoring system



# The proposed Scorecard benefits governments, market players and NGOs

## Benefits for all stakeholders



For governments



- **Multiplier effect:** investing in sustainability and improving their FGSs will see higher demand, improved market access and become the preferred sourcing destination.
- **Global recognition** for sustainable resource management practices in the fishery sector will have spill-over effects in other industries and enables the governments to attract more investments

For market players



- **Cost-sharing:** as governments get onboarded and incentivized, and start investing in fishery resource management, the cost-burden of the industry players will be shared
- With the governments taking up an active role in resource governance, the industry would be able to **focus efforts** on sustainability interventions that they can drive most effectively.

For NGOs



- NGOs will be able to **maximize their impact** per unit money as FIPs and sustainability initiatives across the globe will become aligned with local and regional FGSs' improvement trajectories.
- As governments will become more willing to participate in **policy reforms** and structural improvements, the NGOs will be able to drive more transformational projects.

# Success will depend on five factors – each should be taken into serious consideration

## Success factors



1. **Growing buy-in from the sector stakeholders:** The effectiveness of such an assessment system is driven by the network effect. Growing buy-in from governments, market players (retailers, brands, processors, fisheries, etc.), and NGOs will be essential to unleashing the transformational impact of this tool.



2. **Building on existing work:** It will be essential to build upon the learnings from not only the FIPs and pre-competitive initiatives in the fishery sector but also the similar resource management system assessments implemented in other sectors.



3. **Flexibility to assess different fishery Governance system archetypes:** The scoreboard needs to be general enough to ensure wide applicability, but specific enough to capture the implications of the local context and the differences between the wide range of fishery systems.



4. **A credible assessment process** is a necessary precursor to drive the trust and buy-in from the stakeholders. Alignment with other credible initiatives, such as FAO, IMO and ILO standards and guidelines, will add to the credibility of the scoreboard.



5. **Anchoring in a multi-stakeholder environment:** To ensure that the developed assessment system caters to the interests and challenges of all the key stakeholders effectively, and drives their buy-in, it should be co-designed, co-developed and co-implemented as part of a collaborative process anchored in a multi-stakeholder platform.

# Call to action: Join us as an initiator and become part of the core group that will develop the scorecard

## Four stages of co-creation



	1) Call to action	2) Concept building	3) Scorecard building	5) Implementation
<b>Description</b>	Share the idea and attract buy-in from key stakeholders	Co-create the concept & strengthen the coalition	Build the scorecard	Implementation of the scorecard on a larger scale
<b>Critical success factors</b>	<ul style="list-style-type: none"> <li>Engage key stakeholders</li> <li>Get buy in of senior management</li> <li>Co-creation workshop with go / no decision in Q2 2021</li> </ul>	<ul style="list-style-type: none"> <li>Design approach, business model, value proposition, and supporting architecture</li> <li>Grow support of the scorecard through expanding the coalition of frontrunners</li> </ul>	<ul style="list-style-type: none"> <li>Strategic design of supporting/coordinating organization</li> <li>Develop functions such as designing, initiating, evaluating, improving, verifying, and financing relevant</li> </ul>	<ul style="list-style-type: none"> <li>Pilot with key regions, and involving key stakeholders</li> <li>Region selection for full roll-out, securing commitment and funding</li> </ul>
<b>Timing</b>	Q2 2021	Q3, Q4 2021	2022	2023 onwards
<b>Costs</b>	€ 150.000	€ 350.000 – 500.000 p.a.		
	Initiator and core groups	Shared costs <ul style="list-style-type: none"> <li>Private sector actors</li> <li>Foundations</li> <li>NGOs</li> </ul>		<ul style="list-style-type: none"> <li>Business model in place</li> </ul>



# NewForesight has assembled a team that combines the right skills and expertise to guide the core group to success



**Lucas Simons**  
CEO NewForesight



Lucas Simons, CEO & Founder at NewForesight Consultancy | Lucas Simons has been involved in business and sustainable leadership for more than 20 years.

He is the founder of NewForesight and SCOPEinsight and former director of UtzCertified. He recognized by the World Economic Forum as Global Leader, Ashoka Fellow and by the Clinton Global Initiative.

Lucas is an International public speaker and authored *Changing the Food Game* (2014) and *Changing the Game* (2020).



**Huw Thomas**  
CEO 3 Pillars Seafood



Huw Thomas founded 3 Pillars Seafood to provide seafood sustainability policy development and implementation support to seafood companies, NGO's and retailers.

His extensive career in the global seafood industry spans from seafood processing in the EU and Asia, Fisheries and Aquaculture Manager for Morrisons Supermarkets, to Senior Officer for Market Engagement with The Pew Charitable Trust and latterly farming mussels offshore.

Thomas has been acknowledged as a thought leader in sustainable seafood market transformation through his input to GSSI, the Seafood Task Force and groups such as the Hong Kong Sustainable Seafood Coalition.

**Laure Heilbron**  
Principal NewForesight



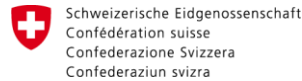
Laure Heilbron is a seasoned sustainability consultant. He has 10 years of experience in advising and leading organizations to accelerate sustainability transitions.

He was the Executive Director of the Organic Cotton accelerator – organized 70% of total sourcing of organic cotton and worked with market leaders to optimize their sustainable sourcing strategies.

Laure also developed the blueprint and strategy of Source-up – a new collaboration platform for supply chain sustainability management. It connects buyers with local coalitions for more sustainable sourcing.

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