

Development of a WCPFC Risk-Based Assessment Framework for the Compliance Monitoring Scheme

Proposal for WCPFC members' consideration and feedback

Introduction

The objective of a risk-based assessment framework for the Compliance Monitoring Scheme (CMS) is to:

- provide a **transparent and balanced process** to prioritise WCPFC's Conservation and Management Measures (CMMs) for compliance assessment each year;
- ensure that the CMS **prioritises assessment** of those CMMs for which non-compliance would undermine the objective of the CMM and be inconsistent with the principles and the broader context of the WCPFC Convention;
- ensure appropriate attention and resources is allocated to **addressing the most persistent, systematic or high impact issues of non-compliance**;
- deliver a process for ensuring **regular assessment of a broad range of CMMs** to ensure that the risk of non-compliance in certain areas is minimised and all CMMs are effective.

CMS context and workplan

The purpose of the WCPFC's Compliance Monitoring Scheme, as set out in **paragraph 1** of CMM 2019-06, is to ensure that Members, Cooperating Non-Members and Participating Territories (CCMs) implement and comply with obligations arising under the Convention and conservation and management measures (CMMs) adopted by the Commission. The purpose of the CMS is also to assess flag CCM action in relation to alleged violations by its vessels, not to assess compliance by individual vessels.

Paragraph 6 of CMM 2019-06 indicates that each year, the WCPFC will update what obligations shall be assessed using a risk-based approach. Until this risk-based approach is developed, in considering the obligations to be assessed in the following year, the WCPFC shall take into account:

- (i) the needs and priorities of the Commission, including those of its subsidiary bodies;
- (ii) evidence of high percentages of non-compliance or persistent non-compliance by CCMs with specific obligations for multiple years;
- (iii) additional areas identified through the risk-based approach to be developed; and
- (iv) the potential risks posed by non-compliance by CCMs with CMMs (or collective obligations arising from CMMs) to achieve the objectives of the Convention or specific measures adopted thereunder.

See also **paragraph 7** of CMM 2019-06 which provides criteria for the annual assessment of compliance by CCMs with priority obligations, and **Annex 1** of CMM 2019-06 which sets out criteria for the five levels of compliance status.

Under **paragraph 46** of the CMM 2019-06 on the Compliance Monitoring Scheme (CMS), the WCPFC committed to a multi-year workplan to enhance the CMS with the aim of making it more efficient and effective by streamlining processes. This includes the development, during 2020-21, of "a risk-based assessment framework to inform compliance assessments and ensure obligations are meeting the objectives of the Commission".

What might a Risk-Based Assessment Framework for CMS look like?

- Deciding which obligations have a lower risk and which have a higher risk to the WCPFC could *guide* the prioritisation of the obligations in CMMs for assessment as part of the CMS – taking into account the needs and priorities of the Commission [para 6 (i) of CMM 2019-06].
- With reference to ISO 31000 – 2018, risk is typically expressed as a function of likelihood and consequence:
 - Likelihood = the chance of an event happening
 - Consequence = the outcome of an event on objectives

Likelihood

- It is proposed that likelihood be rated based on data from previous compliance history under the Compliance Monitoring Scheme [reflecting para 6 (ii) of CMM 2019-06]. It could be scored as follows:

Likelihood	Description
Rare	Experience indicates that non-compliance amongst CCMs is rare (<1% of CCMs in recent assessments)
Unlikely	Experience indicates that non-compliance amongst CCMs is unlikely (1-5% of CCMs in recent assessments)
Moderate	Experience indicates that non-compliance amongst CCMs is moderate (6-20% of CCMs in recent assessments)
Likely	Experience indicates that non-compliance amongst CCMs is likely (21-50% of CCMs in recent assessments)
Almost certain	Experience indicates that non-compliance amongst CCMs is almost certain (51-100% of CCMs in recent assessments)

Consequence

- It is proposed that consequence be rated as the impact of non-compliance with an obligation on meeting the objective of the relevant CMM [reflecting para 6 (iv) of CMM 2019-06]. It could be scored as follows:

Consequence	Description
Insignificant	The consequence of non-compliance presents minimal or no threat to the objective or purpose of the CMM.
Minor	The consequence of non-compliance will have a minor impact on the objective or purpose of the CMM.
Moderate	The consequence of non-compliance may undermine the objective or purpose of the CMM.
Major	The consequence of non-compliance will probably undermine the objective or purpose of the CMM.
Serious	The consequence of non-compliance will seriously undermine the objective or purpose of the CMM.

Risk matrix

- The product of scores for both likelihood and consequence can be set out in a matrix. Those events with lower likelihood and lower consequence pose a lower risk, and vice versa. (see matrix below for example).

	<i>Consequence</i>				
<i>Likelihood</i>	Insignificant	Minor	Moderate	Major	Serious
Rare	Low	Low	Low	Moderate	High
Unlikely	Low	Low	Moderate	High	High
Moderate	Low	Moderate	Moderate	High	Severe
Likely	Moderate	Moderate	High	Severe	Severe
Almost certain	Moderate	High	Severe	Severe	Severe
