

A Guide for Advancing the “FIP+”

Design considerations for integrating social and economic incentives to progress environment, economic, and equity (3E) outcomes in “triple impact” Fishery Improvement Projects (FIP+).



About Future of Fish

Future of Fish is an international non-profit that supports small-scale fisheries and communities impacted by overfishing to build sustainable livelihoods while also protecting fish, a critical source of protein for billions of people worldwide. www.futureoffish.org

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The following report is an output of nearly two years of research, conversations, interviews, and meetings with key stakeholders involved in FIPs in general, and specially participants to the Belize spiny lobster FIP+ and Peruvian Mahi-mahi longline FIP. The ideas presented here reflect insights based on deep collaboration, and we acknowledge the enormous intellectual contribution from colleagues at TNC Belize, Blue Ventures, and the Steering Committee of the Belize Spiny Lobster FIP+; likewise, colleagues with WWF Peru, WWF US, SPDA, and CARE have contributed substantially to our current thinking and approaches in Peru. Finally, we recognize and appreciate the contributions of FIP and finance experts that participated in our finance workshop and those with whom we have had on-going conversations over the past 2 years regarding how to advance 3E outcomes in small-scale fisheries. In acknowledging the contributions of these experts, we hereby also take full responsibility for the content of this report, which reflects our current understanding of a complex and dynamic space. We expect to continue to refine and advance the concepts presented here and offer this report as a working draft. We look forward to input and updates from the sustainable seafood and conservation finance communities.

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The Purpose

This guide provides FIP practitioners with *design and strategy guidance* to advance the success of FIPs across economic, environmental, and social dimensions of a fisheries system. The content contributes to the growing body of work by FIP practitioners and researchers who are exploring new ways to build off the robust elements of the FIP model to better meet s more diverse fishery contexts and ensure FIPs responsibly account for social and economic outcomes in addition to environmental ones (CEA 2020, Peckham et al., 2020, Barr et al, 2019, Kittinger et al. 2018).

The work is based upon preliminary findings from two on-going experiments that integrate Future of Fish's Fishery Development Model (FDM) within a new and an existing FIP. Still in early stages, these **FIP+** projects are exploring three questions:

1. How might system (also known as “landscape”) approaches facilitate FIP progress, especially with regard to unlocking greater resources and advancing 3E outcomes?
2. How can social and economic incentives help drive more effective stakeholder engagement (CEA 2020)?
3. How can 3E outcomes generated via a FIP+ help secure long term resilience and sustainability of the fishery and fishing communities?

A more-detailed analysis of creative finance strategies for FIPs, based upon this same work, can be found in the complementary report: *Unlocking Finance for Fishery Improvement Projects* (FIPs) available on FoF website.

The information provided in both this guide and the finance strategy report support the guidelines for implementing FIPs set forth by the Conservation Alliance for Seafood Solutions (CASS) and should be used in conjunction with the internationally recognized standard tools and frameworks for FIPs (see FisheryProgress.org). Because of the context of our FIP+ experiments, the results of this work are derived from and most applicable to small scale fisheries (SSF) and developing world fisheries.

As FIPs continue to grow in their scope and reach, this guide encourages FIP practitioners to “think bigger” in order to unlock resources and capital that can create impact at scale. Specifically, this report:

- Supports FIP practitioners (especially those working in SSF and developing country contexts) to be more strategic in leveraging **public funding** and resources available through **existing** national and regional bodies, programs or initiatives;
- Provides design recommendations for how to use social and economic incentives to drive 3E improvements within the FIP process; and
- Presents the **first steps** (on a longer pathway) to reduce core barriers to prime FIPs to attract return-seeking investment via a blended finance approach.

Introduction: The 3E Opportunity

THE PUSH

Today, a growing body of work is demonstrating the need for cross-sector approaches to sustainable development that simultaneously account for environmental, economic, and social-cultural dimensions (United Nations, 2015). As a reflection of this movement within the sustainable seafood space, the Conservation Alliance for Seafood Solutions (CASS) has set an ambitious target for 75% of global production to be sustainable (or in verifiable improvement) by 2030, *and ensure safeguards in place for social responsibility*. Such goals push forward efforts that build off the robust foundations of the FIP model to improve outcomes across more diverse fisheries contexts and more diverse system components (CEA 2020). In particular, existing efforts within the seafood movement seek to:

1. Address FIP deficiencies for developing world and small scale fisheries contexts (Barr et. al, 2019);
2. Ensure FIPs evaluate and address human rights risks (Kittinger et al, 2018; Conservation International, 2019);
3. Create new pathways for financing FIPs (CEA 2020)
4. Provide triple impact returns and advocate for “do no harm” approaches to ensure positive economic and social outcomes in addition to environmental (Peckham et al., 2020; Unintended Consequences of FIPs Session, CASS 2020)

Though more complex, there is great opportunity in weaving together economic, environmental, and social solutions within fisheries transformation work. Such approaches can attract new stakeholders interested in social and economic dimensions of coastal community development as well as new funding opportunities. More diverse strategies within a FIP+ can be created that can align with existing values and priorities of governments, outside the limited fisheries context. These opportunities are fueled in part by an upsurge of national-level initiatives such as Sustainable Development Goals (SDGs), climate change commitments, and biodiversity targets, including those for ocean ecosystems (High Ambition Coalition (HAC), 2020). Finally, some social and economic benefits can be delivered more quickly than benefits that rely on longer-term

environmental recoveries; these short-term gains can help engage and motivate stakeholders to continue along the pathway to larger-scale transformation work.

THE PUSHBACK

To develop, launch, and implement solutions that can address environmental, equity, and economic (3E) challenges of a fishery will require far more resources and coordination than traditional FIP models of the past. With many FIPs already stymied by a lack of sufficient financing (CEA 2020), the prospect of securing even more funding appears as a significant hurdle to many in the seafood space.

Likewise, many challenges that FIPs would need to overcome in order to advance 3E will be outside the scope of fisheries expertise that most FIP practitioners hold. And, for developing world contexts especially, key enabling conditions for market levers to work may be missing. How FIPs can or should function within these contexts is only just beginning to be explored and understood.

Finally, industry recognition and understanding of FIPs is finally widespread; there is reluctance to introduce a “new” or “different” version of the model that might lead to confusion or frustration within the seafood industry—critical stakeholders for FIP success.

THE POTENTIAL

A re-imagining of the role of FIPs as elements of larger, systemic transformations that can deliver improvements for not only ocean ecosystems, but for local economies as well, could prove a game-changer for the sustainable seafood movement. As a recognized and tested platform for multi-stakeholder collaboration and with the supporting verification and transparency component of FisheryProgress, the FIP model has already set precedent for how to build and monitor complex change in fisheries. Building off this foundation, a FIP+ approach can provide potential for not just restoring and protecting marine ecosystems, but improving livelihoods and resiliency in the face of future change.

The Approach: Integrating 3Es

OVERVIEW OF FUTURE OF FISH 3E THEORY OF CHANGE

As a systems-change organization dedicated to building thriving coastal communities and ocean ecosystems, Future of Fish employs a multi-level strategy in order to drive fishery transformation. Our approach recognizes that fisheries and the global seafood supply chains they support are complex systems that have their own biology, infrastructure, culture, politics, institutions, and market considerations. Solving for sustainability within such complexity requires integrated solutions to restore and sustain healthy ocean ecosystems while preserving livelihoods and building greater equity for coastal communities.

To execute our work, we employ a Theory of Change that recognizes three critical pillars of fisheries transformation:

- **Resilience & Opportunity:** Activities that support individuals and families in fishery communities to have basic needs met, greater autonomy, and access to opportunities for improving their livelihoods that align with local values, identity, and culture (sensu Allison et al., 2020).
- **Fair and Traceable Value Chains:** Solutions that generate opportunities for fishers and their associations to increase value retention via access to supply chains, markets, and finance.
- **Multi-stakeholder, Collaborative Alliances:** Platforms that reinforce and reward robust fisheries governance, environmental stewardship, transparency and equity, and improved economies.

The theory of change argues that interventions are necessary across all three pillars *in order to create new market, governance, and cultural conditions* that reinforce and reward socially and environmentally responsible behavior. These new conditions create the positive feedback loops necessary for long-term change, empowering resilient communities, and securing livelihoods and ocean ecosystems today and into the future.

THE FISHERY DEVELOPMENT MODEL (FDM)

We use our [Fishery Development Model \(FDM\)](#) to understand a fishery system, identify gaps, and co-design with stakeholders a portfolio of interventions across the three pillars. The FDM measures the “maturity” of the system across five dimensions:¹ (1) Data and Technology; (2) Value Chain; (3) Governance; (4) Deal Structure and Finance; and (5) Livelihoods.

Based on the results of the FDM analysis and via a co-design process, we then work with stakeholders to build strategies and execute interventions across the three pillars. In practice, the FDM serves as both a process and a framework for driving economic, environmental, and equity (3E) benefits in fisheries:

- The framework helps to organize understanding across the various functions of a seafood system, including value chain and markets, finance and deal structuring, data and technology, livelihood opportunity, management, collaboration and coordination, and risk mitigation, and understand the role that each component plays in creating positive systems-level change.
- As a process, the FDM provides a phased approach for how we progress from diagnosing and understanding a seafood system towards implementing and scaling a complementary set of interventions that create positive holistic change.

¹ These five streams provide a comprehensive framework for evaluating system complexity and include elements of an MSC pre-assessment and also overlap with the recently released Social Responsibility Assessment Tool (SRAT) (Conservation International, 2019) and the Finance Rapid Assessment Tool (FRA) (Peckham et al., 2019). That said, there are components of the FDM assessment that remain unique, including an emphasis on the financial maturity of the system (in contrast to the enterprise level evaluation of the FRA) and the role of technology and digital data systems.

The FDM approach is analogous to the landscape approach² utilized in terrestrial land management, which is a similarly holistic, systems-based approach to drive sustainable food production in small scale agriculture that balances the needs for food and livelihoods, finance, human rights, restoration, and progress towards climate and development goals (Global Landscapes Forum, 2020). We refer to the landscape approach in this guide and the finance report to articulate when systems approaches and solutions are applicable.

Especially for small scale fisheries and developing world contexts, the framework of the FDM helps to identify barriers, including lack of core *enabling conditions* that must be addressed before environmental change work can begin (engagement enablers) and in order for improvements to reach scale (fishery system enablers).

Engagement Enablers

Before anyone can consider behavior shifts or invest in changes that benefit the environment, they must first have their basic needs met, and be empowered to effectively participate in a change-making process. Likewise, management context matters. For FIPs, rates of progress are tied to existing management capacity (CEA 2020). Where governments fundamentally lack the capacity or willingness to provide management, a different suite of interventions will be necessary in order to fill that gap and/or shift those conditions. Engagement enablers help set the foundation for stakeholder to have capacity to engage more effectively.

In addition, engagement enablers can serve as positive incentives to help build willingness to engage. The benefits of environmental improvements often require longer time horizons to manifest. Fishers—who most often take on the biggest burdens of change—may not see the benefits of that effort for a long time, especially in terms of any financial gain (CEA 2020). This means that even when capacity is available, critical stakeholders are reluctant to engage due to the upfront investment of time or resources. Providing solutions that alleviate immediate needs and pain points can provide a pathway for greater engagement by building trust and offering opportunities that may help offset the “burden” of time, energy, or resources associated with FIP engagement.

Critical engagement enablers include:

1. **Financial education and access:** Financial education is essential for a family trying to decide how to balance its budget, buy a home, and have secure, predictable access to food, services, and other basic needs.³ Current global discussions focus on how to avoid overindebtedness and increase financial literacy or financial management via digital tools.

² Landscape approaches seek to provide tools and concepts for allocating and managing land to achieve social, economic, and environmental objectives in areas where agriculture, mining, and other productive land uses compete with environmental and biodiversity goals (see Sayer et al, 2013 for more information about the landscape approach models: <https://www.pnas.org/content/110/21/8349>)

³ <https://www.centerforfinancialinclusion.org/why-financial-inclusion-matters>

We suggest training and capacity building in financial literacy, and how to manage household finance and fishing finance, as services that can support stronger engagement in fisheries transformation work. Engaging women in the business management of family business operations and household finance management is a particularly important focus for SSF. There are many different ways this enabler can be activated: agreements with third parties to provide access to financial services and products with local institutions or including as part of a FIP+ the development of a credit program for fishing operations, for example. Access to these services are then contingent upon best practices within the FIP+.

2. **Health education and access:** our own FIP+ projects, as well as reports from diverse other practitioners, highlight that fishers often have limited access (and resources) to secure basic healthcare and emergency healthcare services. Examples of models, such as Blue Venture's in Madagascar, have proven that advancing health and wellness of communities can be tied to (and accelerate) environmental improvements for marine ecosystems.
3. **Leadership and Autonomy:** Building conditions for autonomy are critical for freeing up individuals to participate in a change process, such as a FIP+. Likewise, we know strong leadership is key to FIP success, especially from within the local community (CEA 2020). Programs that can help training and support leadership growth, as well as capacity for fishers, community members, and fisher associations to advocate for and ultimately sustainably support themselves, are important engagement enablers, especially in SSF.
4. **Gender Equity:** Women make up a significant (often, at least 50%) of the seafood workforce, and yet, their roles are constantly undervalued or overlooked. As such a substantial part of the trade, women must be included in the change- making process *from the start* in order for interventions to be appropriately designed and implemented. Getting them a seat at the table, and ensuring they receive equitable access to the benefits of the fishery and seafood trade, requires work that both empowers women and promotes new masculinities for inclusive leadership and responsible management that builds on coastal and fishing identity and culture.
5. **Diverse livelihood opportunities:** For many small scale fisheries and developing world fisheries, there are simply too many fishers fishing too few fish. In order to recover stocks and sustainably manage the fisheries, some fishers will need to reduce effort significantly or come off the water altogether. Only by having supplemental income opportunities can we responsibly advocate for this kind of effort reduction. Creating diverse livelihood opportunities can take many shapes and forms, and range from full to part-time. Examples include: developing new products from former "fish waste" such as fertilizer or fish-skin apparel; work within growing sustainable blue economy sectors such as aquaculture or coastal infrastructure development; jobs within technical and data industries that seek information on marine habitats and conditions.

- 6. Digital Culture:** Although paper-based systems may be a necessary first step towards closing the data gap for SSF, digital data capture, sharing, and reporting facilitates more robust and efficient use of that data. Likewise, new technologies, such as EM and reporting apps, as well as online marketplaces for seafood trade, are all providing new opportunities: for small scale fishers, strapped enforcement divisions, and conscious supply chain companies. In order to take advantage of these new systems, individuals within the community and companies of the supply chain must be familiar and comfortable embracing new technology and electronic data systems.

The new SRAT helps with assessment of gender equity and norms, basic services and rights, power dynamics within the supply chain, and livelihood opportunities, including investigations into access to basic services (1.1.7), Occupational safety (1.1.8), and medical response (1.1.9) as well stakeholder participation and collaborative management (2.1.2), equitable opportunity to benefit (2.2.1), discrimination (2.2.2) and Economic flexibility and autonomy (3.2.4). Likewise, the new Financial Rapid Assessment (FRA) by Ocean Outcomes, helps to identify core conditions of a specific supply chain entity's financial health.

These assessments can help build greater understanding of the current status quo of the fishery system and identify where there are gaps that may prevent stakeholders from effectively engaging in the transformation process. Mapping these conditions, however, must occur not just at the fisher or cooperative level, but include the individual, household, and community levels.

Fishery System Enablers⁴

The philanthropic resources available for environmental change work are minute compared to the scale of capital necessary to address the global fisheries problem. To achieve impact at meaningful scale, including for SSF, we must unlock the much larger pools of capital that exist within the public and private sectors (Figure 2). Expanding into social and economic interventions and strategies to build engagement enablers can open up significant public funding (and resources).

⁴Please see FoF's Unlocking Finance for FIPs report on finance strategies for more details on Fishery System Enablers to unlock sustainable management and finance.

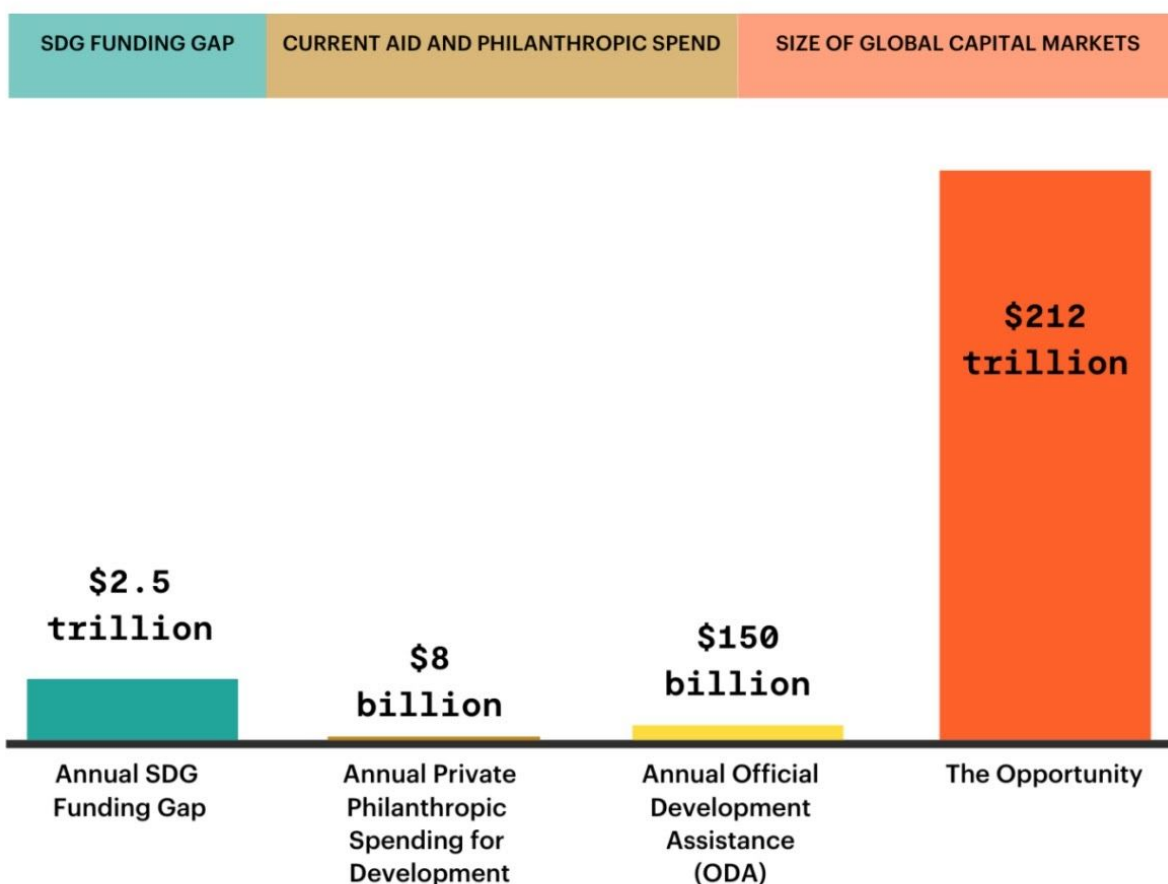


Figure 2. Comparison of total capital available within aid and philanthropic sector vs. private sector. Source: Rockefeller Foundation (<https://www.rockefellerfoundation.org/commitment/innovative-finance/annual-sdg-funding-gap-3/>)

The improvements in social and economic conditions associated with engagement enablers (meeting basic needs, supporting capacity for equitable participation, etc) can work to de-risk the fisheries for additional investment through blended finance and private capital. For all this to work, the following key Fishery System Enablers must be met:

1. Secure Tenure (consistent with FAO guidelines (2012)) and informed by SRAT;
2. Sustainable Harvest via strengthening science-based rules, informed by MSC pre-assessment or rapid assessment;
3. Governance through political willingness and legal and regulatory frameworks. Robust monitoring and enforcement systems; informed by MSC pre-assessment or rapid assessment
4. Financial literacy and business planning and management of project developers and entrepreneurs, in addition to communities (engagement enabler)
5. Knowledge and capacity to plan, including data collection and management systems.

THREE LEVELS OF ENGAGEMENT

A critical design feature of the FDM approach is the simultaneous implementation of solutions at three levels of the system: Umbrella, fishery (or FIP), and Project. Building and coordinating strategies at these three levels is necessary in order to proof concepts and then scale those successful solutions to achieve true fishery transformation. The theory of change behind engaging at these three levels to unlock finance is described in more detail in the finance report.

Umbrella level:

This is the realm of larger solutions. National targets for conservation goals such as biodiversity or climate commitments, as well as socio-economic development goals (especially the SDGs). This can also include national level policies (fisheries, data management) that may influence FIP goals or national marketing and trade initiatives that could support FIP objectives. Additionally, from a financing perspective, this could look at blended finance instruments such as blue bonds, debt swaps and other large capital deployments targeting socio-economic or environmental improvements.

The Umbrella level is the more novel aspect of this reframe in terms of FIPs, and it specifically forces FIP practitioners to think outside the box and identify programs and partners beyond fisheries. What this looks like in practice is still in development, but early stages of this work can be found in the detailed case studies of Belize's spiny lobster FIP+ and Peru's mahi mahi FIP within FoF's Unlocking Finance for FIPs report.

Fishery System Level:

This is the level where the vision for fishery transformation is held. The 3E objectives are defined by the community, industry, government, and civil society participants and strategies are built to achieve positive outcomes. The integration of those strategies with initiatives at the Umbrella level, and execution of those strategies through pilots at the Project Level, are all coordinated here. This level also holds the finance strategy and coordinates capital, as well as monitors progress through robust metrics.

Project Level:

This is the level at which specific projects under the FDM are structured and executed to drive incremental change and provide proof-of-concepts. At this level, we seek to test specific innovations and incentives that can be replicated and scaled as well as provide the enabling conditions for expanding access to return-seeking capital.

SUMMARY OF CURRENT FIP+ PILOTS

Beginning in 2019, Future of Fish has worked closely with partners to begin to test integration of the FDM with the traditional FIP model in three different FIPs:

- 1) The [Belize Spiny Lobster FIP+](#) is the first FIP launched as a FIP+FDM from the start, and included a co-design process with the primary stakeholders. The official FIP+ workplan includes activities to address social and economic gaps, along with the standard environmental Performance Indicators (PIs). This work is in partnership with The Nature Conservancy, Belize (TNC) and the two lobster cooperatives, National Fishermen's Producers Cooperative Society Ltd. and Northern Fishermen Co-operative Society Ltd.
- 2) The [Peruvian mahi mahi longline FIP](#) is an example of integration of the FDM into an existing FIP that is seeking to accelerate progress. For this project, the FDM integration focuses on unlocking value (economic incentives) through a quality improvement project, while also providing core capacity building for the community as a social benefit. Together, the combined social and economic projects seek to test the opportunity for a more robust blended finance approach to the FIP. This work is in partnership with the World Wildlife Fund (WWF).
- 3) The [Peruvian Jumbo Flying Squid Jig FIP](#) is a more recently launched FIP with substantial momentum, in part driven by the industry association. Here, we sought to explore what benefits the FDM may offer to a FIP that is not outwardly struggling and where industry engagement is strong. The work on this project has been delayed due to COVID.

At the time of this report, the integrations are at varying stages, as depicted in Table 1. Because the Belize FIP+ project has had deeper integration to date, it contributes to more of the insights and lessons learned overall. In addition, we have continued to engage with colleagues in the FIP and small-scale fisheries transformation space as well as finance experts, to discuss challenges and learnings. Development of ideas for finance strategies were also informed by a workshop held in the fall of 2019 with FIP practitioners and creative finance experts (Appendix IV), and additional interviews with finance professionals over 2020.

The findings shared in this guide and our finance strategy report reflect insights we've gained through our fieldwork, the finance workshop, and continued conversations, reports, and conference sessions where FIPs are featured.

Table 1. Current stage of integration of FIP + FDM at time of report.

Name of FIP	Stage	Description
Belize spiny lobster	Full	The FIP+ workplan includes activities specific to addressing social and economic needs in the system, alongside environmental PIs. The stakeholders and FIP participants involved are aware of the FDM+FIP integration from the onset of the project.
Peruvian Mahi mahi	Initial	FIP coordinator WWF and FoF have been working closely to identify shared objectives; workstreams have thus far been conducted in parallel, but are at early stages of connection. A draft roadmap for how the economic and social incentives help alleviate core barriers in the FIP has been made. At this time, a limited number of stakeholders and FIP participants are aware of the wider FIP+FDM initiative. The strategy was to introduce

		this at the next FIP stakeholder meeting but COVID has created significant delays
Peruvian Jumbo Squid	Preliminary	FoF and FIP coordinator WWF have agreed that integration of the FDM into this FIP could be helpful, however, as this FIP is very strongly driven by the industry association it is deemed important to have them agreed and signed up for the integration process. Initial conversations and communication have occurred with the <u>Comité de Pesca y Acuicultura SNI</u> as to how this integration could benefit the FIP. These discussions have stalled due to COVID 19.

This report provides recommendations for effective design and strategy around initial formation, launch, and implementation of a FIP+. We organize design and strategy considerations by FIP Stage, according to the CASS guidelines:

- Stage 0: Scoping the FIP
- Stage 1: FIP Development
- Stage 2: FIP Launch
- Stage 3-5: FIP Implementation, including ongoing adaptation and response to change

Design and Strategy Recommendations

STAGE 0: SCOPE

Reframe FIPs+ as Catalytic projects for National and Regional Initiatives

This design element argues for a fundamental *shift in perspective* from thinking of a FIP only as an isolated “fisheries project”, to FIPs as integrated components of more regional- and/or national-scale initiatives.

For example, FIPs within one country or region may work together to push policy, marketing, or joint-funding goals; or, an individual FIP+ may seek to align with initiatives that are driving larger-scale improvements oriented around conservation, economic development, and/or social improvements (landscape levers). The goal is to access the resources within these larger programs to support FIP+ strategies and initiatives for the benefit of the coastal communities and supply chains associated with a FIP. For example, in Belize, the FIP+ aims to provide support for better management of existing MPAs, and in return, engagement with MPA stakeholders has led to exploring how conservation finance tools such as Pay for Ecosystem Services (PES) or carbon capture associated with protected areas, can drive resources back into the FIP+ (see Belize case study in finance report for details).

To support this reframe of the FIP, we recommend FIP+ implementers map the resource and funding landscape using the [Funder and Landscape Template](#) (see Appendix 1: Tools and Templates) to identify potential initiatives and funders that exist within the larger system of a

potential FIP+. This first pass can be done through basic online research and outreach to organizations or individuals familiar with the region and who understand the general socio-economic development and conservation context of that country.

Examples of common national and regional initiatives to look for include programs related to:

- Sustainable Development Goals (SDGs)
- National Determine Contributions (NDCs) related to Paris Climate Agreement
- Blue Economy development initiatives
- Ocean-based Climate Action strategies⁵

The information gathered in this first mapping exercise can help inform the decision-making process regarding whether or not to launch a FIP+ by providing a general understanding of how much opportunity exists for alternative funding sources.

By broadening to include the three elements of sustainable development (economic, environmental, and equity gains), FIP+ are well-positioned to serve as catalytic projects for governments seeking to meet lofty national objectives. The proven multi-stakeholder platform approach, robust baseline assessments, and transparent reporting mechanisms of FIPs provide a solid foundation upon which to build interventions that align with these greater goals and open up opportunities for FIPs to leverage more diverse funding and engage more diverse government agencies and officials in the transformation process. They also open up opportunities to address major pain points for communities and fishers, building pathways for engagement in FIP+ work.

STAGE 1: FIP DEVELOPMENT

Understand the “Why”: stakeholder motivations and drivers

The assessment process for FIPs is well-documented. New developments, including the proposed triple impact FIP Framework (Peckham et al, 2019), and upcoming guidelines by FisheryProgress for reporting against the Social Responsibility Assessment Tool, are all advancements that support FIP+ development.

To complement these assessments and the value chain analysis from Stage 0, we encourage a human-centered design (HCD) approach, which can help identify the underlying motivations and drivers of behaviors and decision-making in the system. Importantly, HCD engages stakeholders to map their pain points and identify solutions that can help address these pressing needs.⁶ As part of the assessment process, we encourage information gathering that is focused on understanding *why* stakeholders are acting the way they do. What are the cultural, historical,

⁵ The High Level Panel for a Sustainable Ocean Economy released an urgent Call for Climate Based Ocean Action in September 2019

⁶ Other elements of HCD are useful in Stage 2 (Launch) and 3 (Implementation), including strong feedback loops to continue to inform and gauge stakeholder response, as well as rapid prototyping to allow for continued refinement and improvement of the system based on user-feedback.

infrastructure, governance, or other contextual elements that are shaping a behavior or decision? Understanding how and why people respond and engage as they do in their everyday work can lead to tremendous insights about the forces that drive a given behavior and thus, ways in which we may design solutions to motivate a shift.

For our work in Belize, we strategized with the Conformity Assessment Body (CAB) hired for the pre-assessment to identify core areas where we were particularly interested in understanding the “why.” The goal was to integrate a series of questions into the traditional assessment process as a way of uncovering these drivers of behavior. Though results from this effort were mixed, we believe this is an area that could be improved with additional training and may be more aligned with CABs familiar with social assessments.

See the [Sample Discussion Guide](#) for inspiration regarding the kinds of questions that can be asked to identify drivers and values within the system. In addition, FoF has developed a scoping document to evaluate community needs and contexts. This Community Assessment Tool (Appendix 1) helps to organize information at a community-level to understand basic needs, existing resources, and perceptions.

Know What Matters

If price is king, what is queen? Fishers and supply chain actors are motivated by price. But financial gain is only one kind of value system. Each fishery, community, and stakeholder group will have their own unique set of values, shaped by geography, history, culture, politics, and current context (Table 2). The sample Discussion Guide provides questions that can help uncover these values and Table 2 provides a suggested list for some of the more common values that have emerged in our pilots. Listening and looking for evidence of these can help practitioners identify what matters—what is of value—to different stakeholders across the system, which is critical to identifying positive incentives for change. And positive incentives are the key to overcoming barriers to engagement and inaction.

Table 2. Common values expressed or demonstrated by various stakeholders within FIP+ pilots

Fishers/ Community	Buyers/ End Customers	Government
<ul style="list-style-type: none"> • Cultural identity, reputation, heritage • Opportunity • Resilience • Convenience—as much time fishing and as little time preparing, reporting, trading, as possible • Independence/autonomy/agency • Security (personal, food, household, long term) • Education • Health • Community 	<ul style="list-style-type: none"> • Convenience • Experience • Quality • Uniqueness • Traceability • No-harm • Responsibility • Transparency • Identity/Authenticity • Local/ traditional source 	<ul style="list-style-type: none"> • Cost savings • Peer-to-peer networks • Efficiencies • Recognition/ legacy

Evaluate the Enabling Conditions

Using the assessments recommended in the Triple Impact Framework, complemented with the HCD approach and community assessment tool, practitioners can begin to identify which of the engagement and fishery system enablers are present, partial, or absent from the system. Identify the most significant gaps in order to be able to share them as part of the Launch process in Stage 2.

Go Wide With Stakeholders

“Think out of the box.” This is the mantra of stakeholder mapping and partnership development for FIP+. As a platform, the FIP+ is well-positioned to promote cross-sector partnerships and strategically engage the officials, industry, and not-for-profit entities that stand to gain from FIP+ success, including closing gaps in social and economic dimensions of the fishery. Similarly, identifying architects of existing models and programs that could be refined to meet the needs of the FIP+ is a way to save on costs and increase likelihood of success by building off proven or existing systems.

As governments look for means to meet and advance their commitments, FIP practitioners can pitch FIP projects as testing grounds for an integrated approach to sustainable development that is manageable in size and offers a pathway to scale through replication to other fisheries or sectors. This approach can help make the FIP+ attractive to higher-level government officials, who may be able to promote and push action within a diverse suite of government agencies, including fisheries-related divisions.

Additionally, there are often national or regional programs supported by global development agencies and official development agencies that support large scale or targeted ocean conservation that are operating separately from FIPs, a significant missed opportunity to access resources and gain leverage and exposure for FIP initiatives.

Below we list recommendations for more potential stakeholders to include across community, government, and funder categories.

Community

- Include community members that are not active fishers
- Engage ancillary support businesses to the fishery or seafood sector (gear or bait providers; engine or boat repair shops; local seafood restaurants)

Government

CEA (2020) lists the following government agencies as typically included in FIPs:

1. **Fisheries management agencies** who are responsible for setting and enforcing fisheries management rules and regulations, such as input and output controls.

2. **Oceanographic research institutes** who are responsible for conducting the scientific research necessary to make science-based fisheries management decisions.
3. **Fisheries monitoring, control, and enforcement agencies:** Often overlap with management agencies, but sometimes unique functions are separated into a distinct agency. Also note distinctions between national and regional agencies. FIP+ may need representatives from both depending on the fishery.
4. **Military, navy, and coast guard:** Often involved in monitoring and surveillance within the exclusive economic zone. May play additional functions such as search and rescue when fishing vessels are lost at sea.
5. **Administrative support/planning agencies:** Play a coordinating role across government agencies, often involved in helping set budgetary priorities between agencies.
6. **Rural development agencies:** Involved in economic development for fishing and agricultural communities.
7. **Multilateral governance institutions:** Set international laws, standards, or codes of conduct and may support implementation.

To this list, we suggest consideration for:

8. **Blue Economy Ministries** or departments in charge of strategic plans or development related to blue economy growth
9. **Cross-sector ministries or agencies:** in particular those concerned with coastal development, transport, trade, tourism, conservation, social development, and economic development
10. **Ministries involved with public health, nutrition and/or food security**
11. **Tax Department** and **Export Department (Customs)**
12. **Regional** governance institutions

Funders and Landscape Stakeholders

To support the landscape approach and long-term finance strategies, we recommend FIP+ implementers revisit the Funder and Landscape Template to categorize and map different funding and landscape opportunities that exist at national and more local scales (Table 3). The funding landscape can then help FIP implementers create a capital coordination strategy (see FoF's Unlocking Finance for FIPs report and Stage 2).

Table 3. Guide for mapping funders across diverse mandates, types, and mechanisms (adapted from WEF, 2015). Funders can be identified and categorized at international, national, and more local levels across different variables to help increase likelihood of identifying a more diverse set of potential actors. Please see Tools and Templates for links.

Variable	Description	Examples
Funder Mandates	The remit an individual funder follows when allocating funds.	<ul style="list-style-type: none"> • Innovation • Environment • Social impact • Economic development

Funder Types	The classification of a funder, which influences the type of capital mechanism employed and their funding mandate	<ul style="list-style-type: none"> • Philanthropic • Government • Development • Impact investor • Supply chain
Capital Mechanism	The type of capital or other resources provided to recipients by the funder	<ul style="list-style-type: none"> • Grants • Loans • Equity • In-kind services • Trade finance
Funders	Specific funders that are active or interested in the fishery	Example from Belize: <ul style="list-style-type: none"> • Development Finance Corporation (DFC) • UNDP • MCCAP • Althelia
Target recipients	Type of recipient to which the funder can allocate funds	<ul style="list-style-type: none"> • Individual • Small and medium enterprise • Coops/Associations • Large enterprise • Start-ups • Special Purpose Vehicles • Financial Institutions • Funds

Prioritize the key financing challenges:

Barriers to accessing financing may occur at all levels. For example, at the Umbrella level, there may be a lack of formalization and thus, legality issues; at the FIP+ level, there may be a lack of investable entities or secure tenure. For a full list of these finance barriers, see Appendix III. In order to build effective finance strategies, first we need to identify the barriers faced by specific potential target recipients (see Table 3). Conducting an assessment that evaluates the specific challenges for each target recipient of funding is a first step in the path towards building short and long term finance strategy and understanding which engagement and fishery system enablers need to be addressed.

STAGE 2: FIP LAUNCH

For newly launched FIPs, these design considerations can help shape the original workplan activities and prioritization of resources and effort. For existing FIPs, these elements can be used to improve design of existing initiatives and activities and refine where needed in order to build a more holistic (3E) approach. This can be done in association with review cycles for Fishery Progress or regular Steering Committee meetings.

Co-Design Solutions

The process of co-design is the act of creating *with* stakeholders in order to ensure solutions meet needs and are aligned with capacity and ability. While rooted in the design field, the approach supports elements of genuine worker representation as detailed in the SRAT and supports equity by creating a process for inclusive participation by all stakeholders, including fishers, seafood workers, and community members. These same stakeholders must continue to be consulted throughout the FIP+ lifespan to provide feedback and adjust strategies to meet needs and conditions on the ground.

The co-design process is flexible in order to meet different cultural and logistical contexts as well as depending on whether the FIP is new or already exists. Ideally, we recommend one or two full-day events that balance relationship-building with strategic analysis and design. The design elements in Stage 2: Launch that include an (*) can be incorporated into one or more co-design events. Additional co-design workshops can be created and used in order to update strategies, or solve for specific stuck points throughout the course of the FIP+. For details on specific co-design activities, see Appendix II.

Share Stories of Success*

Anecdotes and concrete examples of success from other projects, delivered by fellow practitioners, fishers, buyers, and government officials, is a powerful way to build interest and a sense of possibility among stakeholders of a burgeoning FIP+. We recommend incorporating “stories from the field” into the co-design process—both for new and existing FIPs—as a proven method of positive stakeholder engagement and knowledge exchange. Invitations to share success stories can also serve as ways for expanding the pool of stakeholders and thus, possibilities for partnership and creative solutions. The FIP Community of Practice is an excellent potential source of such stories of success.

Develop A Common Vision*

A common vision helps all stakeholders identify and align around the future state they are working towards. With multiple strategies and dozens of activities, it is easy for participants to lose sight of the forest for the trees in a FIP+. Especially as FIPs become active components of larger national-level initiatives, having a clear and *relevant* focus for the FIP practitioners can serve as a reminder for why certain processes or activities are happening and help keep momentum.

Importantly, the process of setting a common vision also provides an opportunity to ensure fishers and government officials see a benefit to their participation in the process. Fishermen and first mile supply chain businesses who are often tasked with implementing the bulk of the activities rarely share the same level of enthusiasm for FIPs as NGOs or some buyers (CEA 2020). A holistic vision-setting process must articulate the need for the FIP+, address participants’ concerns, and finally, highlight benefits for all stakeholders. A robust common vision should be:

1. Rooted in local identity and culture

2. Relevant for all stakeholders, especially fishers, community members, and government agencies
3. Aspirational, focusing on an ideal future state that is inspiring and motivating for all.

Set SMART Goals for Common Vision*

SMART goals are defined as Specific, Measurable, Achievable, Relevant, and Timebound. According to CASS guidelines, FIPs must set time bound objectives, and the workplan contains activities and tasks that help move the project towards objectives; however, we recommend that as part of the development process, FIP stakeholders identify and agree on a set of larger, sequenced milestones that reflect progress towards the overarching *vision* for the FIP+. These goals should be:

- 1-, 2- and 5-year goals, and can be evaluated as part of the regular reporting process for FisheryProgress.
- Reflect cross-sector achievements, and should align with overarching strategies and thus be informed by progress across multiple tasks, activities, and/or objectives.

Deploy the carrots*

Change doesn't come easily. People are creatures of habit. To generate environmental, social, and economic outcomes requires significant shifts in cultural, governance, and market conditions, all of which will require new behaviors and in many cases, investment into new tools, technologies, or processes. All of this can feel burdensome and squash momentum. Or it may simply not be realistic given underlying constraints. Fishers and local stakeholders especially have been frustrated by what they view as an "unfair" situation where they make changes only to have buyers switch to other sources, or fail to see any real benefits (CEA 2020).

Positive incentives can work in several ways to help overcome these hurdles. First, they can alleviate a barrier to engagement. Second, pairing a desirable activity/reward with a desired (but less desirable) behavior change, can help create new and lasting habits (Milkman et al, 2014). For example, in Peru, our pilot requires that fishers receiving quality improvement support must use the TrazApp traceability system designed for the fishery. Though it is too early to claim success, the goal is to help overcome the slow uptake curve of TrazApp by bundling its use to quality improvements, which are viewed very positively by fishers and boat owners.

As FIP stakeholders face the additional challenge of implementing interventions to address identified social and financial risks as part of a FIP+, we believe the benefits of embedding positive incentives into solution design will be key to success. This approach is reinforced by CEA (2020) findings that "progressively increasing incentives are critical, as they provide short- and medium-term incentives that motivate stakeholders to engage immediately and pursue long-term goals".

Create Strategies To Simplify the Workplan*

A critical step in effective FIP+ design is robust strategy identification and development. Because of the system approach of the FIP+, the list of objectives and associated activities to meet all gaps from multiple assessments will be large. Where possible, we advise FIP implementers to develop strategies that encompass multiple objectives and activities, and prioritize which strategies to move forward in order to maximize likelihood of success while minimizing risk of negative consequences (see Making Prioritization a Priority).

To support the strategy development process, FoF has created a [Capital and Initiative Coordination Map](#), which supports clustering of related objectives and activities in order to begin to see patterns and identify strategic lines of action. By mapping workplan objectives and initiatives against known funder and national-level programs, this tool helps users evaluate and identify potential partnerships and funding opportunities to progress FIP+ initiatives.

Key to successful strategy design is to couple short and long term benefits within the strategy. The FDM is rooted in a theory of change that asserts that we must generate social and economic benefits over the short-to-medium term to drive behavior change and reward best practices that result in long-term environmental wins.

Use of the Coordination tool and consideration for coupling short-and-long-term benefits, will help stakeholders identify potential strategies.

Make Prioritization...a Priority

Prioritization is another critical step in the development and execution of the FIP+ strategies. As the co-design process surfaces ideas for how to address gaps and needed enabling conditions across environmental, social, and economic dimensions of a FIP+, the list of potential solutions will be rather long. The process itself builds excitement and creates a sense of possibility. This is a good thing, but it is also critical that stakeholders understand that not everything on the list can (or should) be done at once. Setting clear and agreed-to priorities is as important to building trust as it is to building robust strategies. Overall, a robust prioritization process can help:

- Mitigate risks, for example, strategies that provide business benefits which increase catch value must be applied only once strategies to boost effective management are in place, to avoid increased and uncontrollable fishing effort (Peckham et al, 2019).
- Ensure dependencies are recognized and sequenced to avoid stagnation and lost momentum
- Set and manage expectations
- Balance short and long term goals to keep momentum
- Inform long-term finance strategy

But, prioritization is an inherently difficult process. Especially for complex systems, there is never a linear path to progress so it can be difficult to determine what to do, when. The [FIP+ Prioritization Template](#) can be used during FIP+ Launch to help shape the workplan. The use of the template is not a formula to provide a perfect ranking of strategies or activities; instead, the

process of filling out the template and holding discussion among stakeholders helps to reveal insights that can help with final determination of which strategies should be prioritized and which can potentially wait. The process can also help re-design a strategy if it does not seem to be hitting certain criteria that are deemed important. Thus, the tool can support annual review cycles to evaluate if strategies warrant continued prioritization or if new strategies should be given more attention and focus.

Design for a Continuum of Investment and Impact:⁷

The approach promoted by Future of Fish is to design—from the start—a FIP+ strategy that includes long-term financing as a cornerstone. This is especially important for small scale and developing world fisheries, where enabling conditions are often lacking and significant work is necessary up front before fishers, government agencies, cooperatives, or other supply chain actors have capacity (or willingness) to engage in environmental improvements. The goal of the landscape and blended finance strategy is to move FIPs from dependence on “free” money (i.e. from philanthropic and grant-based sources) to having structure and capacity in place to receive return-seeking capital (from public or private sources). Doing this increases the potential funding pool by orders of magnitude because it makes FIPs attractive not just to individuals interested in impact, but to those who also want returns.

We recommend the design and implementation of a robust finance strategy for FIP+ be supported by advisers or stakeholders with knowledge of deal structuring and creative finance. While there is no formal network available to provide this expertise to the seafood community, consideration should be given to include: finance professionals working in other small-scale production sectors in the country or region of the FIP; developers and finance professionals in the seafood improvement space; and blue economy finance networks such as the Conservation Finance Alliance. Though an advisor is recommended, FIP implementers can begin to craft a finance approach for their FIP+ through the expanded funder and landscape map and by identifying from the start, the maturity state of the fishery.

Starting Point: Determine Mature vs Immature Fisheries

From a finance strategy lens, *immature fisheries systems* are those that are lacking the fishery system enablers, and failing to meet the core requirements of investment (see Appendix III). This includes fisheries that are data limited, where management and enforcement capacity is low, and associativity and business acumen is lacking within the first mile seafood supply chain entities. To build and finance these fishery system enablers requires active participation of government, international regulatory bodies, and alignment with national strategies at the Umbrella level.

⁷ A detailed explanation of the theory of change, barriers, opportunities, and two case studies we have developed on finance strategies for fisheries and our two FIP+ projects is available in our *Unlocking Finance for FIPs* report. We provide here highlights with respect to the basic design considerations relevant for finance strategy creation.

Mature fisheries systems, in contrast, show some assets in terms of monitoring, control, and enforcement of the fishery, formalization or policies around licensing and regulations, and functional business entities that could—perhaps with some initial support—be investable.

Many SSF where FIP+ may be most needed likely fall into the *immature* category. These fisheries will require a short-term finance strategy that likely relies on grant-based funds to build the conditions needed to support longer-term finance strategies based on market opportunities and generation of social and environmental impact at scale. The short-term strategy, to be most effective, should look at funding opportunities across all three levels of engagement.

STAGE 3: IMPLEMENTATION

Designate Task Forces

The expanded scope of FIP+ brings with it an expanded workplan. Creation of strategies, or even “portfolios” of related activities within the workplan is one way to help manage the projects. Another that we have experimented with in Belize is the use of Task Forces.

Depending on the workplan objectives and strategies, the capacity of participants, and the culture, Task Forces can take on different degrees of formality and structure. The intent is to provide a mechanism for advancing related activities that can streamline communication, hold participants responsible to their commitments, and adjust strategy (mostly at the Project and FIP+ Level) based on outcomes.

While the number and types of Task Forces is dependent on the workplan and specific FIP+ needs, we have found the role of a Communications Task Force, as well as a Market and Finance Task Force to be valuable. Communications helps extend the reach of FIP to all participants, and provides value via information and outreach. The Market and Finance Task Force has worked to propose a short term and long term finance strategy and associated markets strategy, key for unlocking funding to support FIP activities.

Currently, Task Force updates are presented at each Steering Committee meeting as a way of providing transparency and effective summaries of activities across a wide range of strategies within the FIPs.

This example from Belize provides one potential structure for task forces. However, each FIP implementer should consider what is most appropriate for their FIP. Regardless, given the scope complexity of FIP+ projects, we believe task forces are an important governance consideration in order to distribute and make these landscape projects more manageable.

Consider Community Committees:

This insight has yet to be tested in our pilots, but stems from observations within our projects as well as those of others in the FIP space, that engagement of fishers and fisher communities

remains relatively low in many FIPs and that this is problematic (Crona et al. (2019) via CEA, 2020). The recently released SRAT notes that the Unit of Assessment (UoA) for a FIP must be redefined in terms of people, “including fishers, skippers, boat owners, and other local actors that are dependent upon the fishery.” And, community-centered solutions—via committees, hubs, or other platforms—has emerged as a leading design principle within the finance workshop (see Appendix IV) and our work in Peru and Belize.

The current idea is to consider how a committee, with key representatives from fisher communities (including women, youth, and leaders *independent of the coops*) could help connect the FIP+ to the issues on the ground, promote better communication and transparency, and foster alignment of the FIP+ strategies and activities with core needs. These committees could be the ones to manage interventions such as disaster relief funds or scholarships. We believe independence from existing businesses or governments (which may not have capacity to provide this support efficiently, or have poor track records of doing so) can prove beneficial to building equity and efficiency into the system. Leader/s from the community committee would work with appropriate Task Forces and the Steering Committee to provide input and coordinate execution of strategies. As the committee grows in sophistication, the goal would be for it to take on additional tasks not directly related to the FIP+, and thus the FIP+ serves as a catalyst for building stronger capacity for collective action within the communities that goes beyond fisheries (and thereby can attract different types of funds).

Build-in Rapid Response Capacity:

The capacity to adjust and adapt to meet pressing needs has proven valuable to building trust, taking advantage of new opportunities, and informing strong communication. Where possible, we highly recommend the FIP+ stakeholders establish a process for reallocation of funds and priorities if and when an emergency or novel opportunity arises. This process needs to be rigorous enough to ensure strategies are respected and should be mitigated against the temptation to chase shiny objects, yet flexible enough to allow timely response.

The global COVID crisis is an unprecedented example of the importance of this design feature; though, for both our FIP+ projects, the ability to respond was not formally integrated into the programs. It is with hindsight that we now recognize how critical this element has been. For example, in Peru, fishers reached out early on to express concerns regarding the lack of Personal Protective Equipment (PPE), which severely limited their capacity to catch and sell their fish. By redirecting our efforts to launch a global PPE campaign, we were able to expand our reach and build a reputation as valued partners. Today, we have solid relationships with multiple fishers in multiple communities beyond those we had previously interacted with, all within the FIP.

In addition, our ability to meet the needs of fisher communities quickly caught the attention of regional government and universities, who are now engaging with us. The issue of health and safety for people has served as a strong bridge into discussions around health and safety of food and, subsequently, quality of product. These conversations have opened the door for discussions

that link improved quality with improved data and traceability, which then links directly back to the FIP.

In Belize, we used the Task Force structures to prioritize activities in order to streamline efforts and move forward interventions that are not only realistic, but also aimed at supporting the stakeholders during this difficult time, especially via a communications strategy to bring valuable information to dispersed fishing communities.

For each FIP+, the process that facilitates rapid response may look different. What matters is that there is something in place that serves as a pathway for the response to occur. Thus far, Task Forces and flexibility in staffing (as well as grant funds) have served this functionality.

Be Transparent About Timelines

Strategy needs to be built on realistic timelines to ensure alignment with stakeholder capacity, workflows, and expectations. A FIP is a long term, financially significant investment asking stakeholders to challenge long-held cultural, fiscal, technological, and market patterns that have evolved slowly throughout decades. Even if all the resources required were readily available, changing how people act, especially when attempting to address the actions of such a diverse group of participants, is by its nature a slow process that can only be moved forward so quickly. Actors involved in the FIP should be aware from its inception that both changes and benefits will take time, as well as an understanding of *why* this cannot be a short-term investment. Helping participants understand the long-term play, and the immediate benefits that can be realized is important to building trusted partnerships, as well as lasting participation and support.

Invest in Leadership

Fostering diverse leadership and connectivity among leaders, is key to driving forward a FIP+. The benefits of prioritizing relationship-building among leaders are many: 1) it promotes trust and generates a strong steering committee that can drive strategy forward; 2) creates alignment which mitigates risk of efforts collapsing when a single champion is replaced or removed from the system; 3) allows for harmonized voice and vision across an often fragmented and siloed system. CEA (2019) noted characteristics of strong leaders, including technical understanding of the FIP process; local to community; connections with the right government agencies; and willingness to be in it for the long haul. To these attributes, we would add: strong communication skills; ability to listen and be open-minded; and experience with cross-sector initiatives.

Where strong leadership may be lacking, FIP+ strategies may include leadership training and capacity building; this is something we are working to build into the FIP+ in Peru with the hope that it will lead to greater capacity of individuals from the fishery to participate and lead in the future.

Revisit FIP Roles

The expanded scope of a FIP+ demands new expertise and different kinds of support than a traditional FIP. Here we provide recommendations regarding different roles that we see as important to success of the FIP+. Based on the expertise available within different FIP+, the activities can be fulfilled and shared by different combinations of individuals. The three roles recommended are characterized as the familiar FIP Coordinator in addition to two new suggested roles for Finance and Market Strategy Lead and Community Organizer.

FIP Coordinator: As noted in WWF's FIP Handbook, the FIP Coordinator is one of the most important influencers of a FIP's success. For a FIP+, this individual continues to serve as the day-to-day manager of the FIP+, focused on partnership building and communication among the FIP stakeholders. The major focus for the coordinator is to liason *across the three levels of engagement*, ensuring strong communication and alignment of FIP+ objectives and activities. The functions of this role are:

- Partnership building: continued outreach and communication with cross-sector and national-level initiatives, as well as fishery-specific relationship management;
- Coordination and planning: setting up and developing strategies for in-person meetings, including for Steering Committee, Task Forces, and cross-sector engagements;
- Monitor and Evaluate Progress: gather feedback and data from stakeholders on FIP+ progress towards FIP+ objectives and the Common Vision set forth by the participants. Work closely with the Strategy Lead to adjust and pivot as needed based on new contexts, challenges, and opportunities; and
- Finance Strategy Support: work closely with the Finance and Market Strategy Lead to engage partners and develop fundraising collateral and coordinate meetings and conversations with funders.

Finance and Market Strategy Lead: Expertise regarding how to build and structure short and long-term finance strategies is a core element of advancing the FIP+. This individual needs to understand funder criteria across landscapes (conservation, social, and economic spheres) and in particular, how to coordinate capital to de-risk the FIP+ so that it can attract new and different forms of capital. Thus, the role also requires expertise in markets, product development, and business innovations. Key functions include:

- Alignment with the FIP Coordinator regarding strategies to secure short and long term financing, and adjustments to those strategies based on progress (or barriers) on the ground to manage and advance the landscape approach;
- Development of strategy and concept notes for implementation of those strategies across all three levels of the FIP+;
- Identification and cultivation of relationships with funders across a wide breadth of mandates and types of capital; and

- Lead program design and advise implementation for business and market-based innovations, including understanding the market situation and the production and logistic needs.

Community Organizer: Specific support to ensure strong engagement of community, fishers, and other first-mile stakeholders. We recommend this individual is from the local area and ideally one of the from the communities engaged in the FIP+. Core activities include:

- Conduct regular outreach to understand current community needs and success stories;
- Through close collaboration with FIP Coordinator, provide information regarding updates and changes to FIP+ and solicit feedback from stakeholders to inform iterative design of projects;
- Support implementation of Project level strategies where they involve community and first mile supply chain stakeholders and collect data for monitoring and evaluation;
- Attend community committee meetings (where they occur) and support exchange of ideas among stakeholders;
- Support community and fishers by serving as a connector towards resources or expertise that fishers or community members need such as support for educational scholarships, or financial support; and
- Provide communication with the fishers to embrace better practices and align in a common vision.

Pilot for Proof of Concept

There is risk to initiatives that are testing new models, or seeking to engage large numbers of stakeholders from the start. Fear of exposure for poor practice or imperfect data can often limit participation. To mitigate this risk and increase participation, we recommend creation of pilots that work with subgroups of the FIP+ to advance specific strategies, and test and refine the approaches. These pilots can serve as proof of concepts for generating larger buy-in and are important testing grounds to determine real-world market response, technology fit, and business innovation success. Pilots can create clear MOUs (or other structures) to protect and benefit participants of such pilots. Such agreements state any infractions or poor practices that are observed are used as a learning opportunity, but cannot be used at that time for any penalty or prosecution; likewise, participation in the pilot can be linked with access to training or other benefits.

Leverage Technology & Data to Demonstrate Wins

One potential way to provide value quickly to FIP+ stakeholders is through sharing data wherever possible and there are multiple ways to do so using emerging technologies and traceability systems.

First, for fishers and associations, efficient data collection and reporting can reduce paperwork burdens, lend insight into business decision-making, provide legal evidence of fishing activities, and improve safety at sea. One of the best examples of technology co-design and use is Abalobi's

work with fishers in South Africa designing a traceability and marketplace app, which has created a robust domestic market for legal and sustainable seafood while simultaneously collecting data fishers can use to prove their legal rights to fish in the South American courts. In Belize, new accounting and management systems in one of the cooperatives, linked with electronic traceability, have been welcomed by administrators who can see the benefits that come with the associated better analytics. Similarly, VMS systems with emergency response features are being piloted and thus far, fishers have been pleased, finding the system meets their needs around safety-at-sea. Linking the VMS system to the traceability system at the cooperatives is the next step, which will advance verification of compliance with area restrictions and MPAs as well as provide more robust fishing effort data, helping advance objectives of the FIP+.

Processing plants are similarly able to decrease paperwork burdens and potentially access new value-added markets, while improving supply chain efficiencies to decrease processing and production costs. For governments and research institutions, data collected by fishers can be used for improved management purposes, while enforcement agencies can use management data combined with a range of technologies from VMS to drones or electronic scales to support efforts on the water as well as at the docks.

In Peru, where WWF has been working with fishers in a number of communities to implement a tool called TrazApp, designed to help fishers electronically log catch data that will be automatically submitted to the government for traceability and management purposes. While there was some initial resistance to using the app and submitting additional data to the National government, ongoing work with fishers to determine how and where this technology can help them has more recently led to increased uptake. Two of the critical barriers in Peru's mahi mahi supply chain are the paperwork burden for fishers and the Navy's (DICAPI) inability to monitor for ghost ships, which are unregistered vessels common to Peruvian artisanal fleets. Addressing both stuck points simultaneously, WWF has developed a plan to expand the scope of TrazApp to be able to issue digital set sail permits through DICAPI--both decreasing the paperwork for fishers and increasing the number of legally registered vessels. There are also hopes that this technology will help to improve fisher safety at sea and family peace-of-mind on land, as both fishers and their families will be able to monitor boats through an online platform. Focusing on wins that are not directly connected to the environmental focus of the FIP have helped build stakeholder engagement, improve and create trusted relationships, and increase support and participation at a government level.

While the uptake costs of new technologies in the FIP space may be high, prices are rapidly decreasing. Research and uptake of existing systems, rather than design of new, customized ones, is an important step in reducing costs. Finally, while electronic systems offer the most robust method for capturing, analyzing, and sharing data, paper systems with processes in place to verify accuracy and ensure timely delivery of information can be equally effective, particularly in smaller fisheries.

Employ Peer-to-Peer learning

Expert mentorship is a valuable tool to address the vast potential array of needs of a FIP+, ranging from the development and execution of quality improvement initiatives to design of fisher credit programs, to ways to improve data collection and data sharing among government departments. A peer-to-peer model for expertise allows FIP practitioners to benefit from mentors with the skills necessary to guide the design and implementation of new systems, processes, or products; effectively transferring knowledge, abilities, and experiences to local stakeholders. As embedded actors, mentees can, in turn, both maintain the project over time and share their experiences and expertise with others in the future.

There are many sources of potential expertise, from the FIP Community of Practice, to experts in other sectors that have successfully established programs in financial education and access, gender equity, equitable food systems, conservation finance, and landscape management approaches. Connecting these existing experts with emerging FIP+ stakeholders can help provide project-specific support while building the long-term professional and personal relationships required for scaling.

Next Steps

As a proven tool for success, FIPs are poised to play a large role in meeting the bold vision for advancing sustainable, socially responsible, and economically viable fisheries around the world. But doing so requires that the “community must influence markets and production geographies well beyond our historical reach (CASS, 2020)” and meet new challenges—brought forth by a changing climate, diverse and developing fisheries contexts, and the confluence of innovation and technology that simultaneously expands opportunities and removes risks for sustainable fisheries around the world.

At its core, the FIP model provides an effective platform for multi-stakeholder engagement, a robust system for transparency, and globally recognized and validated methods for environmental assessment. New tools, including the SRAT and FRA, offer promising avenues for expanding the FIP model to address social and economic risks and better serve new and more diverse fisheries contexts.

On their own, these recent developments significantly advance the FIP model and increase likelihood of success; we believe consideration for a system or landscape-approach to advancing 3E outcomes, and smart design, can add to these advancements. Our preliminary findings suggest that, in combination with the new assessment tools and guides for triple impact FIPs, these approaches can support FIP+ development to better meet the challenges of the next decade and beyond.

So, where do we go from here?

The following section provides recommendations for activities and actions that FIP implementers and practitioners can do right now to apply some of the most critical design elements to both

new FIPs, or for existing FIPs, especially those within small-scale fisheries or developing world contexts.

STEP 1: MIND THE GAPS

1. Look for the critical pain points in the system. For new FIPs, we recommend the FIP Triple Impact Framework complemented by interviews with fishers, community members, and a wider group of government agencies using select elements of the Sample Discussion Guide. For existing FIPs, elements of SRAT will soon be required by FisheryProgress; we recommend FIP implementers use this new requirement as an opportunity to update understanding of a broad range of social challenges in the FIP. Other opportunities for gathering this insight include:
 - a. Annual Steering Committee meetings (even if virtual) may be good opportunities to hold listening sessions to understand socio-economic concerns, especially in light of COVID impacts, and a focus on key enabling conditions that may be lacking.
 - b. Progress reporting: FIP stakeholders are familiar with the requirement to send updates for six month progress reports. We recommend FIP Implementers use this outreach opportunity to request additional information regarding current challenges and needs (including lack of key enabling conditions), again, with COVID as an important (but not the only) context.
2. Identify the most promising revenue-generating opportunities. The FRA or other tools can be applied to evaluate specific enterprises in the value chain. We recommend a focus on business health (Driver) by maximising value utilization through:
 - a. Quality Improvements;
 - b. Operational efficiencies;
 - c. Product-market optimization; and
 - d. Value-added products.
3. Identify maturity of system: From a finance lens, is the system mature or immature? Which enablers are present/absent? How strong are fisher associations (if they exist)? Are there investable entities?

STEP 2: SHOW ME THE MONEY

1. Conduct a finance landscape: use the templates provided to map the existing (and more diverse) funding landscape for your fishery.
2. Identify National level initiatives across social , economic, and environmental mandates, especially socio-economic development and conservation arenas. Find out what programs or initiatives are underway. Which funding bodies are supporting these efforts? Which agencies or entities are leading the charge? A few good places to start:
 - a. Sustainable Development Goals
 - b. The High Ambition Coalition (HAC) for Nature and People (also known as 30X30): 30% nature and oceans protected by 2030. Over 50 countries are signatories thus far. See: <https://www.hacfornatureandpeople.org/>
 - c. Paris Climate Accord Commitments

- d. National or Regional Blue Economy initiatives
- e. Nutrition and Food Security initiatives

STEP 3: FRAME THE FIP+ AND STRUCTURE THE TEAM FOR MULTI-LEVEL IMPACT

1. Identify which FIP+ challenges and solutions align with priority interest of national programs and existing agency priorities. CEA (2020) noted that a common feature of successful FIPs were those where FIP priorities were directly in line with government agency priorities. Once you know what initiatives exist and their goals (Step 2), identify which FIP+ projects and objectives can fit within those priorities.
 - a. Because national programs and priorities can shift over time, existing FIPs will benefit from including this step as part of the annual review cycle.
 - b. For new FIPs, this step can be included during the workplan development.
2. Cluster related objectives and draft initial strategies that can help meet those objectives across the three levels: Umbrella, FIP+, and Project. Ideally, these strategies will incorporate potential resources, funds, and expertise of partners and existing initiatives at national and local levels. These drafts serve as the starting point from which to develop concept notes for partnerships and funding.
3. Once strategies and interventions are identified and prioritized, create Task Forces that can oversee the portfolio of activities within a specific strategy in the FIP+. The number of the Task Forces will be dependent on the workplan and diversity and capacity of stakeholders; however, a finance strategy Task Force (which can include development of return-generating opportunities) should be prioritized and launched quickly. The FIP+ Strategy Coordinator should lead this Task Force, as well as liaise closely with the others to ensure a comprehensive funding strategy is created.
4. Develop a schedule for regular Task Force and Steering Committee meetings, and internal communications.

Appendix I: Tools and Templates

FUNDER AND LANDSCAPE ANALYSIS:

The [Funder and Landscape Template](#) can be used during Stage 0 (Scope) and Stage 1 (Development) to map the existing funders and national or regional-level initiatives that may be potential resources for the FIP+. This tool helps FIP practitioners organize information about the different categories of funders and different types of funding that may be available at international, national, and regional scales.

COMMUNITY ASSESSMENT TOOL

This tool supports a [rapid assessment of the communities](#) engaged in the FIP+. It is part of a larger FDM Scoping tool, aligned with the Sustainable Finance Principles and designed to help to assess cultural, social, economic, and natural capital of the system at a high-level. The tool may be useful in the Scoping stage, to determine if the fishery and community is a good fit for the FIP+ approach, and also can be used to complement the assessments in the Development stage. Because there is some significant overlap with the recently released SRAT and FRA tools, we provide here the elements related to community mapping, and not as much the value chain. We are working to reconcile these different tools and templates.

SAMPLE DISCUSSION GUIDE:

In order to help identify underlying motivators or drivers, as well as pain points, Future of Fish relies on interviews with stakeholders throughout the fishery system. The [Sample Discussion Guide](#) document provides examples of the more common questions that we tend to ask fishers, supply chain actors, and government officials during site visits. Rooted in an ethnographic approach, these questions seek to understand why individuals are behaving the way they do and what factors influence their behavior and decision-making process. This guide is best used as a starting point, with questions selected and the overall interview scope narrowed based on background research and the goals of the field visit. We recommend that FIP implementers integrate some of these questions into Stage 0 or Stage 1 processes when launching new FIP+; for existing FIPs, these questions can be woven into annual meetings or progress reporting cycles within the FIP to increase understanding and bring insight into workplan and strategy revisions.

INITIATIVE ALIGNMENT AND CAPITAL COORDINATION

The [Capital and Initiative Coordination Maps](#) can be used during Stage 2 (Launch) to evaluate alignment of different potential funding sources with the objectives and activities in the FIP+ workplan. Looking for where there are strong opportunities or large gaps in resource alignment, and clusters of related activities, can help inform strategy development.

PRIORITIZATION OF STRATEGIES

Balancing the need for prioritization of activities/programs, creating fast and obvious incentives for ensuring participation and motivation amongst stakeholders (especially fishers and communities) and doing all this while trying to match funds and meet needs creates a timing and

sequencing conundrum. The [FIP+ Prioritization Template](#) helps stakeholders collectively evaluate different criteria and then rank strategies to develop clear workplans and management expectations.

Appendix II: Co-Design

Co-design for a new FIP+ Launch

For new FIP+, we strongly recommend two co-designs, each at least a full day (ideally with the evening before for gathering, introductions, and socialization), separated by 4-6 weeks (but no more). The first co-design focuses on sharing findings from the assessment and building understanding of the critical gaps in the system across social, environmental, and economic dimensions. Stakeholders validate and refine findings and discuss potential solutions at a high level. They also work on developing a common vision (see below).

The time between the two co-designs provides opportunity for the proposed solutions to be developed and vetted from one workshop to the next, as well as development of additional structures, such as a communications [policy](#) and participant commitment [policy](#). The second co-design (two days if possible) then focuses day 1 on refining the common vision and detailing solutions and tactical plans for advancing interventions, with input from research conducted in-between the two workshops. Specific objectives and associated activities, as well as timelines, partners, and budget needs are all included. If a second day is secured, we recommend the co-design participants begin to articulate and prioritize strategies (see below).

Co-Design for Existing FIPs

For existing FIPs, we recommend that the evolution to a FIP+ focuses on one or two major stuck points that are most likely to benefit from social and economic incentives. In Peru, for example, our research and interviews identified quality concerns as the most important issue to address, so the scope of the co-design was a single-day event (with an orientation the evening before) focused on interventions that could improve quality and address social concerns, such as safety at sea. Integration of these solutions with on-going elements of the FIP is critical and needs to be an explicit part of the ideation process.

Appendix III: The Finance Framework for FIP+

Overview: The Finance Framework for FIP+

Future of Fish is defining a framework that combines several different components of a finance strategy: **levels** of engagement, **phases** of investment, **conditions** for sustainable fisheries and to unlock finance, and landscape **levers** (see Landscape Management Box 1).

Levels of engagement: There are three levels of engagement for FIP+ stakeholders: Umbrella, FIP+, and Project, as described in the Introduction. By operating across these three levels, a FIP+ is able to leverage resources from national strategies and align with existing government priorities

while also working to execute specific proof-of-concept pilots to demonstrate social and environmental impact as well as potential business wins at a project-level.

Phases of investment: preparation, implementation, and scale and growth. The Preparation phase builds the conditions needed for larger and more diverse forms of funding. The Implementation phase begins to deliver impact, and builds the investment case. Preparation and Implementation phases make up the “readiness phase” of investment. The third and final phase (scale and growth), is where returns are generated and investment can flow from return-seeking investors.

Conditions for Sustainable Fisheries and to Unlock Finance:

FoF has defined three types of conditions that are critical to account for in order to achieve sustainable fisheries and unlock finance to support fisheries improvement. These are fishery system enablers, drivers of triple-impact, and requirements for investment.

1. Fishery System Enablers: These are the conditions that are necessary for a regulated, profitable, and sustainable fishery. In addition to supporting more effective management of the fishery, fisheries with these conditions in place can reduce, manage, and control risks and set the needed infrastructure, management, and data to attract capital. To build and finance these enablers requires active participation of government, international regulatory bodies, and alignment with national strategies at the Umbrella level.
 - a. Secure Tenure (consistent with FAO guidelines (2012)) and informed by SRAT;
 - b. Sustainable Harvest via strengthening science-based rules, informed by MSC pre-assessment or rapid assessment;
 - c. Governance through political willingness and legal and regulatory frameworks. Robust monitoring and enforcement systems; informed by MSC pre-assessment or rapid assessment
 - d. Financial literacy and business planning and management of project developers, entrepreneurs, and communities; and
 - e. Knowledge and capacity to plan, including data collection and management systems.
2. Drivers for triple impact: These are the drivers to be included in a holistic strategy to be able to execute a triple-impact landscape approach:
 - a. Ecosystem health through stock management;
 - b. Business health through capacity building and by maximising value utilization through:
 - i. Quality Improvements;
 - ii. Operational efficiencies;
 - iii. Product-market optimization; and
 - iv. Value-added products.
 - c. Community and human development to deliver socio-economic value and benefits.

3. Requirements for investment: The key conditions for FIP+ projects to attract long term profitable (revenue-generating) investment aligned with improved 3E:
 - i. Roadmap and business case;
 - ii. Investable entities;
 - iii. Collateral and cash flows;
 - iv. Mechanisms capturing return;
 - v. Risk assessment and management; and
 - vi. Incentives and disincentives of public and private stakeholders.

Landscape Levers:

A landscape approach provides additional levers to move the whole system forward. These levers can channel resources or connect with the FIP+ in many different ways. For small scale fisheries, these levers are most likely:

- Biodiversity, climate change mitigation and adaptation, and conservation actions;
- Business capacity, operations efficiency, production and sustainable value chains;
- Socio-economic development, gender equity, food security, community health and fishers security and livelihoods.

Appendix IV: FoF Finance Workshop Summary

Future of Fish convened a workshop with FIP implementers and creative finance experts to explore how we might unlock finance for FIPs. Specifically, we asked, How might we:

- Fund fisheries as a coordinated system
- Use grants to crowd-in private investment
- Strategically stage investments

This workshop generated three prototype strategies and insights that informed our research and design of finance strategies for FIP+ work in Belize and Peru. Information regarding the structure and core outputs of the FIP Finance Workshop, held October 2019, can be found in this [summary deck](#).

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