Summary findings from the Global Landscape Review of Fishery Improvement Projects (FIPs)

SEPTEMBER 2015

Report Roadmap

The purpose of this report is to synthesize the findings from our eight-month investigation of fishery improvement projects (FIPs), for which we conducted 30 site visits and over 140 interviews globally. The goal of this investigation was to understand how FIPs are currently implemented around the world and characterize their progress, best practices, and lessons learned. Over the course of our research it became evident that the original FIP model has rapidly evolved and now manifests in a variety of forms, which we attempt to outline herein. However, this new understanding complicates the answers to some of our simplest questions: What is a FIP? What is the goal of a FIP? Which FIPs are best?

In this report we summarize our understanding of how FIPs have evolved, how they are implemented differently today, and how these factors influence the potential explanations of their purpose. We also highlight a number of additional takeaways from our investigation, including identifying key drivers of success, addressing common challenges and critiques, and reflecting on what may be on the horizon for the FIP model.

We hope that this summary will provide an overview of the contemporary FIP landscape and becomes a common reference point for the broader conservation community. Ultimately, we hope that this work can help shift the conversations about FIPs toward a more strategic discussion of the relative value of the different FIP approaches and how they can complement each other in order to have greater collective impact.

About the Authors

California Environmental Associates served as the principal investigator for this project and was supported by Scaling Blue. The investigation and report were commissioned by the David and Lucile Packard Foundation, the Gordon and Betty Moore Foundation, the Rockefeller Foundation, and the Walton Family Foundation. Questions or comments about this report can be directed to max@ceaconsulting.com.

Disclaimer

The findings and conclusions in this report represent the interpretations of California Environmental Associates and do not necessarily reflect the view of the study funders or expert stakeholders.

Summary findings from the Global Landscape Review of Fishery Improvement Projects (FIPs)

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Summary overview

In 2002, stakeholders held a roundtable to review the status of the Baltic cod fishery. This discussion eventually spawned the first fishery improvement project (FIP), which contributed to the eventual Marine Stewardship Council (MSC) certification of this fishery in 2011.

With a large swath of global fisheries outside MSC's immediate reach, FIPs have emerged as a valuable process that uses market pressure to push fisheries toward sustainability. FIPs have grown rapidly, extending beyond Europe to every continent and across every major commodity, supported mainly by philanthropy.

This summary synthesizes many of our most relevant findings on the contemporary FIP landscape, the model's evolution, key takeaways, and potential future direction.

Our research was compiled from August 2014 through March 2015, based on a combination of site visits and interviews with FIP stakeholders around the world. These interviews were complemented with data analyses from global trade databases, FishSource, NGO-provided budgets, and publicly available sources.
The number of FIPs has grown steadily for nearly a decade, adding roughly 10-15 new FIPs each year. In 2014, FIP implementers reported 83 FIPs and 131 fisheries engaged in FIPs[1] (some FIPs work on multiple fisheries that often involve the same fishermen and processors). We anticipate the number of FIPs to grow at a moderate rate in the future, but we expect the incremental volume and value captured by future FIPs that is relevant to Western markets to diminish over time. To date, eight FIPs have transitioned fisheries into MSC certification—six whitefish and two salmon fisheries—and just over a dozen have reported changes on the water (Stage 5, see box 2). A majority of FIPs report changes in policy or practice (Stage 4). We anticipate Stage 4 to be a natural sticking point for many FIPs, as it is the highest stage achievable based on actions taken directly by participants. Stage 5 often requires changes outside the direct control of FIP stakeholders. Attributing causality between FIP activities and reported stage accomplishments has not been required to date, and thus some FIPs have realized stage graduations due to events outside of their workplans.

BOX 1

FIP DEFINITION:

A fishery improvement project is a multi-stakeholder effort to address environmental challenges in a fishery. These projects utilize the power of the private sector to incentivize positive changes toward sustainability in the fishery and seek to make these changes endure through policy change.

A FIP requires the following elements:

- Active participation of supply chain companies and other stakeholders (e.g., government, NGOs, academics, fishery managers, producer representatives)
- Public commitment to the FIP and to invest (monetary or in-kind) in its execution
- Objectives must be identified and time bound
- A workplan must be developed to achieve the objectives
- Progress must be tracked, documented, and publicly reported

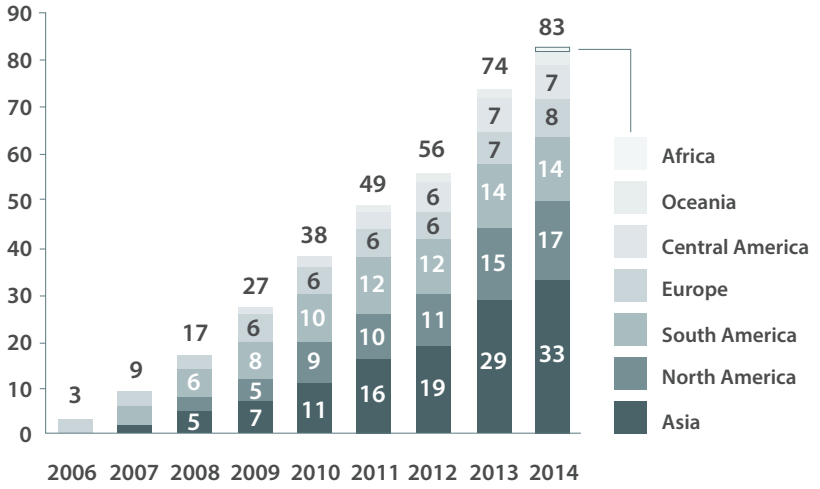
Source: The Conservation Alliance for Seafood Solutions, http://www.solutionsforseafood.org/wp-content/uploads/2015/03/Alliance-FIP-Guidelines-3.7.15.pdf

[1] Data collected through direct communication with the following organizations, or by reviewing their public websites: World Wildlife Fund, Sustainable Fisheries Partnership, BlueYou, Gulf of Maine Research Institute, the International Pole and Line Foundation, Masyarakat dan Perikanan Indonesia (MDPI), Ocean Outcomes, CeDePesca, and Sustainability Incubator. Fishsource.com and fisheryimprovementprojects.org were also cited. Excludes International Seafood Sustainability Foundation.

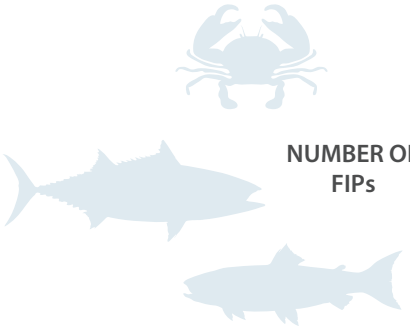
Evolution of the FIP model

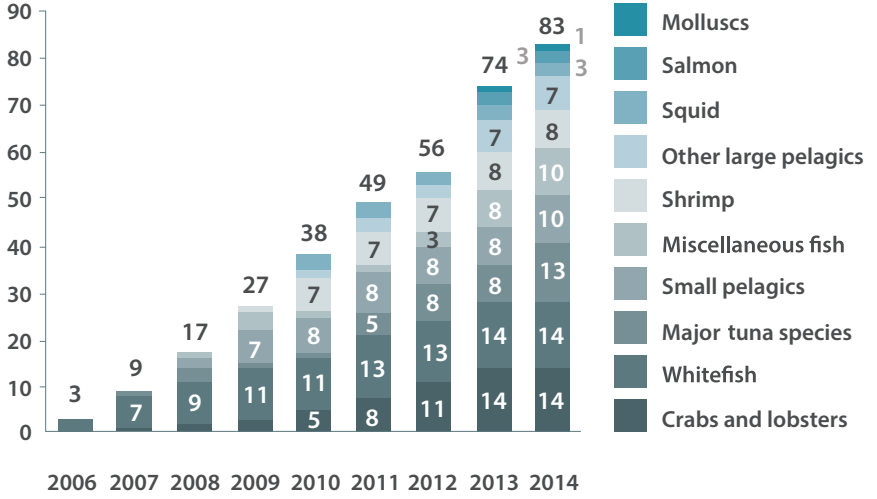
Many of the initial FIPs that targeted Northern European whitefish fisheries (e.g., Baltic cod, Barents Sea cod and haddock) successfully facilitated changes in their fisheries that eventually led to MSC certifications.[2] Building on this early momentum, the model has since been applied on every continent, across all major commodities, and in all fishery types.

Cumulative number of FIPs that have reached Stage 2, by initiation year and by continent



Cumulative number of FIPs that have reached Stage 2, by commodity group





[2] WWF operated a number of pre-certification projects in fisheries that also led to MSC certifications (e.g., Baja rock lobster, Ben Tre clam), however their work pre-existed the formalization of the FIP process. These projects would be referred to as FIPs if initiated today.

Today, a broad array of efforts to engage industry in fishery reforms ar referred to as "FIPs." Whereas a decade ago only Sustainable Fisheries Partnership (SFP) and World Wildlife Fund (WWF) implemented FIPs, now over a dozen non-profit and for-profit organizations implement FIPs or offer FIP implementation services, and each has its own unique approach. There is also a broader cohort of NGOs that work on fisheries reform in collaboration with industry, though they may not have all of the elements to be considered FIPs (see box 1).

With the rapid growth in the number of FIPs and implementation organizations, FIPs have evolved considerably and there are now assorted theories of change, supply chain engagement approaches, fisheries strategies, and implementing approaches. However, this organic evolution (as opposed to a designed or planned evolution) of the model has bred substantial confusion that often leads to criticism of the FIP model.

Understanding how FIPs differ and where these differences manifest will help alleviate considerable misunderstandings and shift the debate toward a more constructive, strategic discussion of the relative value of the different approaches.

BOX 2

Fishery improvement project stages as outlined by the Conservation Alliance for Seafood Solutions FIP Guidelines:

Stage 0: Identification of a potential FIP candidate

Stage 1: Development of the FIP including an assessment of the fishery, drafting of the project's scoping document, and recruiting stakeholders

Stage 2: Public launch of the FIP, declaration of participating stakeholders, and the development of the project's workplan

Stage 3: Implementation of the workplan's activities and regular progress reporting

Stage 4: Improvements in fishing practices or fishery management

Stage 5: Improvements on the water, such as increase in stock biomass, reduction in fishing mortality, or reduced habitat impact.

Source: http://www.solutionsforseafood.org/wp-content/uploads/2015/03/Alliance-FIP-Guidelines-3.7.15.pdf

We identified four basic sets of characteristics that illustrate underlying differences between contemporary FIPs. The first two—FIP structure and supply chain engagement—are central to our reflections about and interpretation of the global FIP landscape, while the second two—fishery condition and FIP implementer type—help further clarify differences among FIPs. Different combinations of these characteristics—which we layout here—imply different anticipated rates of progress, timing of impact, annual cost, and theory of change.

1. FIP STRUCTURE	**BASIC FIPs** Light touch, low cost model aimed at addressing fisheries issues piecemeal over an extended time horizon	**VS**	**COMPREHENSIVE FIPs** High touch, resource intensive model assessing and targeting all MSC PIs* aimed at near term MSC certifiability
2. SUPPLY CHAIN ENGAGEMENT	**BOTTOM UP** Using a FIP to access end markets and major buyers with sustainability commitments	**VS**	**TOP DOWN** Major buyers identify fisheries in need of reform within their supply chain and motivate FIP engagement through existing leverage
3. FISHERY CONDITION	**FIX A PROBLEM FISHERY** The fishery is in need of improvements and seeks to use the FIP to address its issues	**VS**	**CELEBRATE A GOOD FISHERY** The fishery is in relatively good shape and seeks to use the FIP to highlight its status
4. FIP IMPLEMENTER	**THIRD PARTY LED** A dedicated NGO staff member is designated to implement the FIP	**VS**	**INDUSTRY LEAD** Stakeholders are left in charge of implementing their own FIP; NGOs often provide strategic advisory in these cases

*MSC PIs: Marine Stewardship Council Principle Indicators are the specific criteria against which the performance of the fishery is measured.

1. FIP STRUCTURE

The first differentiating characteristic today is the structure of FIPs. Initially, all FIPs shared the same general approach: by harnessing the power of market demand, major seafood buyers (e.g., retailers) could apply pressure through their supply chain to organize local stakeholders and drive improvements by assessing the fishery, developing a shared workplan and budget, and providing funding to undertake the associated activities. By transmitting demand for sustainable seafood through international supply chains to fisheries across the world, the movement hoped to achieve widespread impact.

Today, two distinct FIP structures—**basic and comprehensive**—reflect different approaches for how FIPs can best achieve broad-reaching impact. The first approach, associated with basic FIPs, is premised on the belief that by engaging a critical mass of fisheries for a given commodity in the FIP process, the need for additional market differentiation will drive eventual improvements across entire sectors as local stakeholders try to out-compete each other through additional sustainability improvements. For basic FIPs, impact on the water may occur within the first five years, but improving the fishery to a certifiable level will likely take more than a decade (or two). The second approach, associated with comprehensive FIPs, suggests that by demonstrating the value of transitioning to MSC certification, other local stakeholders will engage in sustainability reforms in order to capture the benefits of certification. For comprehensive FIPs, there is an explicit expectation for the fishery to become certifiable within five years, so impacts on the water should be more immediately apparent.

ORIGINAL FIP THEORY OF CHANGE

- Draw upon market forces to motivate fishery improvement (e.g., retailers, food service, importers)
- Coordinate a diverse group of willing stakeholders on the ground (e.g., fishers, processors, exports, associations, governments, academia)
- Develop a clear and measurable workplan addressing fishery issues
- Develop a budget to fund associated work; funding provided in part by FIP stakeholders

BASIC FIPs*

The Original FIP TOC elements, plus:

- Commitment to long-term sustainability
- Needs assessment identifying issues in the fishery
- NGO or industry FIP coordinator coordinating efforts
- Minimal resources used to ensure ongoing engagement and continued improvement efforts

COMPREHENSIVE FIPs*

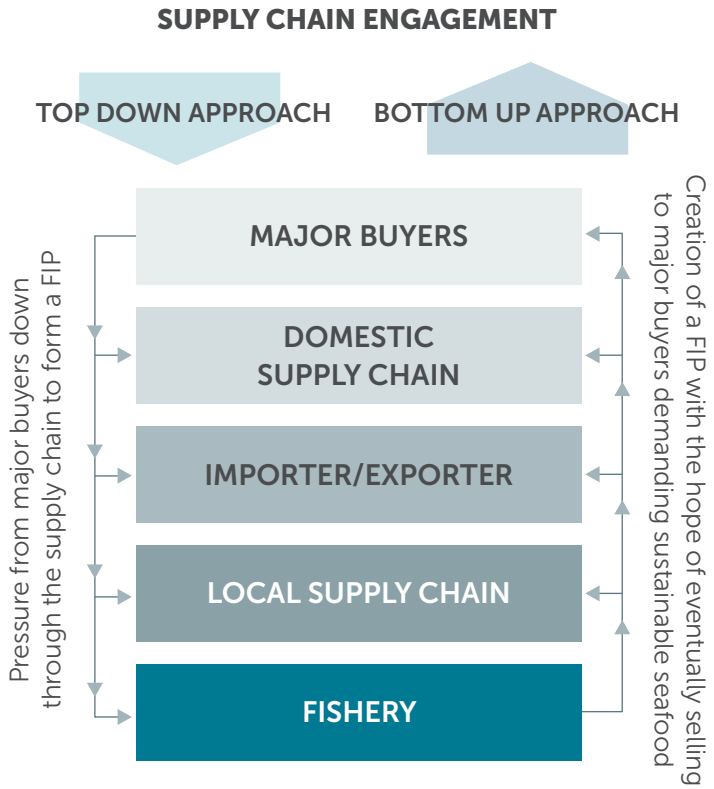
The Original FIP TOC elements, plus:

- Explicit goal of near-term MSC certifiability
- Pre-assessments against all MSC PIs
- Dedicated NGO FIP coordinator driving activities
- Substantial resources used to address all identified issues as soon as possible

* The representations of the different characteristics of basic and comprehensive FIPs reflect our perception of how the two approaches manifest in practice and do not reflect the definitions provided by the Conservation Alliance for Seafood Solutions in their FIP Guidelines.

2. SUPPLY CHAIN ENGAGEMENT

The second important FIP characteristic is the way in which FIPs engage the supply chain. A primary tenet of the traditional FIP model is that there must be active engagement of the international supply chain, which demands sustainable seafood and provides market benefits (e.g., preferential sourcing) for sustainable suppliers. Historically, major buyers would identify unsustainable fisheries from which they were already sourcing and drive pressure down through their existing supply chain to engage stakeholders and create a FIP. We characterize this as the top down approach to supply chain engagement. Today, enterprising implementers are starting FIPs in some fisheries in hopes of cultivating new (often Western) markets by using fishery improvement as a competitive advantage in the market. We characterize this as the bottom up approach to engaging the supply chain.



3. FISHERY CONDITION

The third characteristic is the initial condition of the fishery, including the extent to which fundamental reforms are required for sustainability. Often FIPs seek to improve fisheries that are under-performing or poorly managed. These FIPs, which seek to reform unsustainable fisheries, are both more traditional and more common. However, some FIPs now seek to highlight good performers in existing sustainable fisheries. Handline tuna is the best example of these "celebratory" FIPs: handline fishing is a sustainable harvest technique that applies minimal pressure on tuna stocks with negligible bycatch or habitat implications. "Celebratory" FIPs work in fisheries that require less extensive interventions and are often focused on demonstrating or codifying existing practices.

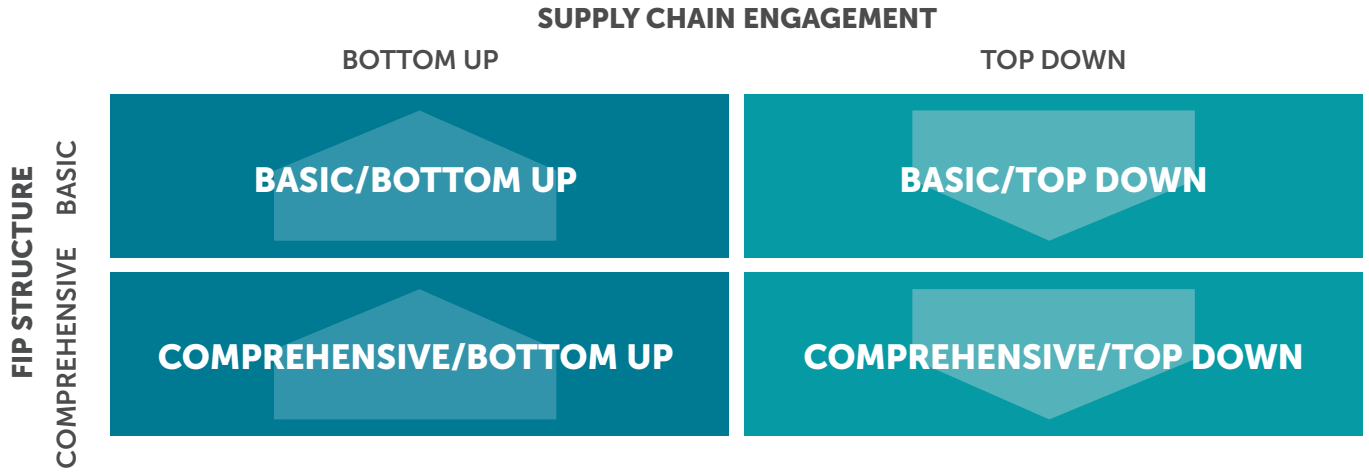
4. FIP IMPLEMENTER

The final characteristic is the party charged with coordinating and implementing the FIP. Third-party implementers (e.g., NGOs like WWF and SFP) traditionally coordinate and run FIP activities. Though many FIPs are still NGO led, there is a growing movement to transfer a FIP's day-to-day operational activities to industry to reduce costs, potentially providing upwards of 50-75% cost savings to the associated NGO. Industry run FIPs often have third-party advisors that provide strategic guidance as well as coordination among other FIPs and buyers further up the supply chain.

Four FIP archetypes

1. FIP STRUCTURE	**BASIC FIPs** Light touch, low cost model aimed at addressing fisheries issues piecemeal over an extended time horizon	**VS**	**COMPREHENSIVE FIPs** High touch, resource intensive model assessing and targeting all MSC PIs aimed at near term MSC certifiability
2. SUPPLY CHAIN ENGAGEMENT	**BOTTOM UP** Using a FIP to access end markets and major buyers with sustainability commitments	**VS**	**TOP DOWN** Major buyers identify fisheries in need of reform within their supply chain and motivate FIP engagement through exisitng leverage

When you overlay the first two sets of characteristics, the resulting quadrants reflect ***four FIP archetypes*** that are implemented today: ***Basic/Bottom up, Comprehensive/Bottom up, Basic/Top down***. ***Comprehensive/Top down.***



On the following page, we briefly describe the characteristics of and implications for each archetype.

Basic/Bottom up

These are usually opportunistic, low-cost projects that aspire to access new markets or buyers interested in sourcing from FIP fisheries. These projects focus on incrementally improving one or two issues at a time and achieve higher stage accomplishments by reporting changes to the fishery that often are driven by forces beyond the scope of FIP activities. The minimalist structure of these FIPs keep costs low, but impact often remains limited to the simplest improvements. These fisheries benefit from whatever improvements can be made, increased stakeholder coordination, and potentially increased consideration among fishery managers and policy makers. These FIPs pose relatively little risk to the overall credibility of the FIP model as they generally do not reap market benefits and therefore also arguably lack a credible mechanism for long-term change without supply chain engagement and pressure.

Example: Chilean anchovy and sardine implemented by CeDePesca (NGO led)[3]

Comprehensive/Bottom up

These projects almost always have a unique history and raison d'être. These fisheries do not have pre-existing relationships with buyers demanding sustainable seafood, yet still seek MSC certifiability in the near term (≤5 years) and are willing to undertake the necessary activities (e.g., comprehensive fishery assessment) and their associated costs. If these fisheries achieve certification, they may demonstrate its value and serve as a proof point for other fisheries in the region. However, given the unconventional reasons for wanting to start a comprehensive FIP, they may not represent a credible model for scale.

Example: India oil sardines implemented by World Wildlife Fund (NGO led)[4]

3. http://cedepesca.net/promes/small-pelagics/chilean-anchovy-and-sardine/

4. https://sites.google.com/site/fisheryimprovementprojects/home/india-oil-sardine-fip

Basic/Top down

These FIPs engage fisheries that are already a part of Western buyers' sourcing portfolios and are created to address problems incrementally. In general, these are the most difficult improvement projects, as they are commonly located in countries with limited fisheries management capacity and the needed reforms are too complex to address in the near term. Given the extent of the challenges, basic/topdown FIPs have the highest potential for meaningful impact. However, these FIPs also present a greater risk for greenwashing as the reform challenges are substantial and the workplan is incremental, while the market benefits are immediate (they are able to maintain their pre-existing markets by meeting buyers' sustainable seafood commitments). If these FIPs can generate outcome oriented improvements (e.g., improved biomass, improved management regimes and enforcement capacity, certifiability) in these market-relevant fisheries, the FIP model would be a resounding success.

Example: Indonesia blue swimming crab implemented by Asosiasi Pengelolaan Rajungan Indonesia (APRI) (industry led)[5]

Comprehensive/Top down

These fisheries represent the best candidates for certifiability through a repeatable and scalable strategy. Comprehensive/topdown FIPs are initiated because major buyers are already sourcing from the fisheries, though as opposed to basic/top down FIPs, these projects tend involve higher value fisheries with stronger government and higher levels of engagement through the FIP. NGO implementers drive day-to-day implementation and multi-year strategy of the project, commit substantial resources, and seek certifiability in the near term. Unfortunately, there are a diminishing number of candidate fisheries for this type of FIP engagement as most of these targets have already been engaged by FIPs or the MSC.

Example: Bahamas lobster implemented by World Wildlife Foundation (NGO led)[6]

5. http://www.committedtocrab.org/projects/indonesia/

6. https://sites.google.com/site/fisheryimprovementprojects/home/bahamas-lobster

Interpreting FIPs' purpose

In addition to the four archetypes that help us interpret the different ways that FIPs are implemented globally, we also observed ***four different explanations for a FIP's mechanism of change.*** In other words, there are (at least) four different ways to explain a FIP's purpose. The first two are well-known explanations and are often cited. The second two are new (to our knowledge) and are implied by how FIPs are operating on the ground.

A

Comprehensive FIPs are an on-ramp to the MSC
The original and most often mentioned purpose for FIPs is that they are an on-ramp to MSC-certification. WWF and implementers of comprehensive FIPs see certification (or certifiability) as the goal of their projects.

Relevant to: Comprehensive/Bottom up FIPs and Comprehensive/Top down FIPs

B

Top down FIPs are a broad driver of change across a commodity
This captures the idea that the FIP model can lead to improvements across a commodity by engaging a critical mass of fisheries and using competition among fisheries and producers to incrementally improve the sector. This reflects SFP's strategic approach and works through top-down supply chain pressure to engage commodity groups.

Relevant to: Basic/Top down FIPs and Comprehensive/Top down FIPs

C

Basic FIPs are a tool to raise issue salience among stakeholders
In regions where the capacity for management, enforcement, and reforms are weak or nonexistent, FIPs' ability to drive change is often limited to the fishing practices that participating stakeholders can control. This does little to address the underlying issues within a fishery and whatever gains are made by participants are undercut by non-participants. In these instances, FIPs can provide greater value by coordinating with industry to elevate the need for improvement within appropriate levels of government. Improving governance and its capacity to manage is often the best (if not only) way to reform entire fisheries in these circumstances, and FIPs can recruit industry to assist in the process.

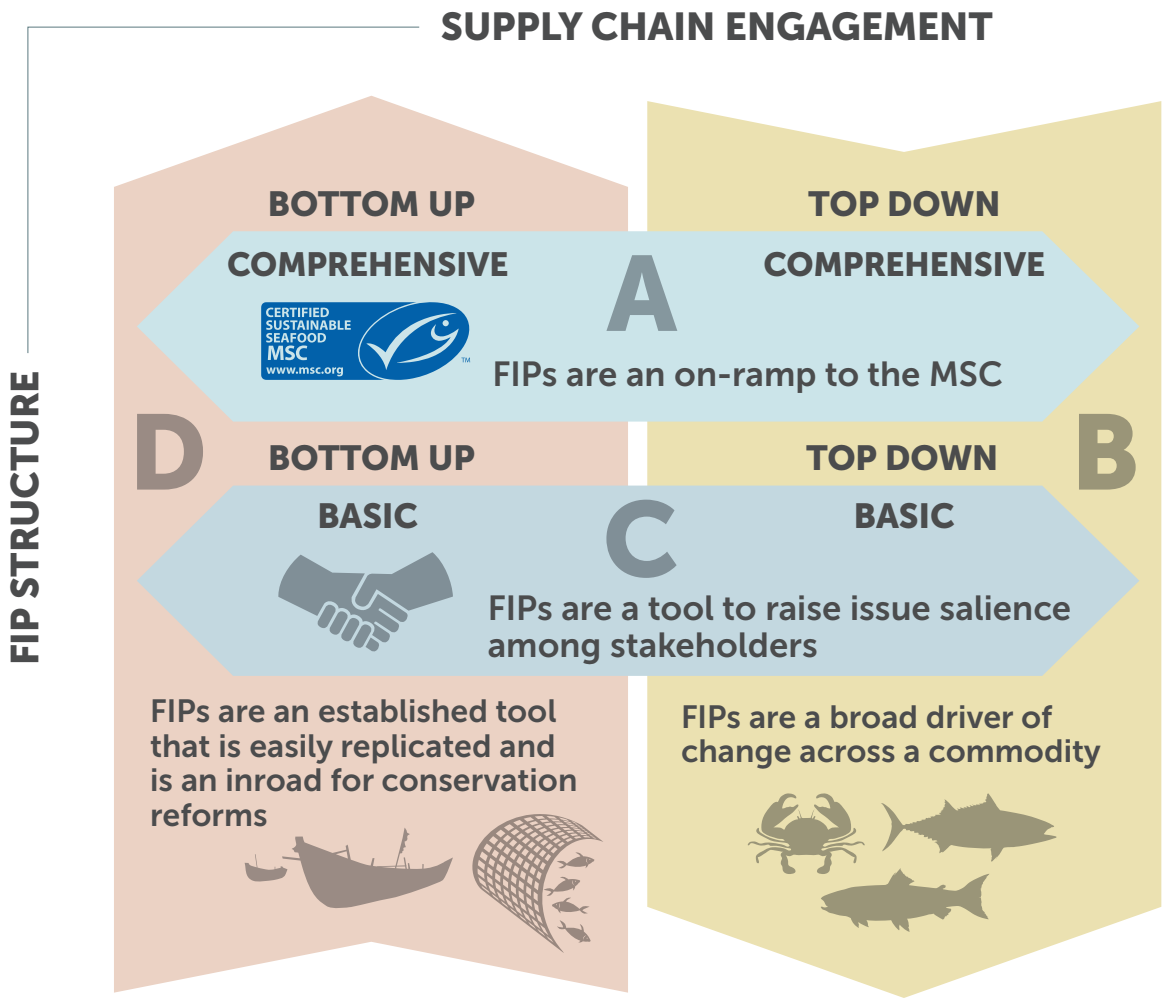
Relevant to: Basic/Bottom up FIPs and Basic/Top down FIPs

D

Bottom up FIPs are an established tool that is easily replicated and an inroad to conservation reforms
Some implementers and fisheries use the FIP process as a way to organize and facilitate whichever improvements participating stakeholders are willing to make. The promise of future market benefits is often an incentive in these FIPs, but it is not always the exclusive motivating factor.

Relevant to: Basic/Bottom up FIPs and Comprehensive/Bottom up FIPs

FIPs' mechanisms of change



This visual illustrates the relationship between the FIPs' different explanations of purpose and the four FIP archetypes. Each archetype has two associated purposes, for example, the comprehensive/top down archetype (represented in the upper right quadrant) can be explained as both being an on-ramp to MSC certifiability and being a driver of change across a commodity.

Takeaways

In addition to the evolution of the FIP model and the confusion it has caused, we were struck by a number of additional observations about FIPs globally.

Not all FIPs are alike, nor should their expectations (or benefits) be uniform.

The expectations for the rate of progress and the types of outcomes achieved through the FIP process should be context specific. Comprehensive FIPs should be expected to make progress across multiple indicators more quickly than basic FIPs, and the market should reward them commensurately (e.g., preferential sourcing, access to additional resources). FIPs engaging fisheries with established management systems should be expected to make faster progress than FIPs fisheries with ineffective or absent management and enforcement systems. Large-scale industrial fisheries should be expected to make faster progress than small-scale fisheries. The more challenging, and more important, questions are: how can and how should the community set reasonable timelines to hold FIPs accountable for change? And subsequently, how can the market provide differentiated benefits to FIPs making quicker or more meaningful progress? Unfortunately, those questions remain without answers.

FIPs succeeded in whitefish; we need other success stories but progress has been slow.

FIPs were developed for, and first implemented in, industrial whitefish fisheries and have been successful in transitioning those fisheries into the MSC program. However, with the exception of a pair of Russian salmon fisheries, no other fishery has achieved MSC certification (one barometer for success, particularly for comprehensive FIPs, though a number of fisheries anticipate entering the MSC full assessment process). As FIPs have been applied to other commodities with different supply chain dynamics and degrees of management capacity, slower progress for FIPs was expected. Stage 4 will continue to be a natural sticking point for FIPs, especially those operating in the developing world, as Stage 5 accomplishments generally require fishery-wide modifications that are beyond the immediate control of FIP participants. This dynamic has proven to be a substantial challenge to FIPs' ability to create measurable impact in fisheries outside of whitefish and salmon.

Additional examples of FIPs providing change on the water are needed in commodities other than whitefish to support the idea that the model is broadly applicable.

Much of the criticism about FIPs' halting progress in the developing world may merely reflect the difficulty of working in these regions.

In many developing nations, particularly in Southeast Asia, FIP progress and impact have been limited. However, this seems to be an endemic issue within the region that has plagued all conservation interventions. During our investigation, no expert or interviewee suggested a preferred alternative approach to promote fisheries conservation. The conservation community has experimented with a variety of tools, from Territorial Use Rights for Fishing (TURFs) to Marine Protected Areas (MPAs), but none have enjoyed widespread success.

Within the difficult context of developing world fisheries reform, the FIP model has two primary benefits that other interventions lack. First, FIPs engage the private sector and align their message with conservationists. Second, FIPs are relatively inexpensive, usually costing NGO implementers approximately $50,000 to $100,000 annually (with outliers on both ends). For FIPs to be more successful in these geographies, they need to leverage these strengths and partner with actors working to improve fisheries through other mechanisms (e.g., policy lobbying, capacity development, community engagement) to improve the effectiveness of conservation activities.

FIPs are providing market benefits in a variety of forms, but there is little evidence to suggest that fishers themselves are benefiting.

FIPs are designed to engage the fishery one-step removed from the fishers on the water, where influence is relatively consolidated among primary processers, producer association representatives, governments, and others. This structure facilitates more direct communication and action by stakeholders, but also concentrates market benefits to the producers and exporters who are directly engaged. We encountered a variety of scenarios where participating companies in the supply chain realized market benefits through access to markets and buyers (there was no evidence of price premiums paid to FIP stakeholders).

Conversely, we found almost no evidence to suggest that fishers participating in FIPs receive direct benefits (e.g., access to capital, price premiums). FIPs are not designed to directly benefit individual fishers within a fishery, beyond the benefits associated with a better performing, sustainably managed fishery. The one potential exception is FairTrade's work in the Indonesia handline tuna fishery, which dedicates a portion of sales to a community improvement fund.

There is a growing appreciation that the needs of fishers and their communities must be addressed in order to improve the underlying causes of fishery exploitation in the developing world, particularly for small-scale fisheries. If the next generation of FIPs extends the engagement strategy down to the fisher-level, it will be more involved and resource-intensive than the traditional model, but may be more likely to succeed in these challenging geographies.

Key drivers of success

Unfortunately, there is not a simple recipe for a successful FIP, given the model's diversity. There are many examples of effective implementation strategies that work in particular scenarios, but not in others. However, we believe there are a few key drivers of FIP progress and impact.

- ***On-the-ground implementation:*** To see more immediate progress and impact, it is important to have at least one individual, usually from an NGO, who is a dedicated coordinator charged with running a FIP. Industry-run FIPs delegate the day-to-day activities of FIP operation to FIP stakeholders, which can substantially reduce costs, but almost invariably slows the rate of activity. Even the most well-intentioned industry implementers are primarily focused on operating their business and often do not have the time or will to drive FIP progress in the same way that a third-party implementer can.
- ***Real government engagement:*** Particularly in developing countries, an engaged government is essential for success, as often these projects need to transform some aspect of management, governance, or enforcement to achieve reform goals. Once a FIP is formed, an invested government is often a better predictor of success than market pressure. Similarly, the most effective FIP implementers that we observed were those with pre-existing government relationships. This may be a consideration as future implementers are recruited and staffed on projects.
- ***Short and narrow supply chains:*** We observed that less complicated, more direct supply chains, with fewer middlemen and total actors, were more effective at creating change. A more direct supply chain appeared to be more important than the total market share of participating companies. This is exemplified by a comparison of the Gulf of California swimming crab FIP and the Indonesian blue swimming crab fishery. Relatively effective work has taken place in the Gulf of California FIP, where a single supply chain participant controlled approximately 70% of total crab production in the fishery. Slower progress has been made in the vastly more complex Indonesian fishery, where participating members of Asosiasi Pengelolaan Rajungan Indonesia (the Indonesia Blue Swimming Crab Processors Association known as APRI), purportedly control upwards of 90% of the market, but the supply chain is substantially more complicated. Diffuse supply chains with many participants make it difficult to coordinate effort and transmit pressure for sustainable reforms.
- ***Government and fisheries management capacity:*** The capacity to effectively govern and manage fisheries tends to be one of the best predictors of FIP success. This capacity, of course, is beyond a FIP's control, but it is important to recognise that FIPs in developed countries generally achieve impact more quickly than FIPs in developing nations.

Local capacity is a bottleneck

The rapid expansion of FIPs has outpaced the development of local implementation expertise. Local experts often work for multiple initiatives and organizations, making it difficult to differentiate between projects and affiliations. This lack of expertise also limits the ability to scale effort within a country. It is costly to fly in Western consultants to create workplans and to evaluate fisheries and FIP performance. Going forward, it will be important to develop the necessary local technical capacity for the FIP model to scale. Also, by transferring FIP capacity to local experts, the credibility of the movement will likely increase as FIPs become domestic initiatives instead of external interventions.

Among the variety of well-founded FIP critiques: rate of progress and greenwashing concerns are foremost.

We encountered a variety of well-founded critiques about FIPs, some of which are alleviated through an understanding of the model's evolution and current differences in implementation. Critiques regarding the rate of FIP progress and concerns of greenwashing that allows industry to unduly profit are foremost among commonly-cited critiques.

- ***Rate of FIP progress:*** We believe that this is the most serious critique leveled at FIPs. Phrased bluntly, the claim is "FIPs do not work outside industrial whitefish." Demonstrating change on the water in more fisheries across different commodities and geographies is critical to building and retaining credibility for the FIP movement. Of the 17 active FIPs that currently report change on the water and the FIPs that have transitioned into the MSC, only four are non-industrial fisheries[7] and six are from developing nations.[8] As resources and effort continues to shift toward non-industrial, developing world fisheries, these numbers need to grow. Fostering the near-term achievement of change on the water should be a priority of the FIP movement to allay this criticism, especially in the developing world and artisanal fisheries. Additionally, comprehensive FIPs need to transition at least one of their fisheries into the MSC system (or report MSC certifiability) in the near future to improve the credibility of that model and theory of change,[9] particularly as some projects have been active for more than five years already.
- ***Greenwashing concerns:*** Greenwashing claims have been largely directed toward basic FIPs, which often lack a comprehensive workplan, frequently start from a lower baseline, and are occasionally run by industry. This is an understandable criticism since the theory of change for basic FIPs may require years (if not decades) to achieve substantial change in practices and change on the water. There are examples of market-driven FIPs that are receiving benefits without (what we perceived to be) credibly attempting to improve their fisheries. Greenwashing concerns will continue to trouble basic FIPs and may pose a broader risk to the FIP model's credibility.

7. Vietnam blue swimming crab, Nicaragua spiny lobster, Bahamas spiny lobster, and Ecuador mahi. All are implemented by WWF.

8. Vietnam blue swimming crab (implemented by WWF), Nicaragua spiny lobster (WWF), Ecuador mahi (WWF), Indonesia tuna (WWF), Argentina hake (CeDePesca/SFP), Argentina hoki (CeDePesca/SFP). Argentina hoki is now MSC certified. Developing nations are reported by the International Statistical Institute and based on World Bank classification.

9. WWF reports working with a number of MSC fisheries (e.g., Baja lobster) to prepare for their successful certification. This work was initiated before the codification of FIPs and therefore has remained largely outside the scope of this work, though those projects could arguably be retrospectively labeled as FIPs.

The existing system for progress reporting is a major contributing factor to greenwashing concerns and needs to be improved. Currently, stage ratings only provide a high watermark for FIP progress—once a FIP reports a single Stage 4 accomplishment, it remains at Stage 4 until it reports Stage 5 impacts or is dissolved. However, these stage classifications provide no insight into whether stakeholders are actively executing the workplan. For example, a FIP in a challenging fishery could be consistently reporting different Stage 4 accomplishments yet still not be able to achieve Stage 5 impact. This FIP would be reported the same way as a FIP whose stakeholders are largely inactive after reporting the first Stage 4 event. In either scenario, the FIP would remain in Stage 4, but the latter is clearly case a of greenwashing.

New tools aimed at measuring activity (e.g., SFP progress grades) and publicly communicating FIP progress (e.g., the forthcoming Global FIP tacking website) are important improvements that should increase transparency and accountability. Together they should provide insight into the rate of activity occurring and signal to the market when FIPs have stalled or have become inactive. In theory, this will help differentiate between well-intentioned, engaged FIPs in difficult fisheries, and inactive FIPs that unfairly access markets. This will also help retailers and buyers more effectively engage the FIP process, as currently they rarely confront the issue of stalled and underperforming FIPs, in large part due to insufficient reporting tools. Effective retail and supply chain engagement, through clear expectations and active support for progress and impact, is essential for the success of the FIP model.

The future of FIPs

The FIP model was developed for Western industrial fisheries; however, the FIP model is being applied in the developing world and for small-scale fisheries where fishery improvement is often dependent on local communities. The traditional FIP model provides insufficient mechanisms to influence behavioral change in communities beyond participating industry stakeholders' leverage within a community or through supporting new fisheries management policies or practices. To date, FIPs working on small-scale fisheries and in the developing world have progressed slowly.

"Social FIPs"

In response, some implementers have started to incorporate social dimensions into their projects. FairTrade USA and Masyarakat dan Perikanan Indonesia's (MDPI) partnership to address fisheries issues in Indonesia which joins a community development NGO and a FIP implementer is the first of its kind. Sustainability Incubator has developed a human-rights screening tool for fisheries that it integrates into all of its FIPs. The ASEAN FIP dialogues' draft standard is equally conservation and socially oriented. There are prospective entrants to the space that may soon implement FIPs, including Conservation International, which explicitly includes social aspects into its FIP approach.

Merging FIP conservation efforts with community development seems to be a sensible approach to addressing many common challenges facing small-scale fisheries in the developing world. Given FIPs' relative youth and the novelty of incorporating livelihood benefits into the model, there are no precedents that can highlight the potential effectiveness of these dual-purpose FIPs. One thing does seem clear though: if FIPs are to benefit poor and/or otherwise marginalized people in fishing communities, there must be components in the FIP that are explicitly designed to bestow benefits upon those communities. Without intentionally designing them into the process, the benefits of FIPs will flow to the people who hold more market power (e.g., retailers and processers).

However, substantial additional resources (e.g., on-the-ground personnel and additional capital) will be needed to effectively engage with these communities. Though FIPs have traditionally been a relatively low-cost intervention strategy, socially focused FIPs will likely be more expensive than the traditional model. On a related note the engagement and costs necessary to implement community focused FIPs will reduce the ability to scale the approach, which has been a selling point of the traditional FIP model.

National FIP coordination

Another potential option for FIPs to improve their effectiveness in challenging contexts is to develop countrywide strategies that target policy reforms and management improvement. If FIPs could coordinate together and harness the collective clout of stakeholder partners in industry, academia, and government, they might be able to elevate the priority of fisheries management reform at the appropriate level of government. In many developing countries, establishing better policies is a critical first step to eventually

improving all fisheries within a country. There are limited examples of nationwide coordination among different FIP implementers across multiple FIPs. However, the European Union's anti-Illegal, Unreported, and Unregulated (IUU)[10] regulation is demonstrating the value of using market pressure to target reform at the national level. There are certainly many challenges with a countrywide coordination approach, but in the absence of better management, there is little prospect for sustainable fisheries at the national level.

Conclusion

FIPs have worked for industrial whitefish fisheries in Europe because they compelled industry to create the political will necessary to address the fisheries' problems and have worked within pre-existing systems of management, enforcement, and governance. In the developing world, FIPs and other conservation interventions must try to create impact in the absence of those vital systems. Thus, FIPs are being asked to resolve a greater set of problems than they were initially designed to solve.

FIPs must continue to evolve to achieve greater impact across a diversity of scenarios and will need to be paired with other efforts and approaches to secure this broader impact. It is clear, however, that FIPs will continue to play a valuable role as part of a larger conservation strategy based on the ability to recruit and align private enterprise within the conservation movement in a way that no other approach can.

10. The EU Regulation to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing Council, or Regulation 1005 / 2008