



Fisheries
Transparency
Initiative

5th International Advisory Group meeting
of the
Fisheries Transparency Initiative (FiTI)

9 November 2016, Gothenburg/Sweden

Preparatory Information

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SUPPORTING DOCUMENTS:

- *Report on the discussions of the task force on the disclosure of per vessel catch data* (dated 28 October 2016)
- *Guidance Note for countries intending to implement the FiTI* (dated 24 October 2016)

Summary

The purpose of this document is to provide background information and propose recommendations for the 5th International Advisory Group Meeting (09 November 2016, Gothenburg / Sweden) regarding the global FiTI Standard as well as the upcoming transition to the implementation phase.

It is currently envisioned that this meeting could be the last one before the official transition from the current conceptual phase to the regular implementation phase (expected to start in May 2017). The objective of the 5th Advisory Group meeting is therefore to

- finalize the FiTI reporting requirements;
- discuss all proposed recommendations on the FiTI processes as well as on the upcoming transition to the implementation phase.

Based on the outcomes of this meeting, the drafting of the official FiTI Standard will start in late November 2016.

The following summarizes the key aspects and recommendations presented in the document.

Chapter 1: FiTI Reporting

- During the past 4 Advisory Group meetings, the majority of decisions regarding the FiTI reporting, i.e. **what countries need to report on**, have been made. It was agreed that every 12 months, countries must provide information on their national rules on fisheries tenure arrangements as well as characteristics on their large-scale and small-scale fisheries. In addition, it was agreed that every 24 months, countries must report on other contextual information, including -- but not limited to -- fisheries management characteristics, fisheries subsidies and development aid.
- During the last Advisory Group meeting in Madrid, it was agreed to establish a task force to analyse obstacles for providing **annual data on catches per vessel** as part of the FiTI. The recommendation from the task force are as follows: for large-scale fisheries, FiTI reports must include aggregated annual catch data for all licensed fishing vessels. Aggregation of data will be presented according to flag state, fishing gear and target species. Information should be presented on retained targeted species, retained bycatch and discards, although where coastal states are unable to provide complete data on bycatch and discards, the reasons for this must be clearly articulated and information must be provided on what measures will be taken to improve the availability of catch data. Catch data on a per vessel basis for all or some fisheries can be published if justified and agreed upon by the National

Multi-Stakeholder Group. Vessels that do not comply with catch reporting provisions according to the country's rules on fisheries tenure arrangement must be identified in the FiTI Report.

- Furthermore, it is recommended that the FiTI starts addressing the lack of transparency of **beneficial ownership** in fisheries by providing contextual information in FiTI Country Reports on the state of laws on transparency of beneficial ownership, any efforts to improve these and on implementation. This approach balances the high momentum to provide such information, while recognizing various operational challenges for implementing parties.

Chapter 2: FiTI processes

- It is recommended that countries seeking to implement the FiTI must complete **5 sign-up steps** before becoming eligible to submit an official FiTI Candidate Application to the International Board. These sign-up steps include, inter alia, the assignment of responsibilities within the government to lead the FiTI process, the establishment of a National FiTI Multi-Stakeholder Group and the appointment of an appropriate support function. Detailed requirements for each sign-up step have been described in the document *Guidance Note for countries intending to implement the FiTI* (dated 24 October 2016). The Guidance Note has already been reviewed by FiTI pilot countries.
- After a country obtains its official status as a FiTI Candidate country, it must start with implementing the regular reporting requirements. This includes, inter alia, the **regular publication of information** through its FiTI Country Report. It is recommended that countries execute a 10-step process to provide the information outlined in the FiTI Reporting Framework. Countries must publish their first FiTI Country Report within 18 months after becoming an official FiTI Candidate country.
- In addition to the national FiTI Reporting process, countries must also undergo the **FiTI Validation process**. Validation is an essential feature of the FiTI process. Through validation, national FiTI implementations will be evaluated against the global FiTI Standard, ensuring that all participating countries apply similar processes and criteria. It is recommended that countries must undergo an initial validation after completing their first FiTI Country Report. Only when the International Board approves the outcomes of the validation a country can become a FiTI Compliant country. Afterwards, countries should undergo regular validations by the International Board at least every 36 months.
- It is also recommended that FiTI Candidate countries must meet **basic transparency requirements** in order to become FiTI Compliant. This includes the publication of current fisheries laws, regulations and official policy documents. It includes also the publication of

new access agreements, and the publication of the texts of all existing access agreements within 3 years from initial adhesion to the FiTI.

Chapter 3: Transition from Conceptual Phase to Implementation Phase

- With the expected finalization of the FiTI Standard in early 2017, the FiTI will transition from its current conceptual phase into a standardized implementation phase. This major milestone will be marked by the **2nd International FiTI Conference**, kindly hosted by the Government of Indonesia on 27 April 2017 in Bali / Indonesia. This also requires that the FiTI has to develop from an initiative with an informal governance structure to a more formalized international members' organisation.
- It is recommended that members of the **1st International FiTI Board** should be pragmatically appointed from the current International Advisory Group. This approach will ensure stability and knowledge transfer during the transition whilst allowing sufficient time until all the parameters are in place to ensure an formal election of Board members.

The number of members for the 1st International FiTI Board should not exceed 18 member seats. These seats should be equally distributed among representatives of the three stakeholder groups. The overall term for serving on the International FiTI Board is 3 years (initially based on a staggering system).

- It is recommended that the current **Chair of the International Advisory Group** (Prof. Peter Eigen) takes on the role of 1st Chair of the International Board for a transition period of one year, until a new Chair is formally elected by the 1st International FiTI Board. For this, selection procedures for the 2nd Chair should start immediately after the inauguration of the 1st International Board in May 2017.
- The HUMBOLDT-VIADRINA Governance Platform, currently acting as the **International Secretariat for the FiTI**, is prepared to continue its current role and responsibilities as International Secretariat. The current core team (enlarged by additional personnel) would assume these responsibilities for the timeframe of the first 3 years. This is however also subject to funding. Afterwards, leadership and key operational personnel of the International Secretariat will be recruited and located by the formally-elected 2nd International FiTI Board.

1. FiTI reporting

During the past 4 International FiTI Advisory Group meetings, significant progress has been made on defining the FiTI reporting. The 5th meeting will decide on the recommendations for reporting on catches and beneficial ownership, which are shaded in the below shown table.

Brief recap on the status of the FiTI reporting after the 4th Advisory Group meeting (Madrid):

The following 3 sections must be reported EVERY 12 MONTHS by FiTI implementing countries:

	Information that must be provided includes ¹ :
<p>Section 1: National Rules On Fisheries Tenure Arrangements</p>	<p>Key characteristics of</p> <ul style="list-style-type: none"> national fishing authorizations (e.g. procedures to grant access rights, payment structure for access rights, ecological & socio-economic conditions of tenure rights) international access agreements (e.g. a list of all active fishing agreements with foreign partners, value & payment structure, ecological & socio-economic conditions)
<p>Section 2: Large-Scale Fisheries</p>	<ul style="list-style-type: none"> List of all registered fishing vessels², including information on ownership, registration and vessel characteristics Authorization(s)³ for fishing activities on a per vessel basis, including for nationally flagged vessels in third countries/high seas Fishing agents used on a per vessel basis, if applicable Value of payments for fishing activities on a per vessel basis Catches of targeted species, non-targeted species and discards, as well as information on landings/transshipment

¹ The detailed reporting elements are listed in Appendix I.

² Including support vessels.

³ Authorizations must also include scientific, research and experimental fishing.

Section 3:
Small-Scale Fisheries⁴

- Best available data⁵ on number of fishing vessels and fulltime/seasonal fishers according to vessel types, fishing gear and target species, according to specificities of country/national legislation ⁶
- Information on payments for licensing and landings to central government, district authorities or other management organisations;
- Quantities of catches, disaggregated for species and types of fisheries

The following section must be reported EVERY 24 MONTHS by FiTI implementing countries:

Information that must be provided includes⁷:

Section 4:
Contextual information

- Key characteristics of
- Post harvest & trade
 - Fish Stock Assessment
 - Fisheries Management
 - Labour Standards
 - Fisheries Subsidies
 - Development Aid

The FiTI reporting will be a major part in the FiTI Standard. Also, implications for countries regarding the non-reporting of information will be included in the FiTI Standard. The process of writing the FiTI Standard will start in November / December 2016.

⁴ Reporting on small-scale fisheries must include recreational fisheries, if not otherwise classified as large-scale fisheries by the national Multi-Stakeholder Group.

⁵ National Multi-Stakeholder Groups must verify that data on small-scale fisheries represents the best available information. Regular FiTI Country Reports will explain deficiencies in data and how data collection will be improved over time.

⁶ Data on small-scale fisheries and vessels will be aggregated. However, National Multi-Stakeholder Groups can decide that certain data will be presented on a per vessel basis.

⁷ The detailed reporting elements are listed in Appendix II.

a) Catch reporting for large-scale fisheries

During the meeting in Madrid it was agreed to establish a dedicated task force to analyze obstacles for providing annual data on catches per large-scale vessel as part of the FiTI.

The objective of the task force was to reach a consensus on the recommendation for the FiTI Standard. To facilitate the discussion of the task force, the International Secretariat prepared a report that considered various objections to per vessel reporting, and put forward counter arguments to these objections (*Report on the discussions of the task force on the disclosure of per vessel catch data* (dated 28 October 2016)).

Because there were different interpretations of the arguments for and against per vessel catch reporting, a compromise is proposed based on publishing catch data in an aggregated form (as detailed below), but allowing individual countries the option of publishing per vessel catch data if this is the recommendation for FiTI Country Reports made by their FiTI National Multi-Stakeholders Group. It was agreed that National Multi-Stakeholder Groups must make this decision based on wide consultation and this consultation will require consideration to any applicable laws and regulations on the confidentiality of commercially sensitive data and on freedom of information.

In addition, it was proposed that the FiTI International Board should be encouraged to revisit this debate once the FiTI is operational, and when more experience has been accumulated by implementing countries.

Further points of clarification emerged in the discussion of the task force. These were considered important to flag for the finalisation of the FiTI Standard (as stated in the *Report on the discussions of the task force on the disclosure of per vessel catch data* (dated 28 October 2016)).

1. Mandatory reporting of catch data can not include catches classified as either by-catch (retained) or discards. Many fishing authorities, both national and international (i.e. RFMOs) do not have this level of data for authorised fishing vessels, and it would therefore be unrealistic to have a strict approach to reporting on this for the FiTI. It was therefore suggested that mandatory reporting is included for retained target species, and FiTI Country Reports include all available information on catches of by-catch and discards where possible. Furthermore, where the data is incomplete or thought to be unreliable on bycatch and discards, FiTI Country Reports should indicate the reasons for this and what measures are being taken to improve the situation.
2. It was noted that the unit of measurement for catch reporting must be clarified. This can either be in weight or number of species. Due to variability in fisheries, it was recommended that where possible both units should be reported, but it would be permissible for a FiTI country to report on only one unit of measurement. This is an issue

that should be raised for consideration by the National Multi-Stakeholder Groups for further discussion in designing their reports.

3. It was pointed out that if the person responsible for compiling FiTI Country Reports is expected to have access to disaggregated catch data (i.e. access to per vessel information) in order to compile their report, then this person (the so-called Report Compiler) must sign a confidentiality agreement prohibiting them from disclosing this data to a third natural person, legal entity or organisation.

Recommendation 1: For large-scale fisheries, FiTI reports must include aggregated annual catch data for all licensed fishing vessels. Aggregation of data will be presented according to flag state, fishing gear and target species. Information should be presented on retained targeted species, retained bycatch and discards, although where coastal states are unable to provide complete data on bycatch and discards, the reasons for this must be clearly articulated and information must be provided on what measures will be taken to improve the availability of catch data. Catch data on a per vessel basis for all or some fisheries can be published if justified and agreed upon by the National Multi-Stakeholder Group. Vessels that do not comply with catch reporting provisions according to the country's rules on fisheries tenure arrangement must be identified in the FiTI Report.

b) Beneficial ownership

On the global governance agenda, few topics are currently receiving as much attention as the topic of beneficial ownership. Shedding light on beneficial ownership is high on various political agendas across many industries, resulting in various activities including a priority area for the G20, introduction of national registers in the UK and other European countries, and a mandatory reporting requirement under the new EITI Standard February 2016.

Contrary to the common belief, beneficial ownership does not refer to organizations; instead, beneficial owner refers to *natural persons*, who either

- ultimately own or control a customer, and/or
- on whose behalf a transaction is being conducted.

It also includes those persons who exercise ultimate effective control over a legal person or arrangement.⁸

In brief, the current discussions on beneficial ownership can be (cross-sectoral) described by two conflictive aspects. On the one hand, there is a high desire to provide beneficial ownership information. On the other hand, implementing beneficial ownership transparency may be challenging for many practical reasons.

The **fisheries sector** is no exemption in this discussion. Lack of transparency on the beneficial owners of rights holders and fishing vessels is now widely raised as a problem in the fishing sector. For example, the lack of transparency of the identity of the beneficial ownership of fishing vessels and a lack of international records of fishing vessels' identity and history is one of the main vulnerabilities of the fishing industry to illicit behaviors in the sector, including bribery, money laundering, tax avoidance, transfer pricing as well as conflicts of interests. Furthermore, confidentiality of beneficial owners' acts as a significant barrier to establishing criminal liability.

The inclusion of beneficial ownership as a mandatory reporting element under the FiTI was therefore discussed at the Technical Workshop in Berlin (22-23 April 2016). Participants at the Berlin meeting considered the option of including mandatory reporting on beneficial owners for the start of FiTI, or establishing a time frame (i.e. 5 years) when this reporting obligation will be introduced. Given differing opinions, it was agreed at that time that more in-depth research on this topic is needed to provide an informed recommendation. Based on this, the FiTI International Secretariat conducted various activities, including in-depth desk research, participation in the relevant expert group of the FAO Global Record and discussion with international experts at the OECD-UNODC-FAO Conference on improving cooperation in fish against fish crime (13-14 October 2016, Paris/France).

In summary: despite beneficial ownership transparency being a high-priority topic in most international efforts (incl. fisheries), it is shown that there are currently a series of practical implementation challenges that restrict an immediate application. This includes lack of adequate laws on beneficial ownership, issues regarding confidentiality of data, lack of cooperation between jurisdictions and lack of knowledge, will and capacity of companies to report on it.

Therefore, the International FiTI Secretariat proposes a progressive approach which reflects the current discussions around beneficial ownership transparency.

⁸ Definition taken from Financial Action Taskforce (FATF), Guidance on Transparency and Beneficial Ownership, October 2014.

Beneficial ownership as contextual information

Recommendation 2: FiTI Country Reports must report on the countries legal and administrative framework regarding beneficial ownership as part of its regular FiTI Country Report. This information must be provided as a reporting category under contextual information. Relevant information comprises legal basis for beneficial ownership transparency, the country's legal definition of beneficial ownership, whether a publicly available register of beneficial owners exist and how obtaining beneficial ownership is already incorporated in existing filings by companies to corporate regulators, stock exchanges or agencies regulating the access to fisheries, as well as current status and discussions around beneficial ownership transparency in fisheries.

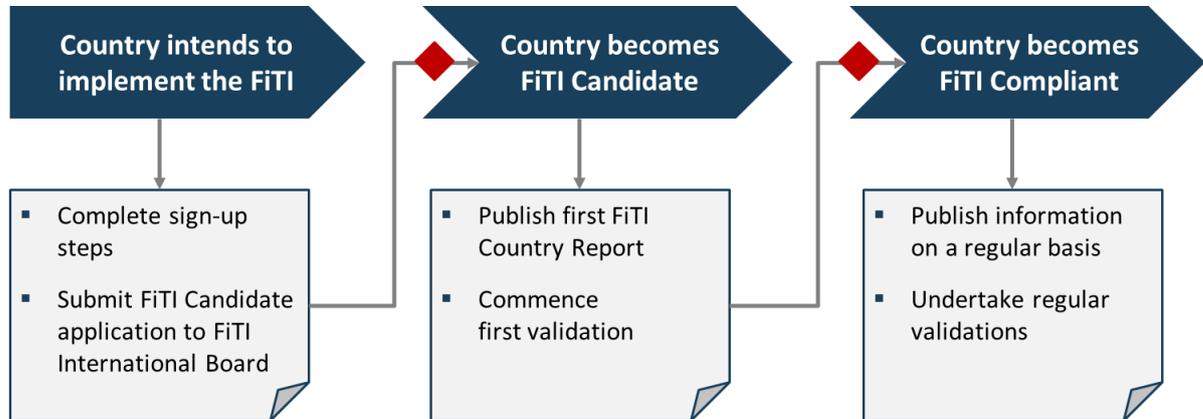
Binding roadmap for beneficial ownership under the FiTI

Recommendation 3: A dedicated taskforce must be established under the 1st International Board with the objective

- i) to establish a binding roadmap until end of 2017 on when beneficial ownership transparency will be integrated in the FiTI Standard;
- ii) to provide a Position Paper on beneficial ownership transparency in fisheries by mid of 2018;
- iii) to provide recommendations to the International Board on how to incorporate beneficial ownership information in the FiTI Standard by the end of 2019; and
- iv) to develop practical guidance for countries on implementing beneficial ownership transparency by the end of 2020.

2. FiTI processes

The overall FiTI implementation process is based on three main stages.



A country intending to implement the FiTI is required to undertake a number of steps before applying to become an FiTI Candidate country (→ chapter “Sign-up steps”). Once a country has completed these steps and wishes to be recognized as a FiTI Candidate country, the government – with the approval of a National Multi-Stakeholder Group – must submit a FiTI Candidate application. The application should describe the rationale and objectives of the national FiTI process, the activities undertaken to date and provide evidence demonstrating that each of the sign-up steps has been completed. The International Secretariat will contact stakeholders at the national level to ascertain their views on the sign-up process, and seek comments from national as well as international stakeholders, such as development agencies and international civil society organizations. The International Board will then review the application and assess whether the sign-up steps have been completed. The International Board will make the decision about the Candidate country’s status.

Once the International FiTI Board approves a country’s application, the country will be officially called a *FiTI Candidate country*. However, countries should not remain on this level; instead, the country should strive within a period of time [currently proposed 18 months – see recommendation 6], to implement the FiTI Standard in order to obtain the status of a *FiTI Compliant country*. In order to become compliant, a country must

- publish its first FiTI Country report (→ chapter “National FiTI Reporting”), and
- complete the validation conducted by the International FiTI Secretariat (→ chapter “Validation”).

Afterwards, countries need to provide regular information and undergo regular validations in order to retain its status of FiTI Compliant country. Regular reporting and validation will follow the same procedures used for the first time. The decision whether a country obtains or loses its compliant status is made by the International FiTI Board.

a) Sign-up steps

The International Secretariat has already developed a draft guidance note on the sign-up steps for the FiTI. This gives practical guidance to countries intending to implement the FiTI on how to complete the steps for sign-up and submit a FiTI Candidate application (please refer to supporting document “*Guidance Note for countries intending to implement the FiTI*”, dated 24 October 2016).

In summary, it is recommended that there are five sign-up steps that a country is required to fulfill before being eligible to submit a FiTI Candidate application to the FiTI International Board:

- STEP 1: Issuing a public commitment
- STEP 2: Appointing a FiTI National Lead
- STEP 3: Establishing a National Multi-Stakeholder Group
- STEP 4: Establishing a Support Function
- STEP 5: Providing the first work plan

Each sign-up step includes FiTI Requirements, which a country must meet in order to be eligible to submit a FiTI Candidate application.

The guidance note has already been reviewed by the current FiTI pilot countries and valuable feedback was obtained and incorporated in the present version (0.85).

Recommendation 4: Countries must complete 5 sign-up steps and their corresponding requirements, as outlined in the document “*Guidance Note for countries intending to implement the FiTI*” (dated 24 October 2016), in order to be eligible to submit a candidate application to the FiTI International Board.

After approval of the global FiTI Standard, this Guidance Note will be updated accordingly. It is expected that the requirements listed in this note will not undergo major changes during the finalization of the FiTI Standard.

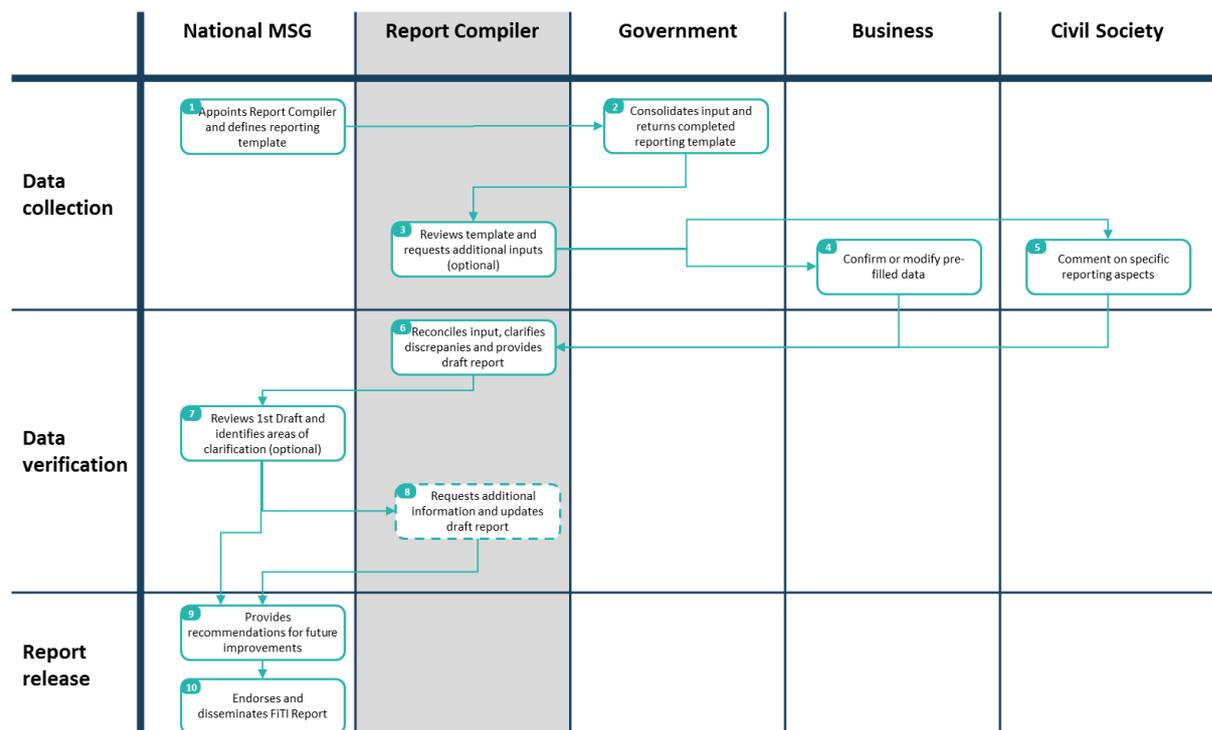
b) National FiTI reporting

After a country obtains its official status as a FiTI Candidate country, it must implement the FiTI Standard. This includes, inter alia, the regular publication of information (National FiTI reporting) and meeting basic transparency requirements (see below).

The FiTI Reporting is based on the principle that the benefits of transparency are increased when the published information is perceived as credible. A key feature of the FiTI Reporting process is therefore the provision and verification of information through a multi-stakeholder participation, involving the government, business (fishing industry representatives) and civil society organizations.

Process for National FiTI Reporting

Recommendation 5: The FiTI National Reporting process must follow the 10 steps outlined below, including data collection, data verification and report release.



Data collection

- (1) The National Multi-Stakeholder Group (National MSG) consists of senior representatives from the three stakeholder groups. In most cases, members of the National MSG will not

be able to execute the entire reporting process on their own. Furthermore, the National MSG should devote their time to oversee the national FiTI reporting process, approve and disseminate the information and set strategic priorities for further improvements. It is therefore recommended that the National MSG appoints a specialized **Report Compiler** to perform the operational reporting activities.

The National MSG needs to decide whether such a Report Compiler is chosen from within the country's support function (e.g. National or Regional Secretariat) or whether an external consultant is appointed⁹. Either way, the role of the Report Compiler is crucial in supporting the National MSG in executing the FiTI reporting. The Report Compiler must therefore be perceived by the National MSG as credible, trustworthy and technically competent.¹⁰ Detailed Terms of Reference for the Report Compiler must be defined and published. These Terms of Reference must also include strict provisions regarding data confidentiality. The Report Compiler must have access to a level of information which might not be made public in the final FiTI Country Report. For example, the Report Compiler needs access to vessel-by-vessel information in order to verify that aggregated data is credible. This would include identifying areas of non-reporting or obvious errors in data collection (i.e. catches reported for the wrong year, data entered incorrectly in government databases etc.). In addition, the Report Compiler requires access to the texts of any non-published access agreements, if any, to ensure that summary information on tenure rights is accurate.

The National Multi-Stakeholder Group defines a country-specific reporting template for the government (e.g. based on templates provided by the International FiTI Secretariat). This template comprises primarily of information requests regarding tenure arrangements, large-scale and small-scale fisheries as well as contextual information (depending on the reporting frequency), which the relevant governmental agencies will be requested to fill in.

- (2) The National Multi-Stakeholder Group then sends a letter together with the reporting template to the government's FiTI National Lead¹¹, requesting the completed template to be sent to the Report Compiler by an agreed date. The government's FiTI National Lead disseminates the reporting template to the relevant government agencies and coordinates the inter-agency reporting process. From a cost and time point of view, it is recommended that a comprehensive reporting template (containing all government information) is returned to the Report Compiler, instead of each government agency providing their own

⁹ It is currently envisioned that in case Regional Support Functions for the National MSGs will be established, dedicated Report Compilers will be employed there, executing national FiTI reporting processes for multiple countries.

¹⁰ In case the Report Compiler is part of a National Secretariat, issues regarding his/her independence need to be addressed (e.g. in case the National Secretariat is funded by the government).

¹¹ The country's FiTI National Lead, who coordinates the FiTI-related activities among the various government agencies.

share of information. The government's FiTI National Lead may request coordination support its Support Function.

(3) The completed government template is the basis for the further reporting process. The Report Compiler reviews the completed government template and (if needed) requests additional information from the FiTI National Lead or directly from the relevant government agency. Afterwards, the Report Compiler has consolidated and reviewed the following information:

- *Tenure arrangements* (national fishing authorizations and international access agreements);
- *Large-scale fisheries* (fishing authorizations, payments, catches);
- *Small-scale fisheries* (number of fishers and vessels, payments, catches).

The Report Compiler is also charged by the National MSG with collecting and consolidating *contextual information*.

(4) In order to ensure complete and reliable information, relevant government-provided information must also be reviewed by the concerned rights owners/vessel owners (for large-scale fisheries) as well as fisheries associations (for small-scale fisheries). The Report Compiler must therefore contact these parties and request that the pre-filled information is either confirmed or modifications are suggested. For information regarding large-scale fisheries, each company has the opportunity to comment on the provided information. In case of non-objection within a defined period, the information will be treated as approved.

(5) In addition to information provided by the government and business, civil society (including academia and media) must be able to provide information as well. Civil Society, while typically not be in the position to provide comprehensive data on the same level of detail, but can support data quality by identifying gaps or discrepancies (e.g. through observations in practice of unrecorded tenure arrangements, vessel activities). The Report Compiler must therefore engage with civil society and obtain their views on particular reporting aspects.¹²

Data verification

(6) The Report Compiler reconciles the information and clarifies initial discrepancies (e.g. objections from companies on payment data). The Report Compiler must also consult with the International FiTI Secretariat for additional information and contacts. Afterwards, the Report Compiler drafts the 1st FiTI Draft Report.

¹² Requesting input from civil society organizations, academia, media etc. must not be limited to those organizations that are already part of the National MSG anyway. It is important that the national FiTI reporting process is perceived as open and inclusive.

- (7) The 1st FiTI Draft Report is reviewed by the National MSG. For this, the National MSG is required to check the information against their own knowledge, experiences and observations. This includes also involvement of their own constituency.¹³
- (8) The National MSG should also consider inviting international experts to provide their feedback on the current draft report. Discrepancies of the national information with international sources must be addressed. Afterwards, the Report Compiler updates the draft report.

Report release

- (9) The National MSG is required to identify lessons learned and recommendations for improving the country's fisheries sector transparency as part of the FiTI Country Report. This is a vital aspect for strengthening the impact of the FiTI on a country's fisheries governance, ensuring also that identified areas of non-performance against the FiTI Standard will improve over time.
- (10) Finally, the National MSG needs to endorse the report. Only when a consensus is reached *on the substance* of this information within the group, the report can be published. Furthermore, information must be disseminated by all participants of the National MSG, supported by its Support Function.

The International FiTI Secretariat will also consolidate FiTI Reports on its central FiTI website and present information in a user-friendly format to the wider public

Timeline for 1st FiTI Country reporting

Recommendation 6: Countries must publish their first FiTI country report within 18 months after becoming an official FiTI Candidate country. Otherwise, the country may lose its current status (subject to decision by the International FiTI Board). This must include, at a minimum, information regarding tenure arrangements, large-scale and small-scale fisheries.

This timeframe can be extended by the International Board at the request of the country.

¹³ The National Multi-Stakeholder Group should also provide advice to the Administrator on how validation processes could be improved over time, in particular of individual vessel data through, for example, regular spot checks of individual vessels.

The reporting frequencies for all subsequent FiTI Country reports have already been approved by the International Advisory Group, i.e.

- every 12 months for information on tenure arrangements, large-scale as well as small-scale fisheries, and in addition
- every 24 months for contextual information.

Basic transparency requirements

After a country obtains its official status as a FiTI Candidate country, it must not only provide its first FiTI Country Report (and undergo the first validation). FiTI Candidate countries must also meet basic requirements in relation to transparency, beyond supplying the data requested for tenure arrangements, large-scale fisheries, small-scale fisheries and contextual information.

Based on previous discussions, it is recommended that countries meet the following two basic requirements in relation to transparency:

1. Publication of current fisheries laws, regulations and official policy documents

Laws and regulations relevant to fisheries are still inaccessible in some countries. The texts of the laws and regulations may not be freely available through government websites, and what information is published may be out of date. The same is true for official fisheries policy documents, including strategic plans and fisheries management plans. In agreement with the proposal, the participants of the Berlin workshop agreed unanimously that this situation is incompatible with transparency. Therefore, it recommended that any country wanting to participate in the FiTI must ensure that the government maintains an up-to-date and easily accessible, public repository of all relevant national laws and regulations on fisheries, as well as current fisheries policy documents and strategies and management plans.

Recommendation 7: Participating countries must provide and maintain an up-to-date, easily accessible, public repository of all national legislation and official policy documents relevant to fisheries¹⁴. This must also include other related areas, such as shipping (navigation, vessel registration, tonnage measurement, etc.), trade in fish products, investments, etc..

¹⁴ A detailed definition of the term “relevant to fisheries” will be provided as part of the FiTI Standard.

II. Publication of all access agreement contracts

Confidentiality of access agreements, including multi-lateral, bi-lateral and private agreements, represents a key issue among those advocating for improved transparency in fisheries. It has therefore been proposed that participating countries in the FiTI agree to make public the texts of these agreements.

Participants of the two Working Groups agreed that access agreement contracts should be made public, and that the FiTI should make this a basic requirement for participating countries. However, it was noted that publishing access agreement contracts can be prohibited where contract confidentiality has been agreed to by both parties. Moreover, because some agreements are used for many years on an ongoing and renewable basis, FiTI countries may therefore have to gain the approval of a third party to publish these texts, which may take time. FiTI should therefore request that all existing access agreements should be published by countries where possible, and that FiTI participating countries ensure that the publication of all new agreement contracts is agreed to with third parties. For existing long term contracts, it is requested that FiTI countries make a commitment to ensure all current agreements are published within 3 years of submitting its application to become a candidate country for FiTI.

It was also noted that some long-standing agreements are modified through additional communications between parties. It was therefore further recommended that FiTI countries commit to publishing any amendments to agreements.

Recommendation 8: Implementing countries must ensure that texts and amendments of new tenure arrangements are made public, and must further ensure that the texts of all existing access agreements are made public within 3 years from becoming an FiTI Candidate country.

c) Validation

In addition to the national FiTI Reporting process, the FiTI Standard includes also a **FiTI Validation process**. Validation is an essential feature of the FiTI process. Through validation, national FiTI implementations will be evaluated against the global FiTI Standard, ensuring that all participating countries apply similar processes and criteria. This includes, but not limited to, procedures on information collection, verification and the country's enabling environment. An external Validator, approved by the International FiTI Secretariat, may e.g. review that all material rights holders have been covered, and address, amongst others, any concerns stakeholders have expressed, and recommendations for future implementation of the FiTI. In addition to consulting with stakeholders – which includes the members of the National MSG and relevant constituency members outside of the group – the Validator must

carefully analyze the FiTI Reports and meet with the Report Compiler to discuss the strengths and weaknesses of the reporting process.

The conclusions of these validations will support the final decision of the International FiTI Board regarding the country's status.

It is currently envisioned that the International FiTI Secretariat will pay for the country validations.

Furthermore, Regional Support Functions could be able to conduct not only national report compilations for their own countries, but also conduct validations of countries in other regions.

Timeline for 1st FiTI Country validation

Recommendation 9: Countries must undergo an initial validation after completing its first FiTI Country Report. Only when the International Board approves the outcomes of the validation, the country can become an FiTI Compliant country.

Timeline for subsequent FiTI Country validations

Recommendation 10: Countries should undergo regular validations by the International Board at least every 36 months unless otherwise requested by a country of deemed necessary by the International FiTI Board.

Furthermore, it is crucial to the integrity of the FiTI that any serious breaches of its Standard are also identified and addressed in the periods between validations. The FiTI will therefore establish a formal grievance mechanism to raise complaints regarding alleged nonconformities with the FiTI Standard.

3. Transition from conceptual phase to implementation phase

A key output of the current conceptual phase (which started in May 2015) is the so-called FiTI Standard, developed by the FiTI International Secretariat under the guidance of an International FiTI Advisory Group.

With the expected finalization of the FiTI Standard in early 2017, the FiTI will transition from its current conceptual phase into a standardized implementation phase. This major milestone will be marked by the 2nd International FiTI Conference, hosted by the Government of Indonesia on 27 April 2017 in Bali / Indonesia.

This also requires that the FiTI has to develop from an initiative with an informal governance structure to a more formalized international members' organisation.

a) International Board

The **International FiTI Multi-Stakeholder Board** is the global decision-making body of the FiTI. Key responsibilities of the Board include, but are not limited to:

- assessing candidate application of countries;
- evaluate countries' performances against the FiTI Standard based on regular validations;
- enhance the FiTI Standard over time;
- oversee the work of the International FiTI Secretariat;
- respond to complaints and grievances;
- participate in regular Board meetings (approx. 2-4 per year)¹⁵;
- promote the aspects of transparency and participation in fisheries.

Board members are also expected to serve on Board Committees, which often meet more frequently to discuss specific issues in-depth and make recommendations to the Board.

Furthermore, Board members are expected to hold regular consultations with their Constituencies, to receive input from their respective Constituency in advance of Board meetings, and to report back to their Constituency after Board Meetings.

¹⁵ It also takes decisions via Board circulars on a more frequent basis.

Setup of the 1st International FiTI Board

The 1st International FiTI Board will assume its responsibilities after the 2nd International Conference, i.e. in May 2017.

The International Board is composed of members who act as representatives of either a country government, business or civil society organizations. It is planned that at full maturity of the FiTI, the members of the Board will be formally nominated and elected. When elected, International Board members do not act in their personal capacity but as representative from their stakeholder group, to which they are accountable (e.g. Ms. X from Organization Y would participate in the Board as representative from Organization Y).

In order to execute such a formal nomination and election process, an official members' organisation needs to be established. Representatives from the three stakeholder groups from all over the world can then become members of the organization. All members meet regularly during "Members' meetings", at least every three years, summoned by the International FiTI Board. At these members' meetings, each stakeholder group can periodically and democratically nominate their representatives as candidates for the next International Board. The Board members will be then formally elected by all members during the members' meetings. The members' meeting makes every effort to adopt resolutions by consensus. If a vote is required, the three constituencies, government, business and civil society organisations shall have equal voting power.

When elected, Board members must assume several responsibilities and participate actively in the different meetings of the Board. Each member – except the Chair (see below) – is invited to have an alternate, who is welcome to observe Board meetings and deputies for the member.

Establishing such a legal independent entity and fulfilling the various organizational requirements requires time and preparations. Furthermore, it must be ensured that the spirit of this initiative as well as experiences and knowledge developed by the International Advisory Group is preserved throughout this transition.

Recommendation 11: Members of the 1st International Board should primarily be recruited from representatives of the current International Advisory Group.¹⁶

It is expected that the 1st International Board will be formally established through acclamation by participations of the 2nd International FiTI Conference.

¹⁶ In case this recommendation is approved, the international Secretariat will provide Terms of References for the 1st International FiTI Board in order to enable potential candidates to make informed decision no later than February 2017

Size and composition of the 1st International FiTI Board

The composition of the International FiTI Board must reflect its multi-stakeholder orientation.

Recommendation 12: The number of members for the 1st International Board should not exceed 18 seats. These seats should be equally distributed among representatives of the three stakeholder groups:

Governments (total of 6 representatives, thereof at least 3 implementing coastal countries);

Business (total of 6 representatives, thereof 3 large-scale fisheries business/associations and 3 small-scale fisheries associations); and

Civil Society organizations (total of 6 representatives, thereof 3 international CSOs and 3 national/regional CSOs).

In case the 18 member seats cannot be filled by current members of the International Advisory Group, the International Secretariat will recruit other candidates. Regional distribution and gender diversity will be taken into consideration.

Intergovernmental organizations, such as the World Bank, regional development banks, development agencies, the European Union, will act as observers. Observers do not have any voting rights but may be invited by the International Board to express their views on specific policy and implementation matters.

In general, the members of the International Board (including observers) contribute their time pro-bono. Travel support will be provided to members from civil society organizations and small-scale fisheries associations.

Term of the International Board

In order to avoid an abrupt renewal of the entire International Board when transition from the 1st to the 2nd FiTI International Board, a staggering system should be put in place for the 1st International Advisory Board. Such a system allows more continuity in the FiTI process, guaranteeing that the general course set by 1st International Board and its expertise will be maintained despite the rotation.

Recommendation 13: The overall term for serving on the FiTI International Board is 3 years. 12 members of the 1st International Board are requested to serve this entire timeframe to ensure continuity. The other 6 members of the 1st International Board should serve no longer than 2 years and then be formally replaced by new Board members.

b) Chair of the International Board

The International Board will be led and represented by a neutral Chair, who will be elected by the members of FiTI. Key responsibilities of the Chair include, but are not limited to:

- acting as chair of the FiTI Members' Meeting;
- acting as chair of the FiTI Board meeting;
- presenting the FiTI International Board report to the FiTI Conference and the FiTI Members' Meeting;
- representing the FiTI International Board in external matters;
- following up with the FiTI Secretariat regarding the implementation of the resolutions of the FiTI Board; and
- seeking to foster collaborative relationships between FiTI stakeholders.

In general, the Chair of the International Board contribute his/her time pro-bono.

To ensure that the vision and knowledge developed by the International Advisory Group is preserved throughout the transition to the International Board, it is recommended that the current Chair of the International Advisory Group takes on the role of 1st Chair of the International Board during this interim period. This transition phase could be set for one year until a new Chair, who shares the vision of the FiTI and has the appropriate qualifications for the role, is elected.

Recommendation 14: It is recommended that the current Chair of the International Advisory Group (Prof. Peter Eigen) takes on the role of 1st Chair of the International Board during a transition period of one year, until a new Chair is formally elected by the 1st International Board. For this, selection procedures for the 2nd Chair should start immediately after the transition to the International Board in May 2017.

Terms of Reference for the Chair shall be elaborated and voted by the International Board at the beginning of their mandate.

c) International Secretariat

The International FiTI Secretariat provides the technical and administrative support to the International Board. Its operational and strategic priorities are determined by the FiTI International Board.

Core responsibilities and activities of the International FiTI Secretariat can be summarized as follows:

Core responsibilities	Activities (examples):
Support implementing countries	<ul style="list-style-type: none"> • Support candidate applications • Provide technical advice and training regarding the FiTI Standard (as needed)
Advance the initiative	<ul style="list-style-type: none"> • Promote the FiTI among interested stakeholders • Conduct regular validations • Recommend enhancements for the FiTI Standard
Provide secretarial and administrative support to the International Board	<ul style="list-style-type: none"> • Prepare regular Board Meetings, incl. decision memos • Support Board Committees • Organize global FiTI Conferences and Members' Meetings • Prepare and manage the documentation for the institutionalization of the FiTI
Promote transparency and participation in fisheries	<ul style="list-style-type: none"> • Disseminate results of FiTI Country reports • Manage partnerships and other forms of collaboration (e.g. donors, development agencies, academia, regional fisheries organizations) • Promote FiTI at conferences, workshops

The HUMBOLDT-VIADRINA Governance Platform, currently acting as the International Secretariat for the FiTI, is prepared to continue its current role and responsibilities as International Secretariat. The current core team (enlarged by additional personnel) would assume these responsibilities for the timeframe of the first 3 years. This is however also subject to funding. Afterwards, leadership and key operational personnel of the International Secretariat will be recruited and located by the formally-elected 2nd International FiTI Board.

Appendix I: FiTI Reporting requirements (every 12 months)

The following 3 sections must be reported EVERY 12 MONTHS by FiTI implementing countries:

- ✓ **Section 1: National Rules on Fisheries Tenure Arrangements**
- ✓ **Section 2: Characteristics of the Large-Scale Fishing Sector**
- ✓ **Section 3: Characteristics of the Small-Scale Fishing Sector**

Section 1: National Rules On Fisheries Tenure Arrangements ¹

*This section contains information on **national fishing authorizations** as well as **international agreements**.*

Reporting categories	Reporting elements
National Fishing Authorizations	<ul style="list-style-type: none"> • System used for granting access rights to fisheries¹⁷ • Fishing authorizations categories¹⁸ • Information on authority granting fishing access rights and fishing authorizations¹⁹ • Duration of individual fishing access rights and fishing authorizations • Criteria/policy used in the decision-making process for providing fishing access right and fishing authorization²⁰ • Payment structure used for granting access rights and categories of fishing authorisations and how these are calculated²¹ • Conditions applied to individual fishing authorisations (fishing effort and impact; landings; catch reporting and enforcement) • Information on how fishing access rights or authorizations can be transferred/shared, including details of rules for charter arrangements

¹⁷ Licensing system or catch share.

¹⁸ This information covers all types of fishing authorisations granted to both large-scale and small-scale fisheries, and also includes information on other fishing authorisations given for recreational fishing and scientific research as well as exploratory/experimental fisheries.

¹⁹ This includes any details on the role and composition of an oversight body or advisory committee, if applicable.

²⁰ Vessel size, weight, value of catch etc.

²¹ Vessel size, weight, value of catch etc.

	<ul style="list-style-type: none">• Information on grounds and processes involved for fishing access rights and fishing authorisations to be suspended or revoked• Information on any rules and procedures for granting authorisation to a national fishing vessel to fish in a third country²²• Role of the fishing agents involved in fishing authorizations delivery process, including legal obligations for vessel owners in using fishing agents• Information on informal/customary rights, including information to show how countries promote and protect those rights
International Access Agreements	<ul style="list-style-type: none">• List of current access agreements, including protocols and other associated documents, providing the name of the legal entity with whom the agreement is signed and including the date on which the agreement came in to force and when it is due to expire or be renewed.• Types of fishing authorisations issued under each access agreement• National authority which is the signature for the access agreement and any details of a committee or group involved in the negotiating process• Payment structure, including information on the costs of fishing authorisations and details of any other payments (in cash and in kind) that forms part of the access agreement²³• Conditions applied to fishing vessels, covering fishing effort and impact, landings, catch reporting and enforcement.• Information on grounds and processes involved for fishing access rights and fishing authorisations to be suspended or revoked

²² Including information whether Parliaments, civil society and small-scale fisheries organizations have been consulted during the negotiations of the agreements and their role in the process.

²³ This may include, for example, investment in fisheries sectoral support, technical assistance or capital investment for fisheries development). Relevant information relating to taxes must also be included, such as reduced taxes for fishing firms operating under the agreement.

Section 2: Characteristics of the Large-Scale Fishing Sector

This section contains information on **vessels**, their **authorizations** and **payments** as well as **catches**. **Elements shaded will be discussed during the 5th International Advisory Group meeting.**

Reporting categories	Reporting elements
Vessels²⁴	<ul style="list-style-type: none"> Name of each vessel Legal ownership of each vessel (i.e. name, address, country) Beneficial ownership for each vessel Registered port of each vessel Flag state of each vessel Identification number(s) of each vessel Type of each vessel²⁵ Characteristics of each vessel²⁶
Authorizations	<ul style="list-style-type: none"> Type of authorization for each vessel Authorization-determining access regime Authorization/Rights holder (i.e. name, address, country) Date & duration of authorization Name of local agent, if applicable Pre-determined cost of authorization²⁷ Payment recipient²⁸
Payments	<ul style="list-style-type: none"> Value of payments for fishing activities on a per vessel basis
Catches	<ul style="list-style-type: none"> Annual catches for retained targeted species, aggregated by flag state/gear type/ species²⁹ Quantities of catch landed in domestic ports, transshipped in port or at sea, aggregated by flag state/gear type/species Annual catches of non-targeted species & discards, aggregated by flag state/ gear type/species³⁰

²⁴ The National Multi-Stakeholder Group must decide on the definition of large-scale fisheries (as opposed to small-scale fisheries). This must include all types of fishing licences (if deemed large-scale), including recreational & non-commercial scientific/research. Fishing vessels must include support vessels.

²⁵ Defined by law and fishing gear or fishing method; National Multi-Stakeholder Group needs to define categories.

²⁶ This includes, as a minimum, length of vessel, width of vessel, tonnage, engine(s) power as per applicable license payment rules / management measures, etc.

²⁷ Cost of license fee as stated in national fishing authorizations or international access agreements.

²⁸ Name of government agency and bank account for payments.

²⁹ Catch data on a per vessel basis for all or some fisheries can be published if justified and agreed upon by the National MSG.

³⁰ Where coastal states are unable to provide complete data on bycatch and discards, the reasons for this must be clearly articulated and information must be provided on what measures will be taken to improve the availability of catch data.

Section 3: Characteristics of the Small-Scale Fishing Sector³¹

This section contains information on **vessels & fishers, payments and catches**.

Reporting categories	Reporting elements
Vessels & Fishers³²	<ul style="list-style-type: none">• Number of fishing vessels• Number of fishers according to gear type• Number of fishers according to designated target species• Total number of fishers
Payments	<ul style="list-style-type: none">• Value of payments for licensing and landings to central government, district authorities or other management organisations
Catches	<ul style="list-style-type: none">• Quantities of catches, disaggregated for species and types of fisheries

Vessels that do not comply with catch reporting provisions according to the country's rules on fisheries tenure arrangement must be identified in the FiTI Report.

³¹ Reporting on small-scale fisheries must include recreational fisheries, unless classified as large-scale fisheries by the national Multi-Stakeholder Group. The National Multi-Stakeholder Groups must verify that data on small-scale fisheries represents the best available information. FiTI Reports must explain deficiencies in data and how data collection will be improved over time.

³² Data on small-scale fisheries and vessels will be aggregated. However, National Multi-Stakeholder Groups can request certain data to be presented on a per vessel basis.

Appendix II: FiTI Reporting requirements (every 24 months)

Contextual information must be reported EVERY 24 MONTHS by FiTI implementing countries.

Section 4: Other Characteristics of the Fishing Sector

*This section contains information on **post harvest & trade, fish stock assessment, fisheries management, labour standards, fisheries subsidies, and development aid.***

*It is also recommended to add another contextual information category on **beneficial ownership transparency** (see recommendation 2).*

Reporting categories	Reporting elements
Post-harvest & Trade	<ul style="list-style-type: none"> • Production of fish and fish products • Employment numbers in commercial and informal sector, including number of men and women working in specific sub-sectors • Information on import and export statistics • Optional: information on wages
Fish Stock Assessment	<ul style="list-style-type: none"> • Most recent reports on stock status, including where possible recommendations on permissible catch volumes and fishing effort³³
Fisheries Management	<ul style="list-style-type: none"> • Existing fisheries policies and legislation • List of current fisheries management plans, with links to these documents • Information on fisheries offences, as established through Fisheries Acts and regulations, and information on what measures are in place for monitoring fisheries and vessels in complying with fisheries laws³⁴ • Information on specific offences in the large-scale sector that have been resolved by the fishing authorities, as well as information on any fines and penalties issued in relation to these offences (including out of court settlements)³⁵

³³ Information should clearly state for what areas/species are fish stock assessments absent, as well as any further information on efforts to update and expand fish stock assessments.

³⁴ For example on-board observer, VMS, patrols etc.

³⁵ The National Multi-Stakeholder Group must decide whether this information is published on a per-vessel basis or in an aggregated form.

	<ul style="list-style-type: none"> • If available: Information on nature and extend of non-compliance in the small-scale sector • Status of compliance of countries with regards to reporting requirements of RFMOs, if applicable
Labour Standards	<ul style="list-style-type: none"> • Information on applicable labour laws for fisheries (including what is applicable for expatriates or foreign crews) • Ratification and implementation of relevant ILO Labour Conventions • Information on measures in place to monitor compliance with labour laws and provide any information on violations and subsequent penalties relating to labour law
Fisheries Subsidies	<ul style="list-style-type: none"> • Information on the type of subsidies provided to the fisheries and fish production sectors • Aggregated value of these subsidies³⁶
Development Aid	<ul style="list-style-type: none"> • List of current public sector fisheries and marine conservation projects funded by donors (multi-lateral, bi-lateral and private), including information on project values, purpose and outcomes
Beneficial Ownership	<ul style="list-style-type: none"> • Legal basis for beneficial ownership transparency • Country's legal definition of beneficial ownership • Information on the existence of a publicly available register of beneficial owners • Information on how obtaining beneficial ownership is already incorporated in existing filings by companies to corporate regulators, stock exchanges or agencies regulating the access to fisheries • Current status and discussions around beneficial ownership transparency in fisheries

³⁶ If accessible from existing government information system and/or is requested by the National Multi-Stakeholder Group, data can be reported in a disaggregated form.