



Memorandum of Understanding Fishery Improvement Project (FIP) for small pelagics in the Northern Adriatic – GSA 17 (WWF MOU)

BETWEEN:

- (1) **Ministry of Agriculture, Directorate of Fisheries**, Planinska 2a, 10000 Zagreb;
- (2) **Omega 3 cooperative fishery**, Milene Rakvin Mišlov 1, 23272 Kali;
- (3) **WWF-Adria**, Budmanijeva 5, 10000 Zagreb. (“WWF”)

Collectively “**the Parties**” and each a “**Party**”.

“**WWF MOU**” – This MOU between the parties and WWF is referred to as the ‘WWF MOU’.

“**FIP Participants**” - defined as the parties listed above (or any other company, association or organisation added to this WWF MOU through Appendix 1 at a later stage) excluding WWF.

1 The Project

The Parties agree that the Project is a three-year endeavour that aims to enable small pelagics fishery in the Northern Adriatic (“the Fishery”) to enter a full assessment by a credible, science-based, multi-stakeholder certification programme. The only such programme that currently meets the minimum criteria of WWF for wild caught seafood is the Marine Stewardship Council (MSC). The project consists of implementing improvements as outlined in the Action Plan that will be developed and finalised as part of the process outlined below (“The Action Plan”).

Once the Action Plan is completed, each party to the Memorandum of Understanding (WWF MOU) agrees to play a role in implementing the Fishery Improvement Project (FIP) as outlined in the Action Plan. The Action Plan will be developed after the signing this



WWF MOU and which may be amended when required by written agreement by all the Parties.

In carrying out their responsibilities, each Party may collaborate with consultants and fishery stakeholders as needed. The FIP Coordinator shall coordinate and manage the implementation of the FIP in collaboration with each party to the WWF MOU. The Parties agree to attend meetings as needed to ensure that the FIP is progressing in a timely and effective manner, and to ensure that deliverables are helping the fishery move towards achieving the MSC standard.

The FIP for the Fishery should be completed according to the following process:

STEP ONE – Scoping

During the scoping phase, the fishery's performance is reviewed against the MSC standard and any other potential areas of concern in the fishery that have been identified. As a minimum, the scoping phase should include:

- **An 'MSC pre-assessment'**: to define the units of certification(s) included in the FIP, and to determine where the fishery falls short of the MSC standard. This assessment must be completed or audited by a third-party familiar with the Certification Requirements of the MSC.

- **"Critical IPGs"**: WWF has divided Improved Performance Goals (IPGs) into two categories – "critical" and "non-critical". If any Performance Indicator (PI) scores less than 60 in a MSC assessment, the fishery automatically fails its bid for certification. WWF has termed these PIs as needing "critical" IPGs. Critical IPGs must include:
 - a relationship to the MSC Standard, including a measurable objective;
 - a list of activities and associated Metrics and Key Performance Indicators: to enable the FIP participants to track progress, or lack thereof, over time and to communicate about the changes (Milestones);
 - responsible parties: organisations/people responsible for completing the specified activity; and
 - timeframes: an estimate of the timeframe needed to complete each activity.

- **A scoping document**: a synthesis of the above-mentioned assessment and the critical potential strategies the fishery could implement to increase its sustainability.

- **Additional elements beyond the Scoping document**:
 - Preparation of a document outlining the expected process for the fishery's FIP development and implementation, including a description of the roles and responsibilities of key players;
 - A stakeholder mapping and engagement process: use the stakeholder map to identify which parties make most sense to bring into the process. Consider who the critical parties are who will play an essential role in making improvements in the fishery (e.g. government representatives, industry (fishers, processors,



exporters, etc.), environmental non-governmental organisations (NGOs), the scientific community);

- **Communication and engagement strategy:** following the stakeholder mapping exercise, the FIP participants and WWF should create an engagement plan for stakeholders and other interested parties. Among other things, this plan may cover: plan of the FIP Stakeholder Advisory Group (SAG) meetings; form and frequency of stakeholder updates; WWF partner engagement; external communications, e.g. press releases; and communication channels for clarity and consistency; and
- **Supply chain analysis for traceability systems:** It is important to include the development of a traceability system as part of the Action Plan. The system should be developed in alignment with the MSC Chain of Custody certification standard for seafood traceability (www.msc.org/about-us/standards/standards/chain-of-custody).

STEP TWO – Action Plan development and finalisation

Based on the scoping document and additional elements, an Action Plan shall be developed that lists the activities that will help the fishery address the shortfalls identified in the MSC pre-assessment. Step two includes:

- **Agree on project structure and governance:** Establishing structures, ways of working and stakeholder responsibilities.
- **Appointment of FIP Coordinator and FIP Facilitator:** The FIP Participants shall appoint a FIP Coordinator and a FIP Facilitator based on consensus.
- **Convening the SAG:** the communications and engagement strategy outlined in Step 1 should include the timing of meetings. Likewise the plan should articulate the nature of the meetings, preferably face-to-face.
- **SAG to finalise the Action Plan:**
 - a) review the Action Plan for the critical IPGs, to allow stakeholders to add themselves as responsible parties to the IPGs;
 - b) develop the Action Plan for the “non-critical”/“priority” IPGs, which will identify the activities, milestones, timelines and responsible parties. Priority IPGs are non-critical IPGs. They are developed for any PI scores between 60 and 80 in a MSC assessment. Priority IPGs should be prioritised (with advice from the SAG) and then developed.
- **Develop budget and seek funding for budget:** in which costs and funding opportunities are identified as appropriate. There are generally two sets of costs: (1) process costs (e.g. costs associated with developing the scoping document, holding stakeholder meetings, developing the Action Plan), and (2) implementation costs (e.g. costs for the fishery to actually make changes).

STEP THREE – Implementation and Tracking Progress



The implementation phase includes:

- **Implementing the Action Plan.**
- **Tracking and reporting on progress:** Progress should be reported publically every twelve months according to the objectives and timeline outlined in the Action Plan. Additional reporting may occur if significant milestones are met in the interim.
- **Tracking of implementation is a work in progress:** Ensure the FIP adheres to the definition above, is consistent with the milestones laid out in the Action Plan, and that the work is as transparent as possible between the parties. Progress should be tracked by using the MSC Benchmarking and Tracking Tools (BMT) so that the Parties can credibly and publicly report:
 - The actions taken by the FIP;
 - The impact of actions, in terms of changes in fisheries policy, management or fishing practices;
 - The results 'on the water'.

2 Communications, including public and market recognition

The Parties may wish to communicate about the FIP. They agree that these communications shall be driven by and focused on the WWF MOU's conservation objectives, and shall not in any manner suggest or imply an endorsement by WWF of products or services.

WWF reserves the right to comment publicly on any aspect of any Party's environmental performance.

During the three stages of the FIP process WWF can provide different degrees of support and activities for the FIPs such as presenting options to seafood buyers and companies to make strategic procurement decisions:

- The Parties agree that the first communication shall occur upon signature of the WWF MOU to ensure that the Project relationship is in the public domain.
- In steps one and two, seafood companies may continue to source from a fishery where an improvement project is in development to incentivize progress or may choose to discontinue purchasing until improvements are made. WWF will not recommend that companies that have not previously sourced from this FIP shift their purchasing to the fishery developing the improvement project at this stage.
- In step three, when a fishery is actually making progress according to the Action Plan, companies may continue to source from the fishery in the improvement project, shift their sourcing to the fishery in the improvement project, or discontinue purchasing until further improvements are made.
- At any stage, WWF recommends that seafood companies, that discontinue sourcing, convey, in writing, the problem areas in the fishery that need to be addressed for sourcing to resume.

Other support for the FIP from WWF or other NGOs may include:



- Communicating as appropriate with relevant seafood buyers that a FIP is in development and present options for them to engage their supply chain. (During all three stages).
- Profiling the FIP in WWF and other NGO communications (e.g. websites, media releases, and presentations) that provide an opportunity to tell the story of the FIP (following the completion of stage two and during stage three and not connected to any marketed product). These communications would focus on the progress of the fishery towards sustainability;
- There shall be no WWF recognition if a longer timespan than three years is needed for improvement, or, if a fishery in a FIP fails to deliver the milestones in the Action Plan. Exceptions due to special external circumstances could be considered as long as significant progress is made and that the FIP is highly likely to enter MSC assessment, or that the pre-defined period of three years could be extended after consultations with all project partners, including WWF International.

3 Roles and Responsibilities

I. FIP Participants shall:

- a. Representatives from the FIP Participants shall comprise the Adriatic small pelagic FIP Executive Team. The Executive Team shall manage the Project Management Team (i.e. FIP Coordinator and FIP Facilitator), and determine the Membership of the Stakeholder Advisory Group. The structure shall be minimally hierarchical, inclusive, and consensus based.
- b. Establish a FIP in accordance with the MSC/WWF FIP guidelines and policies.
- c. Assign a FIP Coordinator to project manage and ensure the smooth delivery of the FIP.
- d. Within the timeframe specified in the Action Plan, take a leadership role in organising and implementing activities and roles assigned to individual FIP Participants in the Action Plan, and any activity assigned specifically to it should the Action Plan be amended.
- e. Cooperate in good faith with the other Parties' efforts and activities under this WWF MOU, including but not limited to providing such documents, information, and materials as they may reasonably request to further the purposes of this WWF MOU.
- f. Advise WWF immediately and provide information in the case of any FIP Participant company allegedly committing Illegal, Unregulated or Unreported or other clearly specified controversial activities.
- g. Provide financial support for both process costs (e.g. costs associated with developing the scoping document, holding stakeholder meetings, developing the Action Plan), as well as implementation costs (e.g. costs for the fishery to actually make changes).
- h. Work together to secure additional external funding for the development and implementation of the FIP as required.



II. WWF shall:

- a. Fulfil its role as part of the Adriatic small pelagic FIP Executive Team.
- b. Offer different support and various activities for the FIP during the three stages of the process towards certification, as detailed above.
- c. Assist the implementation of the FIP in collaboration with each party to the WWF MOU, to ensure that the FIP is progressing in a timely and effective manner and that deliverables are helping the fishery progress to gaining MSC certification.
- d. Within the timeframe specified in the Action Plan, WWF shall implement activities and roles assigned to "WWF" in the Action Plan, and any activity assigned specifically to it should the Action Plan be amended.
- e. Cooperate in good faith with the other Parties' efforts and activities under this WWF MOU, including but not limited to providing such documents, information, and materials as they may reasonably request to further the purposes of this WWF MOU.

III. The Stakeholder Advisory Group

- a. The Stakeholder Advisory Group shall consist of engaged and interested parties to provide technical advice to the FIP.

IV. The Executive Team

- a. The Executive Team comprises (at least) one representative from each of the FIP Participants and WWF.
- b. The Executive Team has decision making responsibility for the FIP including budgets and strategic direction/delivery.

4 Agreed-Upon Principles

The Parties agree to the following principles in carrying out their respective roles under this WWF MOU:

- a. A FIP is defined as a multi-stakeholder effort to improve a fishery.
- b. FIPs are unique because they utilize the power of the private sector to incentivize positive changes in the fishery towards sustainability.
- c. FIP participants may vary depending on the nature of the fishery and the FIP, and may include stakeholders such as producers, NGOs, fishery managers, government, and members of the fishery's supply chain.
- d. The ultimate goal of a FIP is to enable the fishery to enter a full assessment by a credible, science-based, multi-stakeholder certification programme.
- e. This FIP is developed to support the fishery to meet that standard of the Marine Stewardship Council.



A FIP must include:

- a. A FIP must draw upon market forces, which might include suppliers, retailers, food service, fishing industry etc., to motivate fishery improvements.
- b. An Action Plan has an associated budget (see description above).
- c. Willingness from FIP participants to make improvements (e.g., a signed MOU, email correspondence stating a commitment, etc.).
- d. Willingness from FIP participants to make the investments required to make improvements as outlined in the Action Plan and budget.
- e. A system for tracking progress (see above).

In order to gain public recognition for moving towards sustainability, a FIP must also:

- a. Aim to improve a fishery so it will meet or exceed the MSC standard.
- b. Have a completed scoping document (see description above) with input or review by a third party familiar with the MSC Certification Requirements.
- c. Have an Action Plan specifically designed to address shortfalls in the Fishery to achieve a level of sustainability consistent with the MSC standard.
- d. Have a system for tracking progress against MSC standard at the indicator level (see above).
- e. Include active participation by supply chain companies, at a minimum local processors and exporters.

5 Miscellaneous Provisions

- a. This WWF MOU will terminate upon the 3th anniversary of the date it is entered into
- b. Any party may withdraw from this WWF MOU giving each of the other parties not less than three weeks prior written notice.
- c. Any amendment to this WWF MOU shall be effective only if agreed in writing and signed by all the Parties.
- d. This WWF MOU is not intended to be legally binding between the parties.
- e. Each party shall keep the other party's confidential information confidential and shall not use such information except for the purpose of exercising or performing its rights and obligations under or in connection with this WWF MOU or disclose such information to any third party, except as expressly permitted by the party that disclosed it to them.



Contacts:

Ministry of Agriculture, Directorate of Fisheries, Marin Mihanović marin.mihanovic@mps.hr

Omega 3 cooperative fishery, Ines Jablan ines@rz-omega3.hr

WWF Adria, Danijel Kanski dkanski@wwfadria.org

6 Agreement by parties

SIGNED by:

Tomislav Tolušić, dipl. iur.
Minister of Agriculture

For and on behalf of Ministry of Agriculture,
Directorate of Fisheries

Date: _____

SIGNED by:

For and on behalf of Omega 3 cooperative
fishery

Date: 23.01.2017.

SIGNED by:

For and on behalf of WWF Adria



Date: 16.01.2017



Appendix 1

Parties to the WWF MOU

- (1) Ministry of Agriculture, Directorate of Fisheries
- (2) Omega 3 cooperative fishery
- (3) WWF Adria

KLASA: 324-03/16-01/287

URBROJ: 525-13/1282-16-2

Zagreb, 27. prosinca 2016. godine