



**Enabling investment
into conservation, climate
and communities.**

Financing Fisheries Reform

*Developing an innovative approach to
accelerate seafood sustainability*

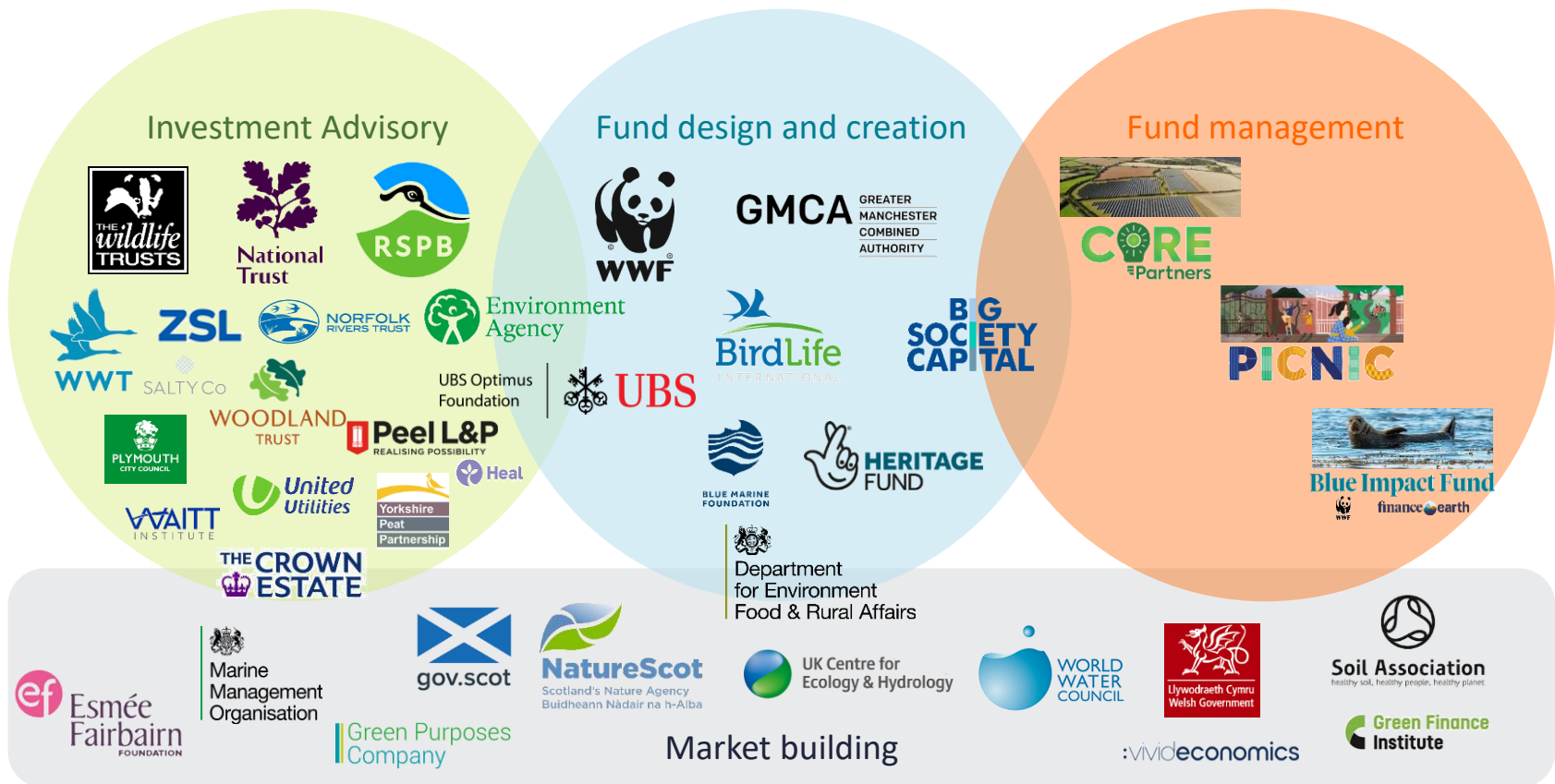
March 2023

Private and Confidential



Mission and partners

Finance Earth is a social enterprise and leading environmental impact investment boutique, offering corporate finance advisory and fund management services across the natural and built environments.



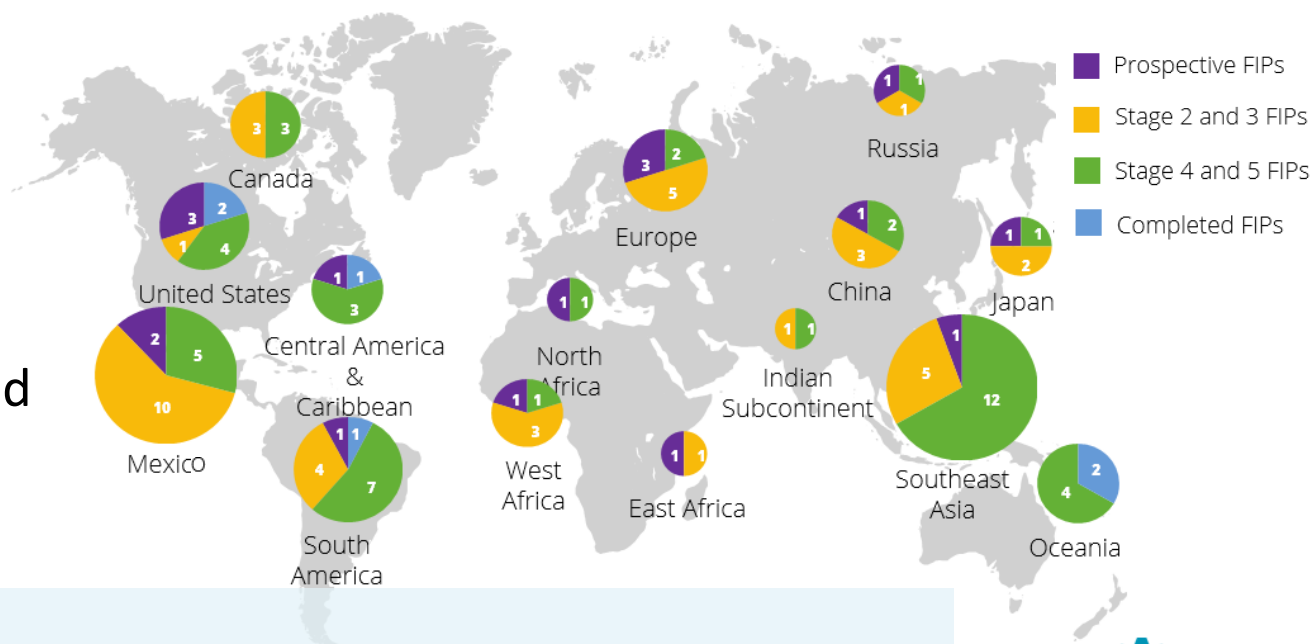
FIPs: A proven model with global potential

FIPs have a strong track record of improving seafood sustainability worldwide, but face financial challenges in further scaling.

150+

Active FIPs on
FisheryProgress.org

11%

 global wild
catch

Key challenges

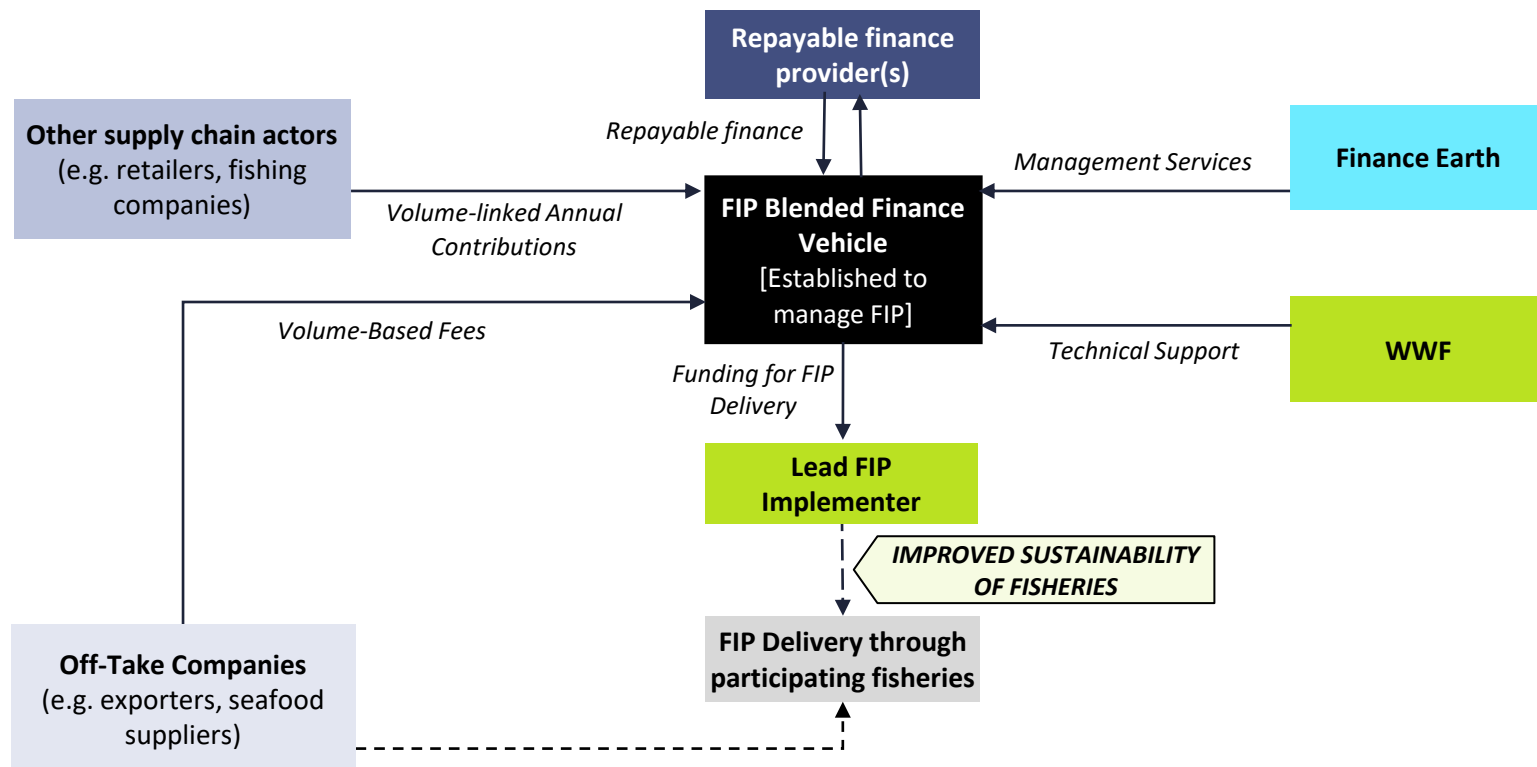
- **Insufficient funding** to fully complete FIP workplans
- **Inequality** of contributions between funders
- Overreliance on charitable contributions / **low private sector** participation



Financial innovation in FIPs

Finance Earth has been working with WWF-US since February 2022 to develop a scalable financing model for FIPs, which we are seeking to pilot in early 2023.

Repayable finance would be used to cover up-front FIP delivery costs. This would be repaid over time through low-level volume-based fees from participating supply chain companies.



Off-Take Agreements

Up-front funding is repaid through volume-based fees from participating supply chain actors.

Participants will enter into “Off-Take Agreements” with the following key features:

Volume-based Fee

- Volume based fee (\$ per MT purchased)
- Minimum fee paid quarterly, annual reconciliation to actual volumes

Minimum Volume Commitment

- Min commitment of XX% pre-FIP 3-year average volumes
- Ensures FIP costs and funding repayment are fully covered

Robust Volume Verification

Off-taker volumes verified via:

- Public disclosure; and/or
- Independent verification

Agreed Term

- Volume-based fees payable until all FIP costs are covered
- Fee level ensures all FIP costs covered within [5] years

Reward for Early Adopters

- \$ per MT fee reduced if new supply chain actors join
- New joiners initially charged higher fee to incentivize early adoption



Key benefits of proposed approach

The structure has been designed to overcome several key challenges in FIPs financing.

FIPs fully funded to ensure completion



through up-front commitments from participating companies

Sustainability built into product cost



through volume-based fees, reducing reliance on CSR budgets

Equitable supply chain engagement



through integrated volume-based fee structure across supply chains

Reduced reliance on govt / philanthropy



enables scalability, with impact investment used to cover up-front costs as required



FIPs delivered through the model will typically work towards the Marine Stewardship Council (MSC) Fisheries Standard, with progress reported on [FisheryProgress.org](https://fisheryprogress.org)

Suitability considerations for FIP pipeline

We have developed a set of considerations for assessing the viability of supporting a FIP through this approach:

Industry / local support

FIP and its intended outcomes should have broad support from participating fisheries and key industry actors and buyers

Financial blockers

Lack of funding should be the key barrier to the FIP, with a route to overcome any non-financial blockers

FIP implementer expertise

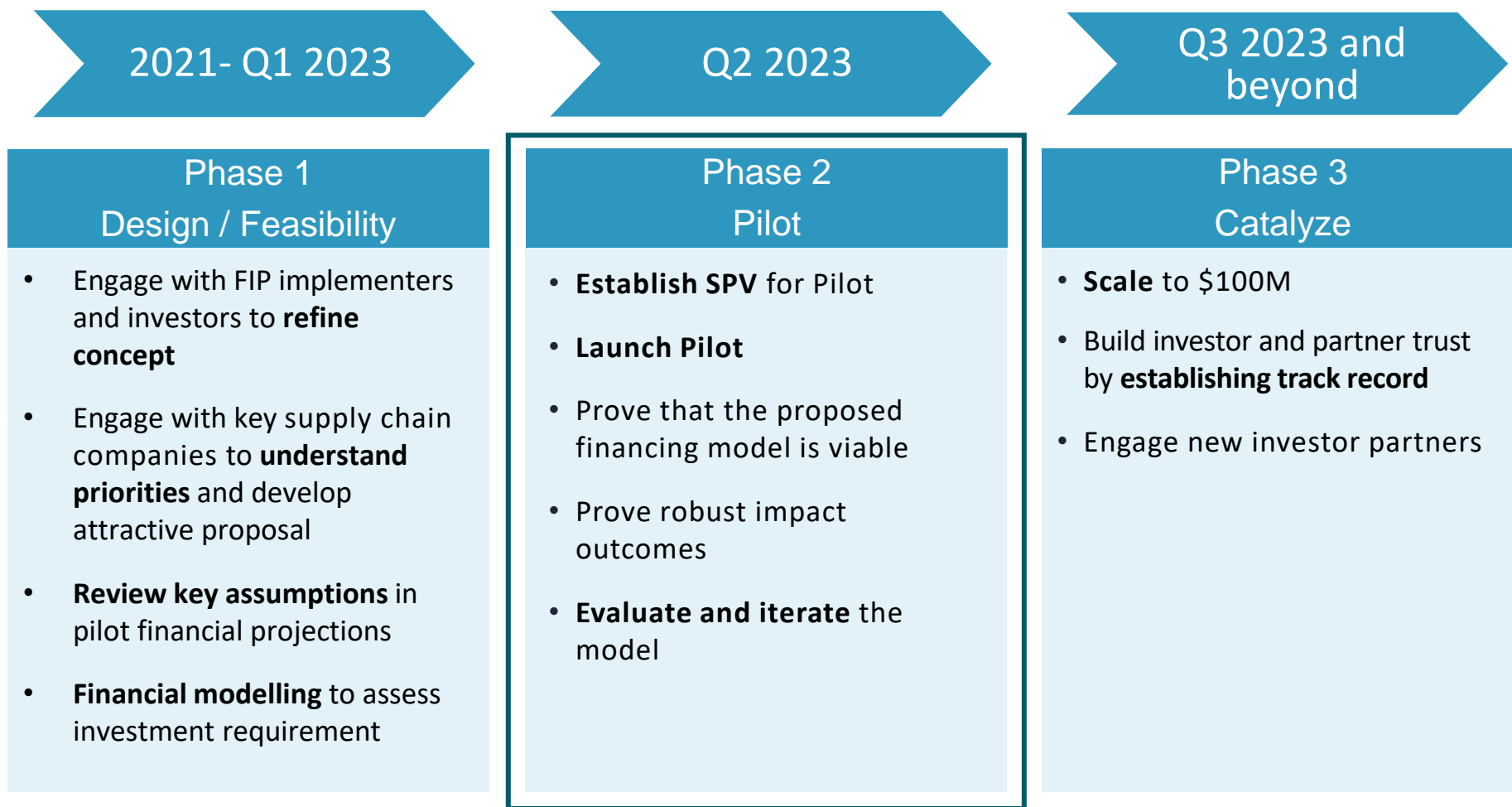
Should be a strong and well-respected organization with experience implementing fishery sustainability projects

Time in FIP workplan

If the FIP already exists, there should be at least 2 years remaining to FIP completion, to justify development and transaction costs

We are engaging with a range of FIP implementers worldwide to develop FIP opportunities that may benefit from this approach.

Fisheries Improvement Fund timeline



Information needed for next steps

Key questions and information needed to begin exploring the feasibility of FIP implementation through this approach:



FIP delivery cost estimates



Key off-taker companies



Volume and value (\$/MT) of fish being landed



Underlying social, political or commercial issues or blockers

Global Seafood Expo Panel

Revolutionizing Fisheries Finance

April 26, 2023 16:15 - 17:15





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