



# AIP Pilot Implementation

## Public Summary Report of Lessons Learned

August 2022

## Background

ASC has developed an Improver Program (ASC IP) to support the ASC vision and mission. This programme is designed specifically to support improvement in farms that cannot currently achieve certification or do not wish to seek certification but simply improve their performance or practices. The ASC standards set principles, criteria, indicators, and measurable performance levels for environmentally and socially responsible aquaculture. However, producers carry the responsibility to implement these standards at their farms, where smaller operations may have financial or technical constraints. The ASC IP helps bridge this gap by increasing accessibility to ASC certification or to improve aquaculture to more responsible practices at these small or less technical operations. The ASC IP is comprised of a set of procedures and tools to ensure that ASC standards or best practice improvements are consistently and effectively implemented by the producers.

The Programme aims to provide:

- A precompetitive framework for measuring performance and progress of aquaculture producers in a transparent and credible way.
- Timebound objectives and have independent verification of progress to create a level playing field for the industry to engage with their supply chain and improve the sustainability performance of aquaculture producers.
- An opportunity to partner with likeminded organizations to build capacity on the ground, streamline assessments and information sharing and address complex challenges at landscape level to drive meaningful change.

The AIP pilot reviewed here was conducted under the ISEAL Innovations Fund project, [\*Integration of Seafood Certification and Jurisdictional Assurance Models\*](#), supported by Swiss State Secretariat for Economic Affairs (SECO).

## How it works

The programme is developed for producers who are not yet ASC certified but want to show that they are improving their performance, using the tools and systems that ASC has designed to create a credible pathway for improvement. Producers can choose two tracks for their Aquaculture Improvement Project (AIP):

- AIP to ASC certification (AIP2ASC): This track is aimed at defining a plan of four phases to improve performance to a level where the producer is certifiable by the end of the AIP.
- AIP to Better Practices (AIP2BP): This second track is designed to facilitate producers who wish to not become certified but want to improve responsible practices in specific environmental or social areas.

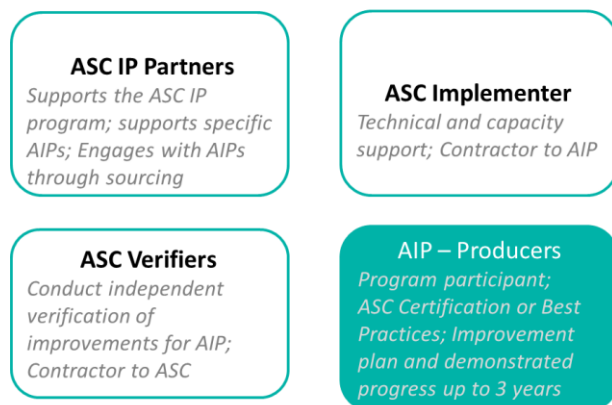
Both tracks share a list of requirements against which progress needs to be reported; the certification track has an additional set of requirements to prepare the producer for ASC certification. Participation in the programme is voluntary but requires adherence to strict procedures as laid out in the ASC IP. These procedures include aspects such as when certain requirements must be met, how a farm will develop improver plans and verify

improvements, and the timeframe for an AIP; together, these are the rulebook for what ASC deems to be critical ingredients for a credible AIP, allowing the producer to show meaningful and measurable change in a transparent manner. Participation in the programme provides access to ASC trained and qualified implementers that support producers, appointed by the AIP, listed on the ASC website and access to ASC trained and qualified verifiers, appointed by ASC, independent from the AIP.

Producers, industry representatives and partners interested in implementing or supporting an AIP must apply to ASC in order for their eligibility requirements to be confirmed; certain eligibility requirements, such as siting in Protected Areas, align with ASC performance requirements that must be met at the onset of any improver project.



- Develops program procedures, requirements, and templates
- Trains implementers
- Trains verifiers and covers costs of verification



*The program relies on the participation of a number of actors. ASC maintains the program, but AIP partners provide critical support for the program and specific AIPs. They are key to incentivizing and maintaining engagement. Implementers are the go-to technical and management support for AIPs; trained by ASC they work with the AIP through the entirety of their project from baseline assessment to achieving end goals. Verifiers provide assessment and verification of improvements made to support the improvement process and provide transparency to the AIP’s performance. Producers may be single site, multi-site or groups with options to plan for ASC certification or best practices; these targets must be achieved within three years.*

## Initial pilot

The initial pilot was made possible thanks to a grant from the ISEAL Innovations Fund, which is supported by the Swiss State Secretariat for Economic Affairs (SECO). ASC and partners (YSAI and ThinkAqua) have piloted the Improver Programme process in Situbondo and Probolinggo regencies in East Java, Indonesia, following an initial Needs Assessment across the province. ASC partners worked closely with the local producer group ASTIN and three packers to identify farms for both the AIP2ASC and the AIP2BP tracks, build relationships and identify key needs and incentives for engagement in the programme.

YSAI convened several meetings to facilitate discussions with industry and processor representatives and local government to review the procedures and requirements of the ASC IP and build support for the programme. Following these discussions and review of initial eligibility requirements and applications, there were 16 farms entering in AIPs under the ASC IP: 12 farms committed to the ASC2BP track and 4 farms committed to ASC certification as their end goal. Identifying either track at the onset of the project helps clarify the pathway and needs for the farm's process but does not prevent the farms from changing their end goal at any time.

This report summarizes the key lessons learnt by each of the key stakeholder groups from participation in this early pilot. It's important to note that the project experienced numerous delays due to COVID restrictions, and building trust and relationships often took longer than anticipated, therefore the farms engaged in the pilot are still in their improvement phase and have not yet reached their end goals. Additional learnings will be gathered as the project progresses. These learnings are critical to the further development of ASC's IP.

## General Lessons on ASC IP Process

An important first step in the pilot project was to develop a detailed understanding of the needs of farmers in the designated pilot project region, to target trainings and guidance materials to meaningful areas of improvement. The [Needs Assessment](#) provided useful background to help identify farmer groups that would be interested to participate, local government who would be supportive of shrimp farm improvements and packers who would be seeking to engage more farms in improvement, and provide a landscape assessment of shrimp sector in East Java, Indonesia. This was essential given the bottom-up nature of project identification. However, going forward – as the program becomes known more – it is more likely that projects will be identified without a Needs Assessment being carried out as packers identify farms to enter into the AIP2ASC stream and potentially NGOs support groups of farms in the AIP2BP stream.

### Implementer training

The training materials and additional documentation to support implementers were useful, but all stakeholders felt that additional materials would be beneficial to increase the chance of successful outcomes from both AIP streams. Simply providing basic training on the contents of the standards does not provide the knowledge needed for the Implementers to successfully deliver projects.

Training for first-time Implementers should take place before any engagement with farmers to enable them to understand the aims of the ASC Improver Program, the general principles of the standards and the expectations of Implementers and other stakeholders during the AIP. ASC developed a suite of templates to support the application, baseline assessment and improvement plan development. The templates provided valuable structure to back up the initial training, however there remained a disconnect between the baseline performance and how to achieve the indicator requirement. Breaking down each indicator into step-by-

step considerations for improvement would be useful for Implementers and for farmers (and packers) to understand more clearly what a basic starting point for improvement could be.

Implementers could translate (in language and meaning) the materials to enable farmers and packers to understand the finer detail of the standard requirements and how to implement improvements on farm. The quality assurance (QA) teams from packers who have not previously been through an ASC certification process have expressed keen interest in learning about the requirements of the standards and the improvement process, which can be facilitated through simplified and more appropriate training materials. However, Implementers should be trained separately and before any training to packers, as these actors provide key insight into the relationships between farms and packers and will need to understand the system to answer any questions from the packers. Interest from packers is likely to grow and Implementers should be ready to provide training, including aspects related to conducting the Gap Analysis.

## Gap Analysis

Conducting the Gap Analysis was initially challenging because of the steep learning curve amongst the Implementer team in relation to the detailed contents of the ASC standard. Similarly, for the development of Improvement Plans (which would benefit from the additional detail on potential stepwise improvement options for each indicator – as mentioned above). There is a need for dual skills of Implementers to be both strong community engagers/organisers and to have some experience of auditing. The latter skill set would help to identify issues on the farm more clearly and scope potential improvements against the standard. The current Implementer team now have more confidence in the process for gap analysis following a field visit from ASC. There is, perhaps, the need to maintain the current rigour for AIP2ASC candidates but have a more 'Principal' driven approach for AIP2BP farms who may not want to enter a track to ASC.

Overall, there was a good understanding of the indicator groupings (Mandatory, Essential, Optional). Through the pilot, we recognized that many farms struggle to obtain or update all licences because the local government process is not always clear. This suggests that there may need some consideration of 'variance' allowances to provide flexibility to validating compliance against certain mandatory and essential requirements within the improvement project process.

## Scaling Improvement

In order to reach scale, the AIP process is set up to engage with multiple farms in an area. This was done with the ASTIN group in Situbondo and Probolinggo. In order to build the relationship with farmers and packers the Implementers needed to deliver sensitization workshops about the program. Some of this was done before the full detail of the program was apparent/training complete. The Implementers faced many questions about ASC standards, not so much about the Improvement process, for which dialogue with ASC was required. A lot of time was spent ensuring packer QA teams were comfortable with the standard and felt that they could select the right farms to enter the AIP2ASC route. Meetings with ASTIN members helped to identify a common goal for an AIP2BP, focused on water

quality improvements, although from the initial 50 interested farmers only 12 have progressed.

The Implementer is putting in additional effort to understand why farmers have not engaged so strongly since the initial meetings and to build stronger support for the approach the group is taking to understand (and then address) water quality concerns. This was a key point to come from early meetings with ASTIN.

## Data Collection

Data collection is a critical component of farm assessment and improvement verification. In this pilot we worked with SeaWarden, who developed a tool, SeaWarden Connector, to support data collection with farmers on the AIP2ASC track. The Connector delivers a data collection survey via WhatsApp so that there is no need to download anything onto a phone and allows for the uploading of geo-tagged images to demonstrate conformance with, or progress towards, requirements, e.g., screens are in place and functional to prevent escapes. This evidence will support validation of progress. At this early-stage part of the purpose is to support habit-building amongst farmers to regularly track key points on their farm. The data collection was help to fulfil the first requirements in the work plan; however, only trialled on the AIP2ASC farms. One farm was sceptical about data sharing through this platform, but others have adopted it and are adding in monthly summary data and images. One farm is using another farm management software that provides an alternative way to collect and deliver data; flexibility in approach while still delivering on key needs would value. ASC is exploring how to accommodate multiple methods, understanding that ultimately the goal is that farms are regularly monitoring conditions and maintaining/assessing relevant data, without prescribing how that must be accomplished or creating barriers to farmers operations.

## Lessons learnt from pilot participants

### Producers

Typically, the famers involved in the AIP2ASC are linked to a packer, although one farm in the AIP2BP has also expressed interest in how they could independently get to ASC certification themselves in order to get a better price for their shrimp.

For some farmers there is still a large gap in the understanding of what will eventually be required to meet ASC criteria<sup>1</sup>. There is a need to improve the overall understanding of requirements earlier in the program/training. This will help them to strengthen their decision on which direction to take. Some farmers went with BP because they felt it was

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<sup>1</sup> It is also worth noting the challenge with timing in the AIP process and the development of ASC's Farm Standard. The current ASC IP is based on the ASC Shrimp Standard. An AIP is ASC's programme can operate for up to 3 years. ASC plans to deliver on their integrated Farm Standard in 2024.

clearer/easier, although they still have a longer-term goal to switch to ASC stream once they have clearer understanding of the standard criteria and support from packers.

## Packers

The market is increasingly demanding ASC certified product and packers want to learn more about the standard requirements. They want to build confidence in QA teams with one farm so that their own teams can help other farms towards certification. This may mean they won't need the IP process or the Implementer's support, but at these early stages that isn't completely clear (for packers either).

In Indonesia, specifically, there have been discussions regarding the proximity of ponds to the coast<sup>2</sup> and a request for early decisions on whether particular farms could meet these criteria for certification, coupled with assessment around any presence of historic impact on mangroves. This is a challenge that ASC cannot concretely answer because the CAB needs to make that final assessment to ensure ecosystem functions are maintained. Without this confirmation, packers remain hesitant to move farms into the AIP. Some consideration/clarification of how variances are allowed in this area may be needed with CABs.

The packer is a strategic partner in deciding which farms to engage in the AIP2ASC stream and seem likely to increase the numbers of farms they wish to move to ASC, but they need the market recognition of the AIP (even informally) to give them the confidence to use this structured route publicly (with reference and progress highlighted on the ASC website, as public reporting of progress through the ASC IP is a requirement).

Packers highlighted that if they have a good success story here then it will be easier to engage other farmers in the AIP process. If they can speed-up the AIP process that will be better, so even if the workplan is 3 years they will push farmers to improve faster to meet market needs. Improved training and templates will be critically important in creating efficiencies and reducing lost time in learning and onboarding.

The gap analysis conducted externally is a very valuable piece of work for the packers. However, this also indicates that Implementers need strength in those skills.

## Implementers

The role of Implementers is new within the ASC delivery mechanism and for this pilot required significant experience in community/farmer/government engagement because there was not strong supply chain push for initiating the AIP. However, it has become evident that stronger experience with auditing would be valuable for future Implementers, especially to ensure rigour in the gap analysis for farms on the AIP2ASC track. The Implementers have worked closely with packer QA teams, but as they increase knowledge/skill of how to implement ASC standard at the farm level they may take on some of the role, depending on

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<sup>2</sup> The ASC Shrimp Standard requires a 100m buffer between ponds and coastline to provide protection.

how formal the AIP will be. In order to strengthen the role of the Implementer, especially in delivering AIP2ASC projects, ISO9000 and ISO14000 training is recommended.

More extensive, detailed training before the project even starts engaging farmers/packers is essential to provide credibility and confidence in participants. The training should not only cover the content of the standard but provide more detail on potential improvement approaches for specific criteria. Stepwise guidance from the basics to the full data required for each criterion in the standard would also be a useful template for the overall program. For example, for water quality, the final requirement for nutrient calculations has a basic foundation in whether farms collect any data on water quality, even temperature data in ponds – and building up from there. This lesson and need have been the most resounding and is now being developed as a detailed activity to support further development of the ASC IP.

The procedures of the programme lacked clarity on when to conduct a full gap analysis (ASC/BP streams) and how it related to both tracks. The reduced requirements need for the BP stream is appreciated, but there is still interest from farmers/packers to have full gap analysis to inform what specific improvements are needed against the standard, and when this should be done to inform next steps.

Within the AIP2BP there is a focus on water quality improvements and the use of wastewater treatment ponds. These aims are broader than specific criteria in the standard, although they do respond to key principals. They also require a different type of engagement including with government and universities, not just farmers and packers – to deliver successfully. This requires additional skills and time to ensure embedded commitment with the wider ASTIN group and to bring external stakeholders along at an appropriate pace. However, it has also been valuable to have discussions with the ASC team to understand that waste loading can also be managed through feed/pond management (other criteria), not just looking at the water directly. Understanding the interconnectedness of some requirements will also help farmers with efficiency.

For farms in the AIP2ASC stream the key push (and support) has come from packers. Visits are scheduled with packer staff to give the farmers the confidence in the process. However, there have been some challenges matching the schedules with packer QA teams, to ensure timely visits to enable project progress.

As more projects come on-stream it would be valuable to share learning/understandings with other AIPs. For example, the process of grouping indicators into the Improvement Plan required input from farmers and packers to ensure the phases made sense on the farm too. Being able to see previous Improvement Plans (when more available) would help streamline that step.



The BEIA and PSIA<sup>3</sup> should happen early in the Improvement Plan so that any lessons from these can help to inform key changes required on the farm, however, BEIA/PSIA are costly and time bound. Packers and farmers are reluctant to covers these costs at this stage (without confirmation of final success) so alternatives need to be explored; can the costs be covered within an AIP (if funded externally) and could the Implementer conduct a draft BEIA/PSIA to save time and money?

## ASC

A key consideration for many farms in Indonesia is around proximity to the coast. ASC can improve communication and intent of these requirements to AIPs, implementers and verifiers to alleviate initial concerns of noncompliance and assist in the planning for assessment and collection of required evidence. While we recognize that many packers would like to get an opinion from a local auditor early on to avoid potential conflict with later auditing processes, the AIP needs to be understood as a process of improvement and learning. While certain metrics may be considered binary in nature – the intent of those requirements is at the core of implementation. The addition of remote analysis may help in some cases, but ground-truthing is often needed to understand specific site nuances.

Legality is not so black and white. ASC could revisit how legality is considered as a minimum entry requirement for the AIP. For example, more than 20 permits are required, and process can be unclear for some, the farm may well have been operating effectively for many years without a specific permit being issued. Some of this is about fixing the wider system rather than a lack of action by a specific farm (*see policy recommendations developed under this project*).

After training, perhaps there could be a test of Implementers on all aspects of the ASC IP – social, environmental, management, data collection/storage; both desk-based and mock-audit. However, there is a need to recognise that the skill sets needed will likely vary based on project aims; if a more donor-funded project for AIP2BP then more community motivation skills will be needed, if more market-driven for AIP2ASC then likely to need more QA team/auditor type skills.

If packers start using the AIP templates to help move farms towards certification, but don't register formally as an AIP then ASC should work out how to capture this as successes of the program e.g. a question in the certification registration about whether they used any AIP tools.

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<sup>3</sup> The Biodiversity Environmental Impact Assessment (BEIA) and Participatory Social Impact Assessment (PSIA) are requirements under ASC's Shrimp Standard. These aspects have been recognized as costly aspects of the certification assessment process and through this project, ASC is examining alternative mechanisms to deliver impact assessments without requiring the full process.

As more AIPs come on-stream there may be a need for specific coordination between projects to share learning and enable Implementers to understand how to deliver different types of projects most effectively.

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As the ASC IP expands and becomes established, one of the most challenging and interesting aspects is looking to the future and who will implement improvement projects.

Will AIPs and their improvements be shared publicly, as ASC will require, or just something done in private by QA teams if the market isn't actually rewarding anyone? We don't yet know whether processors will see a value in being associated with a publicly listed AIP (i.e., attracting buyers to them). We recognize this value in theory and identify it as a key incentive, but will this present in practice? We recognize the additional and big challenge of reaching large numbers of farms, thereby achieving landscape or jurisdictional improvements. The scale of the pilot was insufficient to adequately test this, but we did value and increased engagement through the group connections and shared associations with industry representatives and implementers. Early interest in the ASC IP outside of this pilot has encouraging levels of uptake and the projects M&E framework has identified indicators to measure the larger improvements gained through groups of farms on shared improvement pathways, though it may still take time to realize these gains.

Disclaimer: The views expressed in this publication are those of the author(s) and do not necessarily represent those of the ISEAL Secretariat, ISEAL members, or donor entities to the ISEAL Innovations Fund.



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