

Two page memo summarizing scalability/replicability recommendations following the Sustainable Fisheries Fund (SFF) presentation at the 17th session of WECAFC, held in Miami in July 2019

Included as Annex 3a to Deliverable 4 submitted to FAO as part of the “Technical advisory services in support of the development of scalable fisheries business cases under the CLME+ Shrimp and Groundfish sub-project”.



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For: The Food and Agriculture Organization (FAO)

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Summary

Output:

Two page memo summarizing scalability/replicability recommendations following the sustainable Fisheries Fund (SFF) presentation at the 17th session of WECAFC held in Miami, USA, in July 2019. The results of the SFF were scheduled to be presented at the meeting, and while the presentation (**See Deliverable 3**) was included in the meeting agenda, the SFF presentation was ultimately removed from the plenary session agenda due to significant on-going debate - and the need for consensus on the conversion process of WECAFC into an RFMO.

Main Findings:

The SFF would be an innovation in fisheries impact investments, as it would be the first fund that directly promotes RFMO recommendations. The fund could be designed as a credit line in the order of USD 40–50 million, which could be supported by foundations, development banks and WECAFC members with an interest to contribute to fishery sustainability objectives. The RFMO secretariat and the fund management would provide technical assistance in terms of business planning support to private companies in fisheries interested in the credit opportunities. The RFMO Secretariat could also monitor the use of the credit line, and would report to the WECAFC Commission on the contributions of the credit towards conservation, sustainable management and development of the fisheries sector in the region. This impact monitoring by an RFMO would be another unique feature of the proposed SFF.

The overall benefits of the SFF are summarized in Table 1 below:

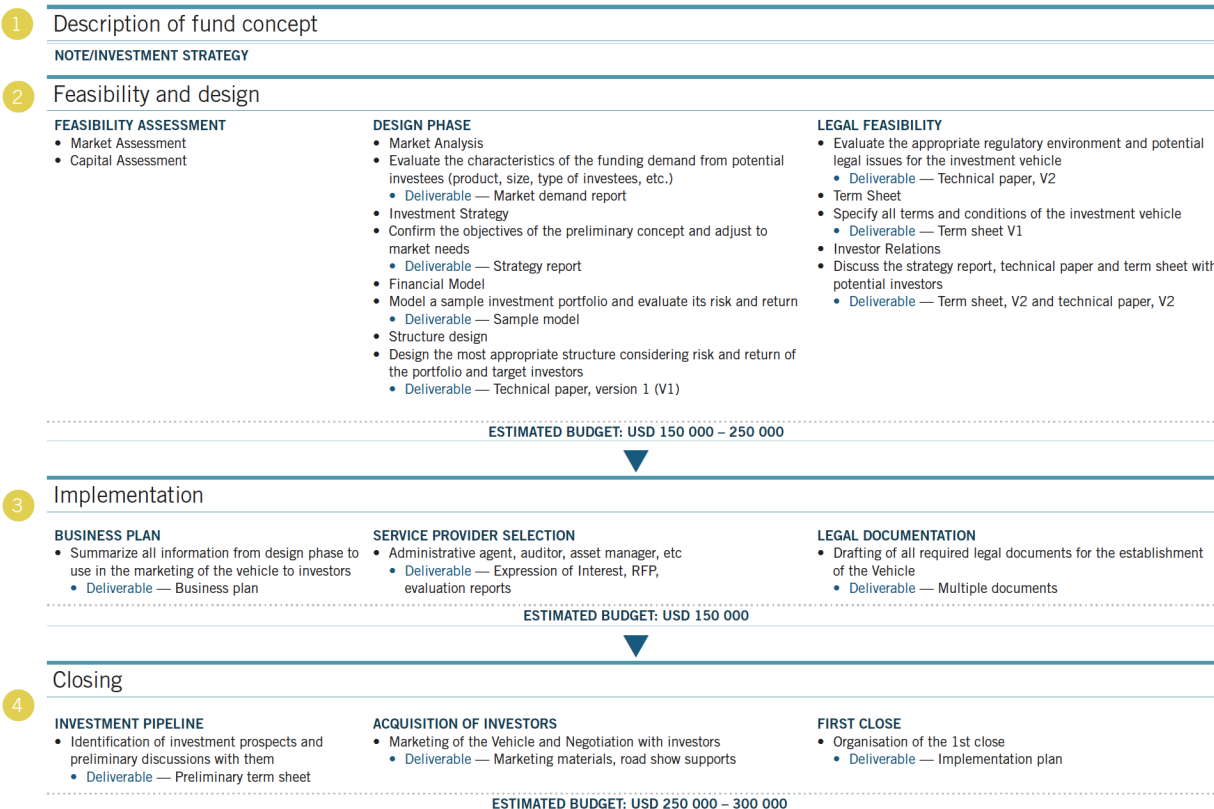
Table 1: Benefits of the SFF include

FOR THE PRIVATE SECTOR	FOR GOVERNMENTS	FOR THE CREDIT SUPPLIERS
Reduce costs of credit /increase profitability	Increase uptake & implementation by the private sector of fisheries management/conservation recommendations	Contribute to implementation of scientifically based measures that rebuild stocks and that deter and prohibit non-sustainable fishing practices
Support implementation of (binding) fisheries management measures	National level financial institutions used as intermediary, which builds and maintains local expertise and ownership and contributes to employment	Monitoring of impact guaranteed within RFMO structure
Receive technical support for business development	Reduce reliance on the government and its subsidies for adapting to CC	Opportunity to ensure socially and environmentally responsible investments in fisheries
Aid meeting market and IUU requirements	Meet regionally made commitments	Through (indirect) fund provision, reduction of transaction costs
Facilitate adaptation to CC	Secure access to credit and investment for the sector, tied with sustainability controls	Reduced risks of non-repayment of loans through use of local banks
Contribute to environmental sustainability	Support the competitiveness of the fisheries sector in the export markets	Technical assistance (TA) costs covered by WECAFC members

Four stages are anticipated in the transition of the fund from concept to reality, as summarized in the bullet points and figure below:

- Development of a preliminary concept: Documenting the broad parameters of a preliminary concept/investment strategy for the fund

- Feasibility and design: Demonstrating the market opportunity and viability of the proposed fund
- Implementation: Implementing the proposed fund
- Closing*: Securing the first tranche of investment capital



Extended unresolved discussions at the 17th session of WECAFC in July 2019 around the transition process of WECAFC into an RFMO indicated that discussions around the associated financing mechanism are premature, and that the significant questions around the coverage and institutional set-up of the new RFMO need to be resolved first. The main findings of the SFF are nonetheless included in **Annex 3b** for the reader’s reference.