

Fisheries Improvement Fund

A global model for financing a sustainable blue economy

Prepared for: Global Tuna Alliance
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**“We gain our livelihood from the ocean.
We must take care of it.”**

--Mia Isaacs, President, Bahamas Marine Exporters Association

1/3

of fish stocks
are fished
beyond their
ecological limit

FAO: SOFIA 2018



70%

Decline in
marine
populations in
just the last 50
years

WWF Living Planet Report 2018





40

Countries at
risk for human
trafficking in
seafood supply
chains

**Threats to nature and people are
threats to business.**

Corporate Risk of Unsustainable Seafood Supply Chains



Business RISK

- Overfishing diminishes availability of raw material and drives supply volatility
- Loss of potential market access
- Reduced access to capital



Legal RISK

- IUU and slavery in seafood supply chains
- Corporate and personal liability
- Trade policy compliance issues (e.g. US, EU, Japan)



Brand RISK

- Damage to brand from negative press on overfishing, impacts on endangered species, labor violations/human rights
- Damage to customer portfolio and relationships

More Fish, More Profits

10-15%

more seafood could be produced with better investments in fisheries management

\$83 B

additional economic benefits could be realized with proper fisheries management

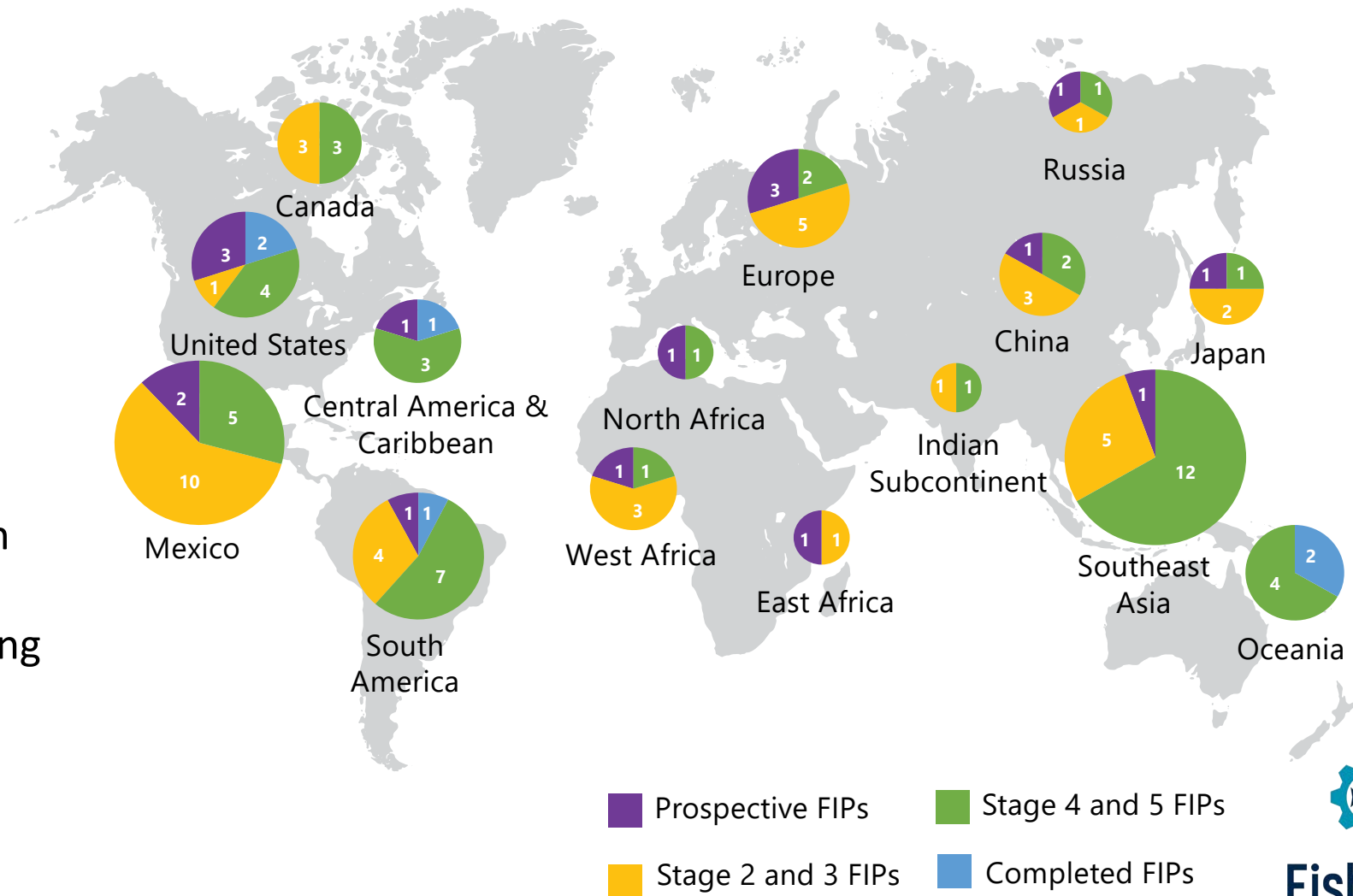


FIPs: A Global Model for Fishery Transition

157

Active FIPs on
FisheryProgress.org

Roadblock: Fragmentation in types of FIP funding and inadequate, unreliable funding to cover FIP budgets is prohibitive to truly globally, efficiently scale the model.



Existing Models of Private Sector FIP Funding



NFI Crab Council

- Target: Blue Swimming Crab FIPs
- Companies: 85% of Blue Swimming Crab Suppliers
- Contribution: 3 cents (USD) per lb

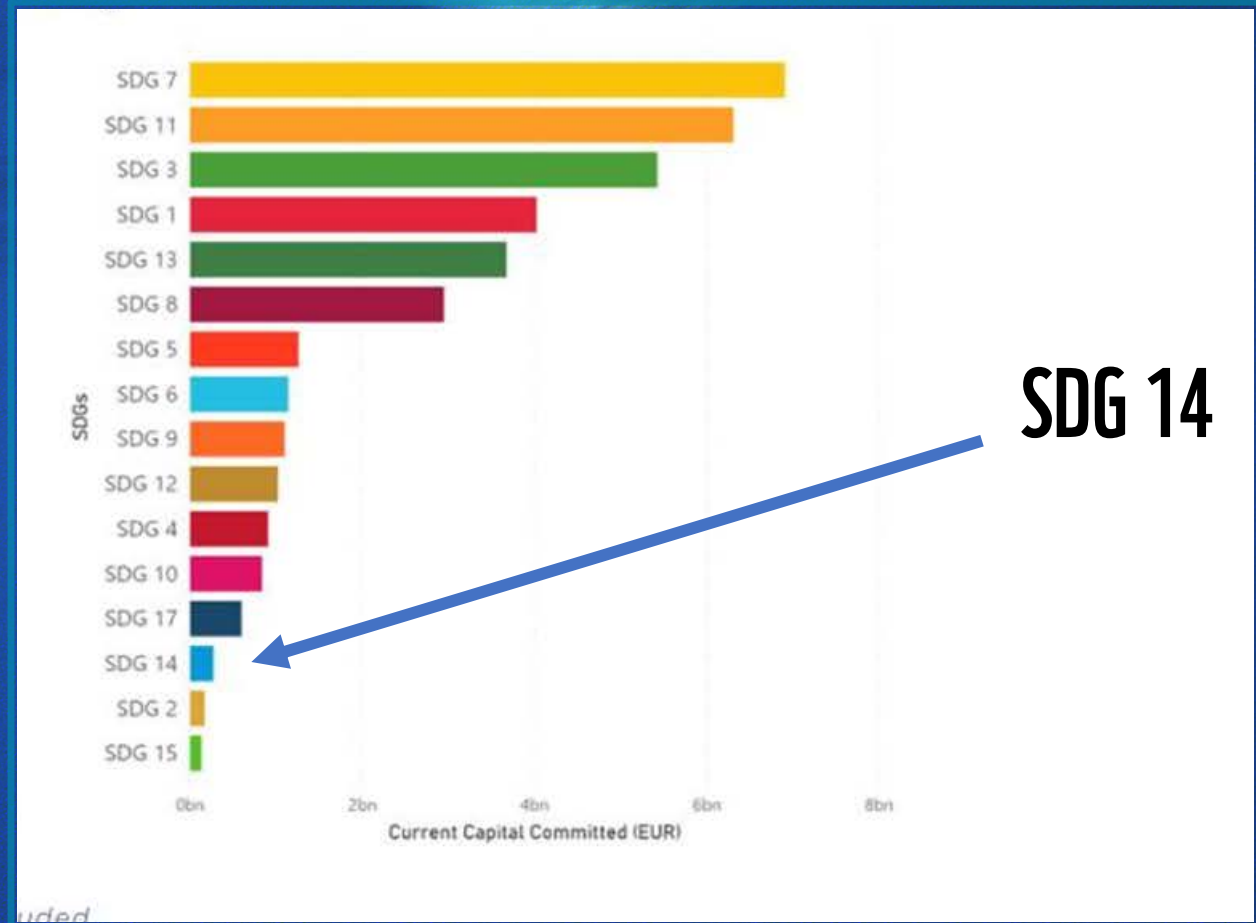


WWF FIP Participant Program

- Target: WWF FIPs- mahi, lobster, tuna, squid
- Companies: 60+ companies of these fisheries
- Contribution: 1 cent (USD) per lb.


Our model builds on these successful models adding new capital resources to support more efficient and expansive implementation of projects.

Lack of viable structures, particularly those with private sector participation has left the Ocean as one of the least impact investment areas of all the SDGs.





Our goal is to **scale** global fisheries **improvement** through an innovative approach blending **private, public, and philanthropic** investors.



Our vision is in **10 years** to have successfully launched a **\$100 million (USD)** financing facility to drive **a sustainable blue economy**.

Blended Finance Approach

02 Create Revenue Stream

Partner with seafood companies to secure volume-based commitments to FIP implementation

01 Secure Upfront Funding

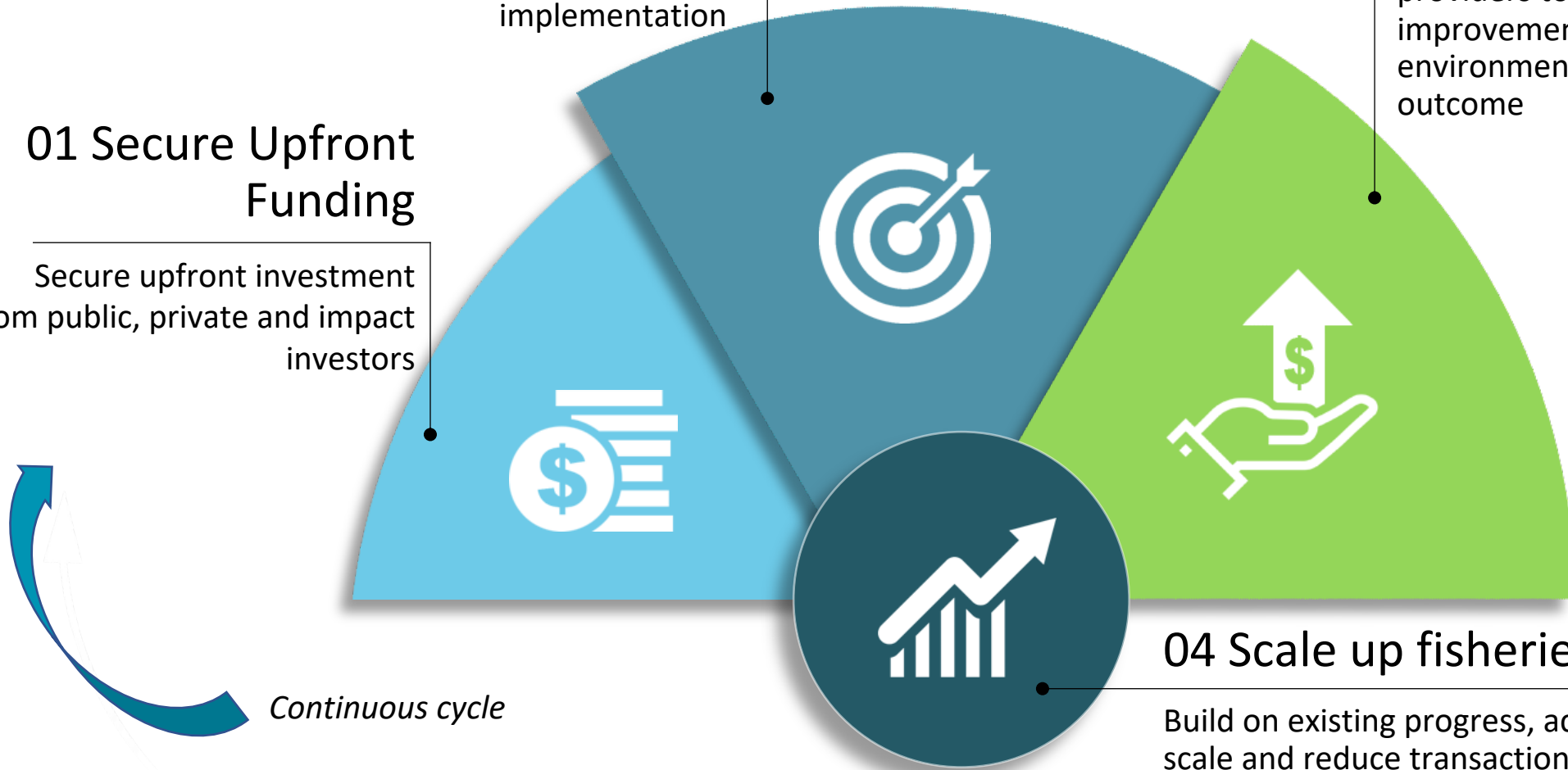
Secure upfront investment from public, private and impact investors

03 Impact on the Water

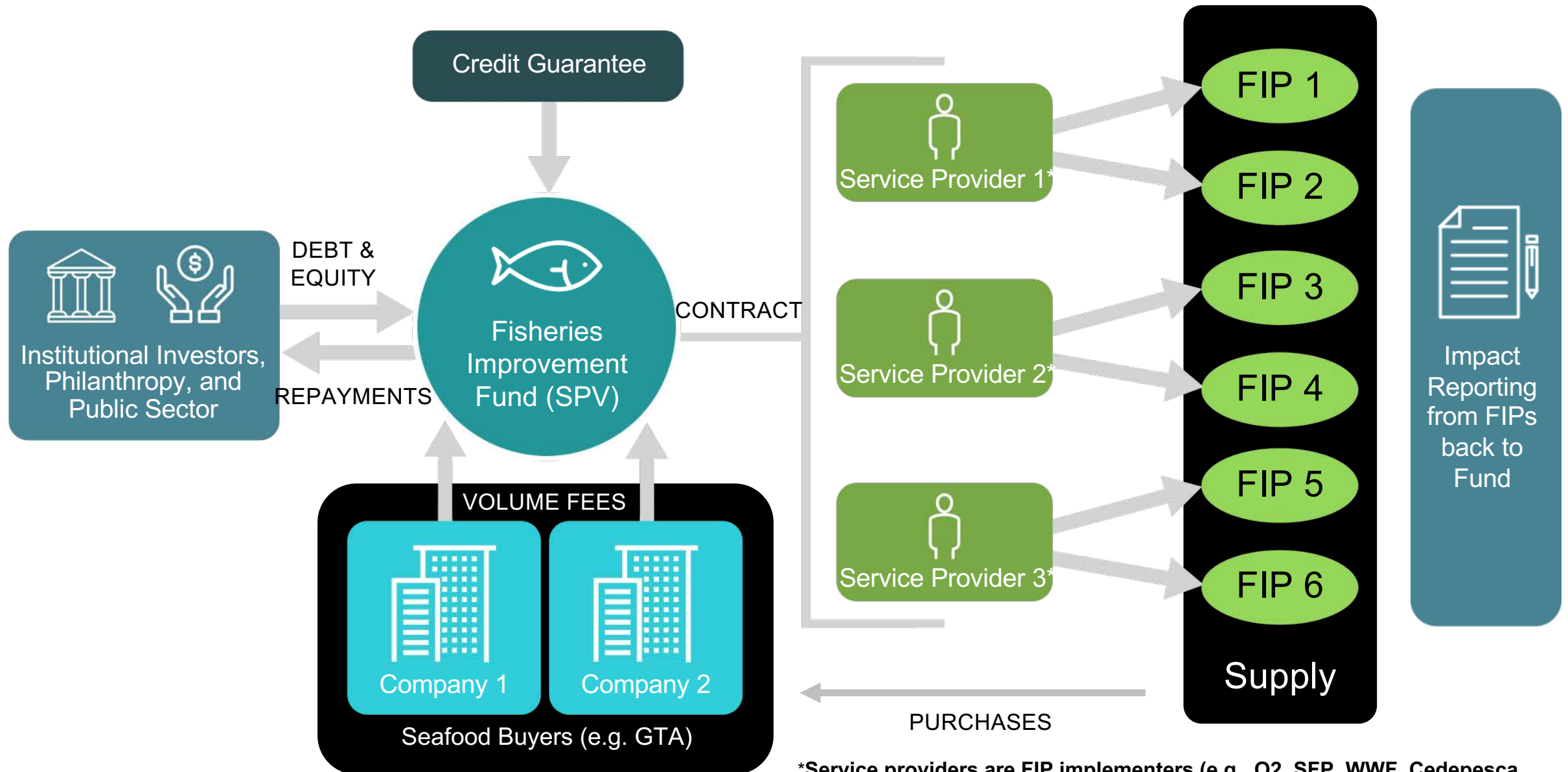
Deploy capital to approved service providers to implement fishery improvements and secure positive environmental, social and economic outcome

04 Scale up fisheries in transition

Build on existing progress, achieve economies of scale and reduce transaction costs



Fisheries Improvement Fund Model



*Service providers are FIP implementers (e.g., O2, SFP, WWF, Cedepesca, BlueYou)

Fisheries Improvement Fund Key Impact Metrics

Achieving SDG 14 – Life Below Water



Socio-Economic Impacts

Number of
fishers in
**sustainable
fisheries**

Number of
**female
fishers** in
sustainable
fisheries

Fisher profit
remains
stable or
increases

Increase in
proportion of
**females in
management**



Environmental Impacts

Decrease in
**negative
impacts on
habitat**

Decrease in
**stocks
overfished**

Increase in
number of
**assessed
stocks**

Increase in
**social and
environmental
standards
certifications**

Increase in
**sustainably
managed
stocks**

Decrease in
catch of **non-
target species**

2020



Phase 1 Feasibility

- Develop pipeline and test financial assumptions
- Engage companies for implementation
- Engage other FIP practitioners
- Establish project selection criteria and parameters

2021



Phase 2 Pilot

- \$5m Facility to invest in 3-5 projects
- Prove that the proposed investment structure is viable
- Refine terms and conditions for participants
- Evaluate and iterate the model

2022 and
Beyond

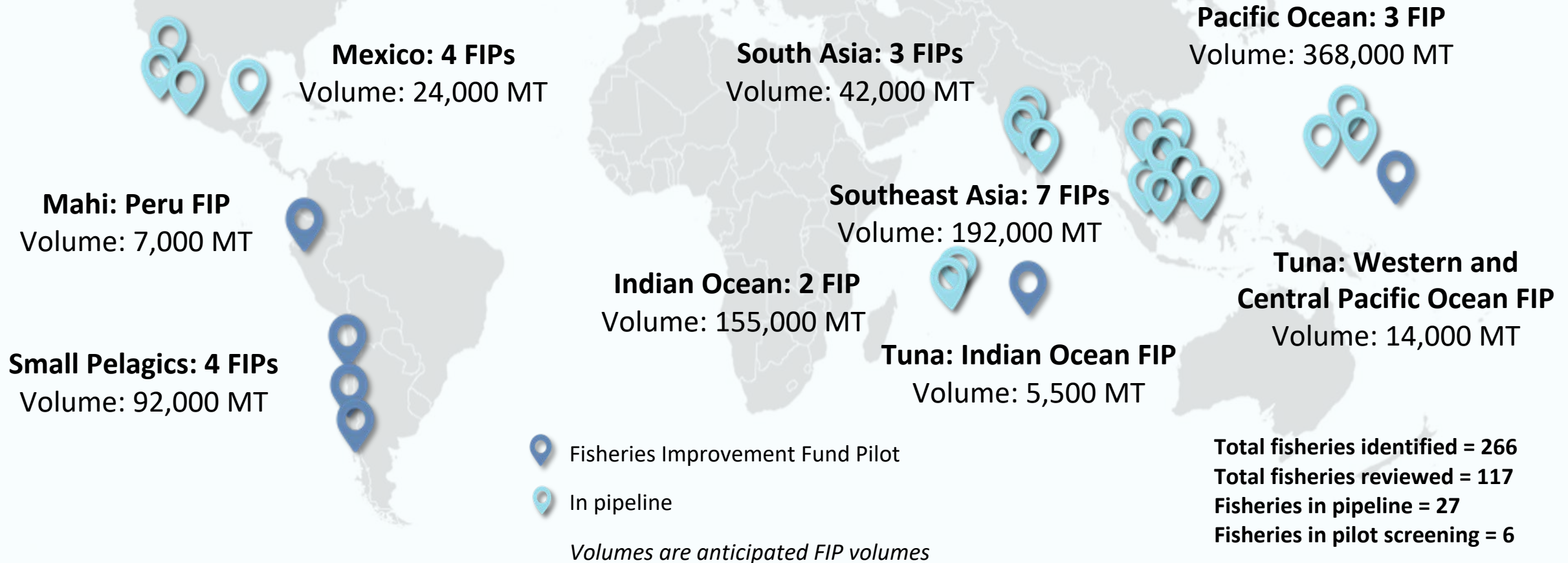


Phase 3 Catalyze

- Aggregate model into larger vehicles up to \$100m
- Allocate and price risk effectively
- Build investor and partner trust by establishing track record to demonstrate team skills
- Engage new investor partners

Pilot Projects and Pipeline

Additional fisheries can be assessed for pilot consideration



WCPO Tuna FIP

The Western and Central Pacific Ocean (WCPO) longline FIP is one of 12 active albacore FIPs in the world

FIP goals:

- Improve data collection
- Adoption of precautionary harvest strategies
- Strengthen ETP and retained species management and application of management measures



Chilean pelagics

Multi-fishery FIP project covering the anchoveta central, anchoveta northern stock, Spanish sardine, and Araucanian herring/common sardine.

FIP goals:

- Mitigate bycatch
- Decrease illegal fishing
- Develop ecosystem-based management approach
- Develop harvest control rules



Fund Value Proposition for Industry



Stabilize Supply Chains

more resilient, stable fish stocks reduce supply chain volatility and improve inventory projections for seafood products



Drive Down Cost of FIPs

incentivizes competition and efficiency of FIP implementers in order to secure funding and provides upfront capital for FIPs, reducing additional costs accrued due to funding gaps



Equitable, Efficient Industry Engagement

allows costs to be fairly distributed by volume of product produced across industry participants



Mitigate Risk

of illegality and labor violations in supply chains by engaging source fisheries and ensuring fishery reform



Reach Sustainability Commitments

funding fishery level transition needed to successfully reach goals within targeted company public timelines

Global Tuna Alliance Feedback



1. How can this model be strengthened?
2. Launch partnership MOU and confidentiality agreement?
3. Fisheries Improvement Fund implementation
 1. Identify future projects of priority for GTA members



Join us on our mission to support healthy marine ecosystems, thriving fishing communities, and a sustainable blue economy.

