
GLOBAL STANDARD FOR THE RESPONSIBLE SUPPLY OF FISHMEAL AND FISH OIL

IFFO RS IMPROVER PROGRAMME: MILESTONE REPORT



Fishery Under Verification	Panama Small Pelagic Fishery
Milestone	6 Months
Date	May 2016
Verifier	Sam Peacock

IP DETAILS AND SUMMARY OF THE MILESTONE VERIFICATION OUTCOME		
Name:		
Address:		
Country:	Zip:	
Tel. No.	Fax. No.	
Email address:	Applicant Code	
Key Contact:	Title:	
Verification Body Details		
Name of Verification Body:	RS Standards	
Assessment Period:	May 2016	
Scope Details		
Management Authority (Country/State)	Panama (ARAP)	
Main species	Anchoveta & Pacific herring	
Date of acceptance into IFFO RS IP	November 2015	
Original projected IP completion date	November 2020	
Fishery Location	Panama EEZ	
Gear Type(s)	Purse seine	
Outcome of Assessment		
Sections with Milestones	A1, D2, E1, E2	
Milestones not completed to the Fishery Action Plan	None	
Sections with Critical Milestones	None	
Critical Milestones not verified	N/A	
Recommendation	Maintain Improver Programme Status	
Critical Milestones Carried Over	None	

IFFO RS IMPROVER PROGRAMME MONITORING PROCESS – PROPOSED METHODOLOGY

A key stage in the acceptance of a fishery into the IFFO RS Improver Programme is the creation of a Fishery Progress Plan. The Fishery Progress Plan (FPP) provides a projected timeline for the improvement of science and management to a level which will allow an application for approval of the fishery against the IFFO RS Standard raw material approval criteria. The FPP sets Improver Milestones at 6 months after acceptance, 1 year after acceptance, and then annually. These Milestones represent key deadlines for the improvement of the fishery in specific areas. In order to monitor the fishery's progress towards achieving these Milestones, an ongoing monitoring process is applied via third-party validation of evidence produced by the fishery.

Third-Party Validation

The purpose of the third-party validation process is to obtain independent confirmation that the information provided by the fishery demonstrates adherence to the Fishery Progress Plan. Third-party validation also provides a mechanism by which the progress of the fishery can be tracked, and enhances stakeholder confidence in the IFFO RS IP scheme. Third-party validation is provided via the completion of Milestone Reports by independent Inspection Bodies (IBs). Each IB is selected and approved by IFFO RS Ltd on the basis of its expertise and experience, to ensure a robust and reliable assessment.

Milestone Reports

An IP Milestone report is completed six months after the fishery is accepted into the Programme, at 1 year after acceptance, and then annually. A minimum of two months before a Milestone Report is due, the IB is responsible for providing the fishery with a summary of the upcoming Milestones. In response, the fishery must provide evidence at least one month before the Report is due to demonstrate that the Milestones have been achieved.

The purpose of the report is twofold: firstly, to summarise changes in the fishery and its management since the previous milestone; and secondly, to compare these changes to the projected improvement timeline specified by the FPP. There are two types of Milestone Report; a 6 month Milestone Report and all subsequent annual Milestone Reports.

A six month Milestone Report is essentially a brief following up of the changes identified as Immediate in the FPP. These generally entail the provision of additional information and explanation and rarely represent substantial changes in the way the fishery is researched or managed. As the six month report entails the examination of information not available to the verification team at the start of the IFFO RS IP process, it can also lead to changes to the FPP to reflect a better understanding of the fishery.

The subsequent annual Milestone Reports, produced at the anniversary of the fishery's acceptance into the Improver Programme, are essentially shortened versions of the full IFFO RS assessment. The key difference is that they focus on the specific changes projected to have occurred by the particular Milestone.

Milestones and Critical Milestones

Both the six month and annual Milestone Reports focus on the specific improvements highlighted in the FPP as significant milestones. The improvements scheduled by the Progress Plan to have occurred by a specific date are referred to as Milestones. A colour-coded progress tracker is created during each Milestone Report to summarise the progress of the fishery against the agreed FPP, as it closes in on meeting the raw material approval requirements for the current IFFO RS Standard.

For each Milestone, the Milestone Report considers whether the evidence provided by the fishery clearly demonstrates that the Fishery Progress Plan is being followed. If all Milestones are verified as having occurred as planned, no further action is required and the Milestone progress is considered fully verified. However, any Milestone which is determined not to have occurred will be converted into a Critical Milestone. A Critical Milestone will also be generated if a fishery is determined to have a lower compliance rating than in a previous Milestone Report – for example if a compliance rating falls from Medium to Low.

In addition to the creation of a Critical Milestone, when a fishery is deemed to have fallen behind the schedule of the FPP, it is required to demonstrate that efforts are being made to correct this. The fishery must submit an action plan within two months of the outcome of the Milestone Report describing how the Critical Milestone will be corrected. Critical Milestones are carried over into the following Milestone Report, at which time they **must** be met. If a Critical Milestone is not met, the recommendation of the Milestone Report will be that the fishery is removed from the Improver Programme. The fishery will be suspended from the Improver Programme pending review by the IFFO RS IP Acceptance Committee.

IFFO RS IP Acceptance Committee

The IFFO RS IP Acceptance Committee is the body ultimately responsible for deciding whether a fishery should remain in the Improver Programme. After a Milestone Report has been completed, it is submitted to the Acceptance Committee for consideration. The results of the Milestone Report, along with any concluding recommendation, will be taken into account by the Acceptance Committee when reaching their decision. The Acceptance Committee will also take into account the history of the fishery within the Improver Programme. A fishery which fails to achieve Milestones more than once will not be permitted to remain on the Programme except in extreme circumstances.

In the case of a fishery which has been suspended from the Improver Programme due to not meeting a Critical Milestone, or for any other reason, the IFFO RS IP Acceptance Committee will examine both the Milestone Report and any additional evidence explaining why the timeline projected by the FPP has not been followed. Based on this review of evidence, the Acceptance Committee will decide whether to re-instate the fishery or remove it from the Improver Programme permanently. In the event of removal, the fishery will be delisted from the IFFO RS IP website.

IFFO RS IMPROVER PROGRAMME PILOT STUDY





The following is a Pilot Study for the IFFO RS Improver Programme, conducted on the Panama Small Pelagic fishery. This fishery was accepted into the Improver Programme in November 2015, and the following report represents the six month Milestone Report.

PREVIOUS FISHERY PROGRESS SUMMARY

The table below summarises the initial status of the fishery, the projected Improver Timeline, and the actual changes which have taken place as verified by previous Milestone Reports.

	Initial score	Immediate (6 months)	End of Year 1	End of Year 2	End of Year 3	End of Year 4	End of Year 5
Date	Nov 15	May 16	Nov 16	Nov 17	Nov 18	Nov 19	Nov 20
A1	Projected						
	Actual	Milestone Completed					
A2	Projected						
	Actual		Milestone	Milestone			
A3	Projected						
	Actual			Milestone	Milestone	Milestone	
B1	Projected						
	Actual		Milestone	Milestone	Milestone		
B2	Projected						
	Actual				Milestone		Milestone
C1	Projected						
	Actual						
D1	Projected						
	Actual				Milestone		Milestone
D2	Projected						
	Actual	Milestone Completed					Milestone
D3	Projected						
	Actual		Milestone	Milestone			
E1	Projected						
	Actual	Milestone Completed					
E2	Projected						
	Actual	Milestone Completed	Milestone				

Rating key

Colour	IFFO RS Rating
	Highly Compliant to IFFO RS Raw Material Approval Criteria
	Medium Compliance to IFFO RS Raw Material Approval Criteria
	Low Compliance to IFFO RS Raw Material Approval Criteria
	Critical Milestone Raised

Critical Improvements

Section	Milestone date	Critical Milestone Due	

SUMMARY OF PROJECTED CHANGES – 6 MONTHS

The following are the Projected Changes to be validated by this 6 month Milestone Report, along with a summary of the verification outcomes.

[A1] – VERIFIED

Provide information on the roles, responsibilities and structures of the management bodies.

Status: Additional information allows compliance rating to be increased from Medium to High.

[D2] – VERIFIED

Improvement: Provide additional information on the process by which licenses are awarded, whether they are required for all vessels (industrial and artisanal), and whether there is any restriction on the total number.

Status: Additional information allows compliance rating to be increased from Low to Medium.

[E1] – VERIFIED

Provide information on the laws in place which allow the application of sanctions where violations are detected.

Status: Additional information allows compliance rating to be increased from Low to High.

[E2] – VERIFIED – ADDITIONAL MILESTONE RAISED

Provide additional information on the activities and successes of the department of National Inspection, Monitoring and Control.

Status: Additional information was provided as requested, but was insufficient to allow increase in compliance rating. An additional Milestone, to be met by the next Milestone Report, was created. Further detail on the fishery inspection regime is required. Evidence of the effectiveness of the Inspection, Surveillance and Control Department, for example enforcement statistics, would also be beneficial.

Validation Report

IFFO RS section	A1
Previous rating	Medium
New rating	High
Milestone	
Provide information on the roles, responsibilities and structures of the management bodies.	
Evidence Provided	
<p>The initial assessment of the Panamanian small pelagic fishery identified the Aquatic Resources Authority of Panama (<i>Autoridad de los Recursos Acuáticos de Panamá</i>, ARAP) as the primary organisation with jurisdiction over fisheries management in Panama. Additional information provided by the fishery has clarified the exact role and structure of ARAP.</p> <p>The functions of ARAP include the regulation and promotion of technical measures and administrative processes regarding the management of aquatic resources; the protection of marine ecosystems; the creation and application of management strategies and programmes in both wild capture fisheries and aquaculture; the engagement of stakeholders including industry and civil society in the management process; the application of fisheries enforcement regulations, including coordinating with the National Air Service to apply monitoring regimes; and the promotion and development of scientific research. A diagram provided by the fishery detailing the organisational structure of ARAP indicates that the Authority includes departments devoted to information collection and analysis, and inspection and control.</p>	
Validation Conclusion: VERIFIED	
<p>The additional information provided by the fishery is sufficient to enable the upgrading of the score under this section from Medium to High compliance. The initial assessment expressed concerns over the lack of available detail on the functions and responsibilities of ARAP in practice, but these gaps have now been filled. The legal and administrative basis on which the informed and effective management of the fishery is based meets the requirements of the IFFO RS Standard.</p>	

IFFO RS section	D2
Previous rating	Low
New rating	Medium
Milestone	
Provide additional information on the process by which licenses are awarded, whether they are required for all vessels (industrial and artisanal), and whether there is any restriction on the total number.	
Evidence Provided	
<p>Since the time of the initial acceptance of this fishery into the Improver Programme, the main advance in management has been the implementation of a new executive decree defining the process for licensing and the future of regulating the Panamanian small pelagic fishery. Article 1 of Executive Decree 107 (May 2016) states that all vessels targeting anchoveta, herring or orqueta</p>	

must possess and carry a fishing license issued for those species specifically. Licenses are valid for a year and the application for renewal must be submitted at least a month before expiry. Licenses are charged at a cost per cubic metre capacity of the hold.

Article 3 restricts the total number of licenses available; a maximum of 20 licenses for large (industrial) vessels and 10 for small vessels. Small vessels must be below 8m in length, and must have a fish storage hold smaller than 3 cubic metres; industrial vessels are limited to a maximum hold size of 188 cubic metres. Licensed vessels of any size may only be replaced if completely removed from the fishery, and the new vessel will be issued the same licence number as the replaced vessel. This number must be clearly painted on both sides of all licensed vessels.

Validation Conclusion: VERIFIED

Executive Decree 107 represents a robust commitment to restricting the maximum size of the small pelagic fleet, both in terms of the number of vessels and their capacity for fish. There is certainly sufficient evidence to indicate an upgrade in the score for D2 to a medium compliance rating; a mechanism is now in place to restrict the total fishing capacity. However, to achieve a high compliance rating in this section, there must be evidence that the capacity is restricted to appropriate levels in practice. Future Milestone Reports should compare the total fishery removals to the level of fishery removals advised by scientific organisations. The ultimate proof that the capacity restrictions are effective will be provided by the implementation of effective reference points, as described in the original Fishery Progress Plan, and so the timeline for further improvement in this section remains unchanged.

IFFO RS section	E1
Previous rating	Low
New rating	High
Milestone	
Provide information on the laws in place which allow the application of sanctions where violations are detected.	
Evidence Provided	
The information provided by the fishery highlights Articles 52 to 57 of Panama Law no. 44, 2006. These articles describe the sanctions to be applied in the case of a range of infractions, including failure to comply with the law and its regulations, failure to allow inspections, fishing without a license or with a falsified license, or hindering the activities of any official carrying out the law or its regulations. Article 54 sets out potential fines, including \$100 - \$10,000 for minor infractions, and \$10,001 - \$1,000,000 for serious infractions. Article 55 empowers officials to suspend or revoke permits, licenses or authorisations. Potential sanctions described by the law do not appear to include confiscation of property or imprisonment.	
Validation Conclusion: VERIFIED	
The initial assessment did not find explicit evidence of sanctions applied in the fishery, and awarded a low compliance rating under this section. The existence of sanctions described by law and of adequate severity to dissuade offence represents sufficient evidence to upgrade the score from Low	

to High compliance. The framework of sanctions in place in the fishery meets the requirements of the IFFO RS Standard.

IFFO RS section	E2
Previous rating	Medium
New rating	Medium
Milestone	
Provide additional information on the activities and successes of the department of National Inspection, Monitoring and Control.	
Evidence Provided	
The information provided by the fishery substantially increases the level of detail on the VMS programme. Resolution number 2 of October 2007 sets out the technical requirements of a mandatory vessel monitoring system required on all industrial vessels in Panama. The Resolution also sets up a Satellite Monitoring Unit, with the objective of minimising IUU fishing. The Unit monitors VMS data to ensure that vessels adhere to legislation and regulations, but also to enhance safety at sea and improve fishery statistical data collection. The evidence also indicates the production of a daily Illegal Fishing Report, which forms the basis for the application of enforcement activities by the Inspection, Surveillance and Control Department of ARAP.	
Validation Conclusion: VERIFIED	
The initial assessment concluded that while there was evidence of control and enforcement activities, there was insufficient detail of the vessel inspection regime, and limited evidence of the extent to which enforcement activities are effective. While the information provided by the fishery has improved the level of detail in some areas, it is not yet possible to upgrade the compliance rating under this section. Further information is required, in particular in relation to the inspection regime. As the fishery has provided information as requested, a Critical Milestone does not need to be raised; however, a new Milestone is created, to provide further information by the time of the 1 years Report. This information should provide detail on the inspection regime and the extent to which enforcement is effective at detecting and preventing violations.	

ADDITIONAL INFORMATION

The following section highlights any information provided by the fishery in support of this Milestone Report which does not relate directly to any of the Milestones above, but which is relevant to the ongoing monitoring of fishery management status.

Executive Decree 107 clarifies some of the technical measures in place in the fishery. The minimum landing size for herring is 12.5cm, and for anchovy is 17cm. The opening and closing of the fishing season is based on surveys of the size structure of the populations relative to these reference points.

The Decree also states that industrial vessels must use purse seine nets with a mesh equal or greater than 2.54cm, a maximum length of 680m, and a maximum height of 68m. Smaller vessels are permitted to use a mesh of 1.90cm or larger, and a net up to 162m long and 7m high.

Executive Decree 107 also states that annual catches will be subject to evaluations in accordance with scientific reports, and in discussion with the industrial and small vessel fleets. Future Milestone Reports should examine what this means in practice, and the extent to which total fishery removals are restricted.

High Compliance	
Medium Compliance	
Low Compliance	

Ahead of FPP	
At FPP	
Behind FPP	

IFFO RS Scoring Criteria		Initial Score	Current Score	Key Improvements Required	Key Improvements Made	Status in Relation to FPP
A Management Framework	A1			- Provide additional information (6 months)	Provide additional information (May 2016)	
	A2			- Estimate Discarding & Bycatch rates (1 year) - Conduct a study on thread herring (2 years) - Conduct a stock distribution study (2 years)		
	A3			- Implement a management plan (2 years) - Develop reference points or proxies (3 years) - Manage the fishery in line with the plan and reference points (5 years)		
B Stock Assessment	B1			- Conduct otolith sampling (1year) - Introduce fishery-independent surveys (2 years) - Utilise the results and develop estimates of stock size and reference points (3 years)		
	B2			- Ensure advice is regular (3 years) - Accumulate evidence (5 years)		
C Precautionary Approach	C1			- Progress in relation to other improvements.		
D	D1			- Develop stock size and reference point		

Management Measures				<ul style="list-style-type: none"> estimates (3 years) - Ensure scientific advice is based on these estimates (3 years onwards) - Accumulate evidence (5 years) 		
	D2			<ul style="list-style-type: none"> - Provide additional information (6 months) - Develop reference points and stay within them (5 years) 	Provide additional information (May 2016)	
	D3			<ul style="list-style-type: none"> - Continue bycatch monitoring and introduce technical measures (Ongoing) - Continue ecosystem monitoring and introduce technical measures (Ongoing) - Continue monitoring compliance with no-take zones (Ongoing) - Require the reporting of ETP interactions (1 year) - Introduce habitat monitoring (1 year) - Study potential ETP interactions (2 years) - Implement measures to protect ETP species as required (2 years) 		
E Control & Enforcement	E1			<ul style="list-style-type: none"> - Provide additional information (6 months) 	Provide additional information (May 2016)	
	E2			<ul style="list-style-type: none"> - Provide additional information (6 months) - Provide additional information (1 year) 	Provide additional information (May 2016)	

Panama Small Pelagic fishery, IFFO RS Improver Programme progress tracker, May 2016.

References

Autoridad De Los Recursos Acuáticos De Panamá Organigrama. *Organigram of the Aquatic Resources Authority of Panama*. Provided by fishery.

Republica De Panama Ley 44, 2006. "Que Crea La Autoridad De Los Recursos Acuaticos De Panama, Unifica Las Distintas Competencias Sobre Los Recursos Marino-Costeros, La Acuicultura, La Pesca Y Las Actividades Conexas De La Administracion Publica Y Dicta Otras Disposiciones", *Creating the Aquatic Resources Authority of Panama Unifies the different competitions on Coastal and Marine Resources, Aquaculture, Fishing and Related Activities Public Administration and other provisions*.

Republica De Panama Ministerio De Desarrollo Agropecuario, Decreto Ejectivo no. 107, de 29 de Mayo de 2016. "Que reglamenta la licencia de pesca de anchoveta, arenque y orqueta en la Republica de Panama". *Regulation of fishing licenses for anchovy, herring and orqueta in the Republic of Panama*.

Republica De Panama Resolution No. 2 of 18 October 2007, "Whereby the satellite monitoring system is standard on fishing vessels industrial type of interior service of the Republic of Panama and the requirements of the financial and technical capacity are set for companies providing such service"