



**PROJECT IDENTIFICATION FORM (PIF)**

**PROJECT TYPE: Full-sized Project**

**TYPE OF TRUST FUND: GEF Trust Fund**

**PART I: PROJECT IDENTIFICATION**

Project Title:	Global Sustainable Supply Chains for Marine Commodities		
Country(ies):	Multiregional	GEF Project ID:	TBD
GEF Agency(ies):	UNDP (Indonesia, the Philippines, Costa Rica, Ecuador)	GEF Agency Project ID:	4754
Other Executing Partner(s):	National Government Agencies in four countries; Sustainable Fisheries Partnership Foundation (SFP)	Submission Date:	January 24, 2013
GEF Focal Area (s):	International Waters	Project Duration (Months):	5 years
Name of parent program	NA	Agency Fee (\$):	522,500

**1. FOCAL AREA STRATEGY FRAMEWORK:**

<b>Focal Area Objectives</b>	<b>Expected FA Outcomes</b>	<b>Expected FA Outputs</b>	<b>Trust Fund</b>	<b>Indicative grant amount (\$)</b>	<b>Indicative co-financing (\$)</b>
IW-2	<b>Outcome 2.3:</b> Innovative solutions implemented for reduced pollution, rebuilding or protecting fish stocks with rights-based management, ICM, habitat (blue forest) restoration/conservation, and port management and produce measureable results	<ul style="list-style-type: none"> <li>National and local policy/legal/institutional reforms adopted</li> </ul>	GEFTF	2,477,477	12,950,000
		<ul style="list-style-type: none"> <li>Types of technologies and measures implemented in local demonstrations and investments</li> </ul>		2,477,478	19,430,000
Sub-total				4,954,955	32,380,000
Project management cost			GEFTF	545,045	2,210,000
<b>Total project cost</b>				<b>5,500,000</b>	<b>34,590,000</b>

## 2. PROJECT FRAMEWORK:

<b>Project Objective:</b> To mainstream sustainability into seafood supply chains through market and policy mechanisms and partnerships with the overarching goal of rebuilding and protecting fish stocks and livelihoods						
<b>Project Component</b>	<b>Grant type</b>	<b>Expected Outcomes</b>	<b>Expected Outputs</b>	<b>Trust Fund</b>	<b>Indicative Grant Amount (\$)</b>	<b>Indicative co-financing</b>
1. Promotion of Global Demand for Sustainable Marine Commodities	TA	<p>Increased global market demand for sustainable certified marine commodities and associated reduction of IUU fisheries purchases of illegally caught fish</p> <p>Increased number of international seafood buyers that strictly adhere to sustainability guidelines</p> <p>Increased pressure on RFMOs and their Contracting Parties to adopt more sustainable and science-based practices for shark and tuna conservation and management measures through engagement of international supply chains</p>	<p>Improved seafood purchasing policies and targets to increase sourcing of certified goods of 15 major supply chain partners (retail and buyers) from US, EU and Japan, including companies such as Walmart, ASDA, Tesco, Sainsbury's, McDonald's, Sobeys, Publix, and Disney which are following sustainability guidelines:</p> <p>a) Agree to adopt a model of continuous improvement (e.g. create and implement work plans to improve source fisheries rather than avoiding sourcing from them);</p> <p>b) Agree to engage peers in supply chain in continuous improvement efforts;</p> <p>c) Agree to develop a seafood purchasing policy which contains sustainability covenants and publish that policy online;</p> <p>d) Agree to use ratings and information systems in order to measure and monitor progress</p> <p>Seafood supply sector engaged in adopting traceability schemes</p> <p>Seafood supply sector encouraged to use eco-labeling (certification)</p> <p>Agreements established with at least 15 supply chain partners from US, EU, and Japan aiming for purchasing policy reforms so as to incentivize sourcing only from fishermen and traders who follow and participate in Marine Conservation Agreements</p> <p>(a) More effective conservation and management measures (CMMs) for tuna and sharks developed and implemented</p>	GEFTF	920,000	8,990,000
2. Enabling Environments for Sustainable Marine Commodities Supply Chains		<p>Increased engagement of international retailers with sustainable supply chain management of marine commodities at</p>	<p>National sustainable marine commodities supply chain coordinating platforms established in 4 countries to assist suppliers and buyers to coordinate planning improvements in the environmental performance of target supply chains</p> <p>Mobilized CEO roundtables for suppliers</p>		1,700,000	12,950,000

		<p>producer country level</p> <p>Increased understanding and support by producer governments of growing global demand of certified marine commodities (i.e. regulatory / management agencies of participating countries support fishery improvement efforts)</p>	<p>to exchange lessons on fisheries improvement.</p> <p>Supply chain strategies in place for best practices in fish harvesting in 6-10 fisheries</p> <p>(b)</p>			
3. Demonstrations of Sustainable Supply Chains for Marine Commodities		<p>Increased number of marine commodities undergoing certification in target countries (at least 4 project fisheries set certification targets; note: certification may not be the goal of all fisheries)</p> <p>Increased sustainability scores of marine commodities purchased from project fisheries (as indicated by publicly available evaluation tools such as: MSC criteria, Monterey Bay Aquarium (MBAq) factors, FishSource scores, etc.)</p>	<p>At least 7 fisheries amongst 4 countries have formed and are implementing transparent and credible Fisheries Improvement Projects (FIPs)</p> <p>A credible FIP:</p> <p>a) Must be active;</p> <p>b) Must show measurable progress based only on publicly available information (i.e. evaluations must be publicly available);</p> <p>c) Should measure progress quantifiably against verifiable, credible improvement criteria (i.e. MSC criteria, Monterey Bay Aquarium (MBAq) factors, FishSource scores, etc.)</p> <p>Project components include:</p> <p>a) Establishment of FIP (producers, supply chain, other stakeholders);</p> <p>b) Conducting pre-assessment or equivalent fisheries assessments;</p> <p>c) Developing, implementing and transparently reporting on FIP workplans and making all information publicly available;</p> <p>d) Training and support for suppliers, fishermen, and regulators to enable an improved understanding of Fisheries Improvement Projects (FIPs) and the certification process;</p> <p>e) Sustainability performance criteria established between fishers and buyers for at least 7 fisheries;</p> <p>f) Key suppliers trained in monitoring techniques</p>		1,614,955	5,517,818
4. Sustainable marine		Reliable and verifiable	Profiles of all project fisheries are developed and maintained in fisheries		720,000	4,922,182

<p>commodities information and knowledge management systems</p>		<p>information on the stocks and harvesting practice for target marine commodities is made publicly available</p> <p>Industry stakeholders of target marine commodities are using profile information for their business decisions and engagement in fishery improvement efforts</p> <p>Scientific and managerial organizations within scope of this project have incorporated regular updates on stock status, regulatory decisions and environmental performance of project fisheries into sustainable marine commodities information systems.</p> <p>Better knowledge management on mainstreaming sustainability into seafood supply chains</p>	<p>sustainability databases (i.e. FishSource.com; FisheriesWiki.org) based upon reliable, publicly available, up-to-date information on stock status, management quality, and environmental &amp; biodiversity impacts of fishing activities</p> <p>Scientific working groups for key commodities (crab, snapper/grouper, small pelagics, sharks) are created, SFP coordinators appointed, and work plans implemented in support of expert networks</p> <p>Information systems tailored to help industry stakeholders adopt proper procurement policies, provide them with advise on improvement actions in problematic fisheries, and track improvements being made toward set goals (i.e. Metrics 2.0)</p> <p>(c)</p> <p>(d) Best practices documented and experiences shared with other projects to incentivize change in other fisheries through IW:LEARN participation, including IWCs. Functioning website consistent with IW learn guidance</p>			
Sub-total				4,954,955	32,380,000	
Project management cost				545,045	2,210,000	
<b>Total project costs</b>				<b>5,500,000</b>	<b>34,590,000</b>	

### 3. INDICATIVE CO-FINANCING FOR THE PROJECT BY SOURCE AND BY NAME IF AVAILABLE, (\$)

Sources of Co-financing for baseline project	Name of Co-financier	Type of Co-financing	Amount (\$)
National Government	Ministry of Marine Affairs and Fisheries of Indonesia	In-kind	4,500,000
National Government	Ministry of Agriculture, Livestock, Aquaculture and Fisheries of Ecuador]	In-Kind	3,750,000
National Government	Bureau of Fisheries and Aquatic Resources, Philippines	In-kind	2,200,000
National Government	Ministry of Agriculture and Livestock of Costa Rica and Ministry of Environment and Energy of Costa Rica	In-kind	2,500,000
Private Sector	National Fisheries Institute Crab Council	Grant	900,000
Private Sector	Supply Chain co-financing (SFP corporate sponsorships): Aldi – US; ASDA; Biomar; BJ’s Wholesale Club; Disney; Espersen; EWOS; High Liner; McDonald’s; NESI; Norpac; Price Chopper; Sainsbury’s; Sam’s Club USA; Seachill; Abba Seafood; Skretting UK; Sobeys; Tesco; Walmart; Woolworths	Grant	3,500,000
Private Sector	Foundations: David & Lucile Packard Foundation, Walton Family Foundation, Margaret A. Cargill Foundation, Oak Foundation (SFP foundation donors)	Grant	9,440,000
NGO	Marine Stewardship Council	In-kind	7,500,000
NGO	Sustainable Fisheries Partnership Foundation - SFP Fisheries Improvement Fund	Grant	100,000
GEF Agency: UNDP	UNDP Green Commodities Facility	Grant	200,000
<b>Total Co-financing</b>			<b>34,590,000</b>

### 4. GEF/LDCF/SCCF/NPIF RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY

GEF Agency	Trust Fund	Focal area	Country name/Global	Grant amount (a)	Agency Fee (b)	Total c=a+b
UNDP	GEF TF	IW	Global	5,500,000	522,500	6,022,500
<b>Total GEF Resources</b>				<b>5,500,000</b>	<b>522,500</b>	<b>6,022,500</b>

## PART II: PROJECT JUSTIFICATION

### A. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

#### A.1.1. THE GEF FOCAL AREA STRATEGIES:

1. The project will support the GEF IW Objective 2: to catalyze multi-state cooperation to rebuild marine fisheries and better manage fisheries in Large Marine Ecosystems (LMEs) while considering climatic variability and change. It will implement innovative solutions to rebuild and protect fish stocks by harnessing the incentives from international trade, which is one of the significant drivers in the exploitation of marine commodities globally. The project will engage fisheries that cannot currently earn sustainability certification, and help them improve to the point at which they can enter into a credible certification and labeling program, with a reasonable expectation of getting certified. Fishery Improvement Projects (FIPs) enable this process, and are increasingly being applied in situations where the involvement of the supply chain can generate progress in fisheries management where existing processes are inadequate or have failed. The GEF investment will support existing sustainable seafood supply chain schemes currently operating in target countries to go to scale through increased economic incentives brought through private sector supply chain agreements for credibly certified marine commodity purchasing by importers and retailers in

developed countries, as well as through increased access for fish products that, although not yet certified, can verify improvements and compliance with marine protected area (MPA) regulations in countries of origin.

**A.1.2. FOR PROJECTS FUNDED FROM LDCF/SCCF: THE LDCF/SCCF ELIGIBILITY CRITERIA AND PRIORITIES:**  
N/A

**A.2. NATIONAL STRATEGIES AND PLANS OR REPORTS AND ASSESSMENTS UNDER RELEVANT CONVENTIONS**

2. The project will address the 2007 United Nations General Assembly Resolution 62/177 deploring the fact that fish stocks in many parts of the world are overfished or subject to sparsely regulated and heavy fishing efforts. The relationship between excess capacity and illegal, unregulated, and unreported (IUU) fishing was also highlighted by the UN General Assembly. These issues and the nexus between them need to be addressed in tandem. They are also being deliberated in other regional and global fora. The project will help countries meet their goals and targets for sustainable marine commodities in this regard. It will do so by increasing economic returns to the countries and fishermen, hence also contributing to economic and social welfare goals. The project will also relate to regional and national maritime governance efforts that are conducive to improved resource management within LMEs, such as regulations for improved vessel monitoring systems that may benefit the effectiveness of MPAs or the management of privileged access systems resulting in sustainable harvesting.

3. The project will support efforts of partner countries toward sustainable fisheries as follows:

In Ecuador, it will contribute to the implementation of national development policies related to supporting artisanal fishermen by strengthening their associativeness, providing technical support, product development and conserving fisheries reserves. It will also help the country in obtaining MSC certification of its mahi mahi fishery.

In Costa Rica, it will help to implement the national development policy on establishing responsible fisheries marine areas. It will support the Inter-institutional Commission for the governance of the seas in its efforts to improve governance of marine resources, and will impact on the strengthening of the regulatory framework for marine commodity supply chains in the country.

In Indonesia, the project will support the Government by: 1) strengthening the institutional and human resource capacity; 2) sustainable fishery management; 3) improve productivity and competitiveness based on science; and 4) expand access to both domestic and foreign markets.

In the Philippines, the project will support national development policies aimed at developing markets and sharpen regulatory competence by providing effective market assistance, marketing support and information systems, product development, market intelligence, and encouraging product promotion activities in domestic and international markets. It will also help the Bureau of Fisheries and Aquatic Resources with its recently adopted blue swimming crab National Management Plan which will be the framework of all management efforts for the species.

**B. PROJECT OVERVIEW**

**B.1. DESCRIBE THE BASELINE PROJECT AND THE PROBLEM THAT IT SEEKS TO ADDRESS:**

4. Overexploitation of marine fisheries is one of the oldest and currently the largest global driver of change and loss across all manifestations of marine biodiversity, from genetic diversity to ecosystem integrity<sup>1</sup>. The Food and Agriculture Organization of the United Nations (FAO) estimated that 19% of marine fish stocks are overexploited, 8% are depleted, 1% is recovering from depletion, about half (52%) are at or near the limit where they produce maximum sustainable yields (fully exploited), and 20% are moderately exploited or underexploited (FAO, 2009). While fishery exploitation rates have been effectively reduced in some regions, exploitation rates in most systems remain substantially higher than those predicted to produce multispecies maximum sustainable yields and to achieve

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<sup>1</sup> Pauly et al., 2005; Pereira et al., 2010

rebuilding of the one third of commercial fish stocks that are overexploited and depleted.<sup>2</sup> Marine capture fisheries have reduced the abundance of affected populations and, in some regions, have fished down food webs (Pauly et al., 1998; Stevens et al., 2000; Pauly and Palomares, 2005; Essington et al., 2006). Furthermore, counter to prevailing international guidance, selective fishing and gear, by concentrating fishing mortality on a narrow subset of an ecosystem's components and selectively removing economically desirable sizes, age classes, and/or sexes, has irreversibly altered the evolutionary characteristics of some populations and species, reducing ecosystem integrity.<sup>3</sup> While there has been good progress for some fishing gear types to identify effective and commercially viable solutions to the by-catch of species groups that are relatively vulnerable to overexploitation (including seabirds, sea turtles, marine mammals, sharks, and other fish species), the adoption of control measures that incorporate these best practice measures has been mixed, and monitoring, surveillance, and enforcement are inadequate in most fisheries to ensure compliance and assess performance (Gilman, 2011). Scientists are at an incipient stage in developing the knowledge for most ecosystems to define ecosystem ecological indicators, reference points, and control rules that effectively account for how fisheries-induced evolution alters ecological processes and structure, and few management authorities have moved from single stock-based reference points to implementing multispecies, ecosystem target and limit reference points.<sup>4</sup>

5. Improvements are needed to continue halting the overexploitation of commercial stocks, mitigating fishery effects on species groups that are relatively vulnerable to overexploitation, and defining and then meeting scientifically rigorous objectives for controlling ecosystem-level effects from fishing.<sup>5</sup> Government and private market-based mechanisms are playing an increasingly important role in fisheries governance<sup>6</sup>, complementing governance through legally binding rules, co-management and rights-based mechanisms, and customary social arrangements at local, national, and international scales.<sup>7</sup>

6. There is also growing concern over the impacts that fishing gear may have on environments due to the amount of fuel/energy consumed to capture the target species, the physical damage to the marine environment, the capacity of lost or abandoned or discarded fishing gear to “ghost fish,” the quantity and number of by-catch species, and the quantity of fish and other animals discarded when using a particular fishing gear.

7. Worldwide attention has been focused on well-known cases of overfishing in the developed world, such as North Sea herring and various cod stocks. However, the wave of overfishing that overcame these fisheries in the 1970s to 1990s has moved to developing world fisheries to meet the demand from developed country markets. This is the case for many fisheries in developing countries where overfishing has been or is being experienced, such as with the i) blue swimming crab, ii) anchovies, iii) snapper, iv) whitefish, v) mahi mahi, vi) small pelagics, vii) sharks, and viii) tunas.

i) The Southeast Asian blue swimming crab is now the main source of such crab in the US market, following the earlier collapse of the Chesapeake Bay fishery. The crab marine commodities for export to the US started in the Philippines followed by Indonesia, and now extend throughout the region and across to India. Some stocks in these source countries, particularly in Indonesia, are now showing signs of severe stress, with declining catches made up primarily of immature and undersized crabs. Philippines has at least two blue swimming crab stocks. Fisheries have grown and expanded rapidly, and the resources are now showing symptoms of overfishing. By-catch also poses a threat to the ecosystem (large molluscs, sharks, rays and lobster). Resource management capacity and compliance pose significant challenges to the sustainability of these fisheries. The main export market is the United States with additional export to Asian markets such as Hong Kong, Thailand, and Singapore. Blue swimming crab is also part of the highly-valued seafood diet of the Filipino people. In 2007, an estimated 41% of catch remained in domestic markets.

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<sup>2</sup> Worm et al., 2009; FAO, 2010

<sup>3</sup> Law, 2000; Conover and Munch, 2002; Bundy et al., 2005; Frid et al., 2006; Heino and Deickmann, 2008; Rochet et al., 2009; Zhou et al., 2010

<sup>4</sup> Pikitch et al., 2004; Bundy et al., 2005; Jorgensen et al., 2007; Rochet et al., 2011

<sup>5</sup> Beddington et al., 2007

<sup>6</sup> Johnston et al., 2001; FAO, 2008a; Gilman, 2008b; Leadbitter and Ward, 2007; IUCN and Western Pacific Fishery Management Council, 2008; Parkes et al., 2010

<sup>7</sup> FAO, 2001, 2008a

- ii) The Pacific Central American Coastal LME provides several spots where small pelagic forage fish are exploited to produce fishmeal and fish oil, mainly for aquaculture feed. Very little is known about these stocks in Central America, Colombia, and Ecuador. Stock assessments are rare and impacts on the trophic chain are unknown.
- iii) Red snapper unintended bycatch includes sea turtles, seabirds, and other species of reef fish, primarily groupers, vermilion snapper, and gray triggerfish. Commercial fishermen typically attach multiple hooks to a vertical line with a weight at the bottom, but there is little scientific information on the physical impacts on marine habitats from this type of gear. A variety of gear types are used in the fishery impacting target stocks, bycatch species, and the environment. Currently Indian Ocean, Western Central Pacific Ocean, and South Atlantic red snapper populations are overfished.
- iv) Whitefish is an industrial or fisheries term used to describe fish with a white flesh when cooked, such as hake, cod, haddock, whiting, bream, and pollock. In developing countries, many of these fisheries are harvested through longlines, resulting in undifferentiated collection of marine commodities and a market that suffers from the same sustainability issues as snapper and shark. While some whitefish fisheries have rebuilt, many more remain depleted. The Pacific hake (*Merluccius gayi peruanus*) stock is shared between Ecuador and Peru, but in Peru an industrial trawling fishery has operated for a long time, while in Ecuador, where the project is intended to work, the fishery is incipient and operated by artisanal fishermen with long-lines. Ecuador has begun efforts to gain a better understanding of this stock, which in Peru is considered at least fully exploited, in order to establish precautionary management measures for this export oriented fishery.
- v) Mahi mahi (*Coryphaena hippurus*), also known as dolphin fish, is one of the main exports of Costa Rica to the United States. The Costa Rican domestic market also consumes large quantities of mahi mahifillets ([www.fao.org/fishery/species/3130/en](http://www.fao.org/fishery/species/3130/en)). Until recently they were targeted primarily by longline fleets operating from Ecuador and Costa Rica (Patterson and Martinez 1991; Campos et al., 1993<sup>8</sup>). Dolphin fish are also caught as by-catch in pelagic fisheries targeting tuna using purse seine and longline gears in the EPO region (Lawson 1997; IATTC 1999<sup>9</sup>). The mahi mahi fishery is the most important artisanal fishery in Ecuador. WWF worked with the Government of Ecuador to develop a FIP for the fishery in November 2009. Based on that FIP, a National Plan of Action (NPOA) was drafted and adopted by the Ecuadorian government in 2011 (WWF 2012<sup>10</sup>). The Ecuadorian government is currently working with WWF in order to obtain MSC certification for its mahi mahi fishery.
- vi) Small pelagic fish populations are a key component of every oceanic trophic chain. Their abundance or decline is a clear indicator of marine ecosystem health. Pacific small pelagic fisheries are sensitive to changes in environmental conditions such as El Niño, which result in highly variable landings, and this is reflected in fluctuating export volumes and values. Despite this uncertainty, fishery exports of small pelagic fish more than doubled over the past 25 years. Small pelagic products that are exported are primarily fishmeal, which is used for aquaculture feed, poultry or pig feed, or fertilizer. Sixty percent of fishmeal production is exported. A smaller proportion of small pelagic export products are low-value fish for human consumption as tinned fish or frozen fish blocks. A third of the marine products traded globally are sourced from small to medium pelagic fisheries in the southeast Pacific waters offshore of Chile, Peru, and Ecuador. The fishmeal industry is a major source of export earnings in those countries. Small pelagic fish are also a source of cheap protein for residents of many coastal communities and are closely linked to their food security. Consequently, changes in the demand for fishmeal have potential to affect their food security (Globalization: Effects on Fisheries Resources, Alder and Watson 2007). Ecuador is the tenth worldwide producer, with around 100,000 metric tonnes/year of fishmeal. While wastes from tuna and shrimp industry are reduced as fishmeal and fish oil, 60 percent of Ecuador

<sup>8</sup> Patterson, K.R., Martínez, J., 1991. Exploitation of the dolphin-fish *Coryphaena hippurus*. L. off Ecuador: analysis by length-based virtual population analysis. Fishbyte

9: 21–23., Campos, J.A., Segura, A., Lizano, O., Madrigal, E., 1993. Ecología básica de *Coryphaena hippurus* (Pisces: Coryphaenidae) y abundancia de otros grandes pelágicos en el Pacífico de Costa Rica. Rev. Biol. Trop. 41(3): 783–790.

<sup>9</sup> Lasso, J. and Zapata, L. 1999. Fisheries and biology of *Coryphaena hippurus* (Pisces: Coryphaenidae) in the Pacific coast of Colombia and Panama. Scientia Marina 63: 387-399,

<sup>10</sup> WWF. Galápagos & Eastern Pacific Newsletter. June, 2012.

production comes from the small pelagics fishery, mostly developed close to the Guayaquil Gulf. This multispecies fishery includes small pelagic fishes such as chub mackerel (*Scomber japonicus*), thread herring (*Opisthonema* spp), Pacific anchoveta (*Cetengraulis mysticetus*), frigate tuna (*Auxis thazard*), and round herring (*Etrumeus teres*). Though local production of shrimp and tilapia consumes part of Ecuadorian fishmeal, most of it is exported. The fishery has declined from landings of more than a million tonnes in the 1980s to the current level of about a quarter million. In the same way, the purse seine fleet has been reduced from 160 to 50 fishing boats. Most of the fish landed by this fishery is undersized. Bringing all of these elements together generates a clear signal of overfishing that needs to be addressed. While this fishery has been monitored by the National Research Institute, and some management measures are in place (such as minimum size for some species and a closure season), there are no stock assessments or TACs and, unfortunately, the aforementioned measures have not been enough to reverse the decline. This project will be oriented to define and address via a FIP the obstacles that have been inhibiting such recovery, which is a key goal for the health of this and other fisheries, as well as for the entire marine ecosystem and human wellbeing.

- vii) Shark populations have decreased 90 percent, in large part as a result of overfishing by targeted fisheries and as bycatch. Targeted fisheries are driven by consumption for meat in the developing world and by finning, a practice in which only the shark fin is harvested and which has increased dramatically over the past 20 years. In finning operations, the sharks have their valuable fins sliced off while still alive, but the bodies, which have far less value and would take up cargo space, are often tossed overboard, where the animal sinks to the bottom and drowns. The sudden removal of the top predator in the marine trophic levels can have unpredictable and profound results for marine ecosystems and seafood sourcing. Researchers have reported repercussions beyond the declining shark populations. Myers et al. (2007) confirm that the shark decline has led to the destruction of the bay scallop fishery along parts of the Eastern seaboard in the US. In the absence of large sharks, the researchers reported, the smaller sharks, skates, and rays that they feed upon have thrived. In turn, the study shows that the populations of one of these middle links in the food chain, the cownose ray, has increased by an order of magnitude, wiping out scallop beds in North Carolina. Sharks are a common by-catch of longline and purse seine fisheries, so are even threatened when other in-shore marine commodities are the target species. Sharks are harvested three primary ways: (a) in targeted fisheries that supply Asian markets for shark fins; (b) as by-catch in mixed-species longline and purse seine fisheries for swordfish, tuna, and other large pelagics, etc.; and (c) in targeted fisheries in the developing world as a source of food. Two major impediments to effective shark conservation and management on national and international levels are (a) the absence of reliable data on shark captures and the concomitant lack of reliable data for most shark populations, and (b) the absence of effective conservation and management measures for either coastal or high seas shark fisheries.

Recent developments to reduce shark mortality include: (i) the implementation of a rigorous program of data collection for Ecuador's national shark fisheries and substantial progress toward the implementation of its shark NPOA [discussed on page 12, section (iv)]; (ii) a resolution by the International Commission for the Conservation of Atlantic Tunas (ICCAT) to prohibit retaining, transshipping, landing, storage, offering, or selling hammerhead or oceanic whitetip sharks (BYC 2010-08 and BYC 2010-07 respectively) and recommendations to prohibit retention of Atlantic shortfin mako sharks and to conduct stock assessments for the species (BYC 2010-06); (iii) the adoption of resolutions by the IATTC (C-11-10) and WCPFC (CMM-2011-04) for the oceanic whitetip that are similar to that of ICCAT; (iv) research by the International Sustainable Seafood Foundation to reduce shark by-catch on fish aggregating devices (FADs<sup>11</sup>); (v) the identification of measures that can be applied to longline fisheries in order to reduce shark by-catch;<sup>12</sup> (vi) the signing of an executive order banning shark finning in Costa Rica's coastal waters; and (vii) the creation of national shark sanctuaries in Palau, Maldives, Honduras, the Bahamas, Tokelau, and the Marshall Islands that now cover 4,701,274 km<sup>2</sup> of ocean<sup>13</sup>.

- viii) Southeast Asia is one of the world's biggest tuna-producing areas, with Indonesia contributing 15% of global tuna production in 2009, and other large producers including the Philippines, China, Japan, Korea, and Spain (FISHSTAT-FAO 2010). The main commercial species are skipjack (62%) and yellowfin (29%), with bigeye

<sup>11</sup> <http://iss-foundation.org/2012/09/24/saving-sharks-turtles-in-3-simple-steps/>

<sup>12</sup> Gilman E, Clark S, Brothers N, Alfaro-Shigueto J, Mandelman J, Mangel J, Petersen S, Piovanoi S, Thomson N, Dalzell P, Donoso M, Goren M, Werner T. 2008. Shark interactions in pelagic longline fisheries. *Marine Policy* 32: 1–18.

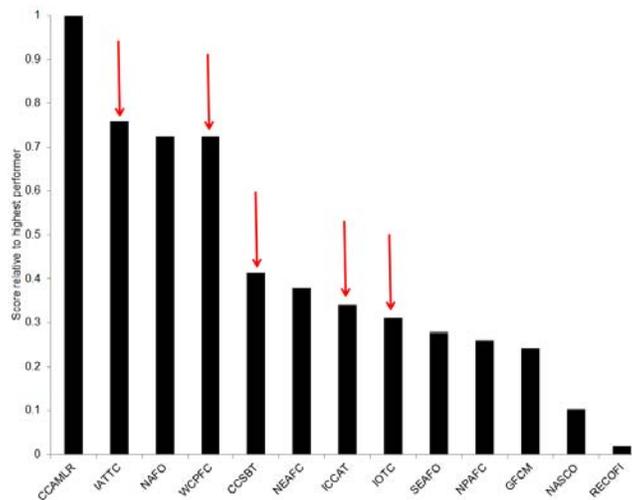
<sup>13</sup> Navigating Global Shark Conservation: Current Measures and Gaps. Pew Environment Group. 2012.

(7%), longtail, albacore, and southern bluefin tuna making up the remainder. The fishing grounds for Southern Asian tunas cover several LMEs, including the Bay of Bengal, Sulu-Celebes Sea, and South China Sea and are covered by two RFMOs, the Indian Ocean Tuna Commission and the Western and Central Pacific Fisheries Commission (WCPFC). The 2007, catch in the WCPFC Convention Area was an estimated 2.4 million metric tons, representing 55% of global tuna production (WCPFC 2008) and worth an estimated US\$ 3.8 billion. Tuna products are economically valuable; in Indonesia they are the second biggest fishery export product, contributing 14% of total export value or about US\$ 352 million in 2009. The main markets for tuna exports from Indonesia are Japan (35%), the United States (20%), Thailand (12%), European Union countries (9%), and Saudi Arabia (6%) (MMAF 2010).

Southeast Asian tuna fisheries face multiple challenges, including: inaccurate, incomplete, and inconsistent catch data reporting; little data on artisanal fisheries; lack of granularity in existing catch reporting; and illegal, unreported, and unregulated (IUU) catches. An MSC pre-assessment of Indonesian tuna has been conducted identifying several issues: no assessment status of skipjack, yellowfin, and bigeye in Indonesian waters; no formal harvest strategy and catch limits in place for both the Pacific and Indian Oceans; limited qualitative information to determine the level of retained species within the fisheries; and little information on by-catch and a lack of a national management plan.

8. The Inter-American Tropical Tuna Commission (IATTC) was created by the 1949 Convention for the Establishment of an Inter-American Tropical Tuna Commission, which entered into force in 1950. In 2008, the IATTC convention was replaced by the Antigua Convention, which came into effect in 2010. The IATTC manages tuna fisheries across 68 million square kilometers of the Pacific Ocean.

9. Of global RFMOs, the IATTC ranks toward the top when assessed against a suite of criteria for the assessment of by-catch governance (Fig. 1) (Gilman et al., 2012).



Performance of 13 global regional fisheries management organizations in governing bycatch; y-axis is score relative to the highest performing RFMO, CCAMLR. The five tuna-RFMOs, including IATTC, are identified with red arrows (Gilman et al., 2012<sup>14</sup>).

10. Among its accomplishments, the IATTC serves as the Secretariat for the International Dolphin Conservation Program and its working groups and panels, and coordinates the Onboard Observer Program and Tuna Tracking and Verification System. In 1992, the Agreement for the Conservation of Dolphins, which created the International Dolphin Conservation Program, was adopted. In 1998, the Agreement on the International Dolphin Conservation Program (AIDCP), which built on and formalized the provisions of the 1992 Agreement, was signed; it entered into

<sup>14</sup> Gilman, E., Passfield, K., Nakamura, K. 2012. *Performance Assessment of Bycatch and Discards Governance by Regional Fisheries Management Organizations*. ISBN: 978-2-8317-1361-8. International Union for the Conservation of Nature, Commission on Ecosystem Management and Oceania Regional Office, Gland, Switzerland and Suva, Fiji. <http://data.iucn.org/dbtw-wpd/edocs/2012-034.pdf>

force in 1999. For example, eastern Pacific Ocean purse seine fisheries that make sets on dolphin schools have reduced dolphin mortality by 98% since the mid-1980s with annual mortality now at about 1,000. This has been achieved through a combination of dolphin mortality caps and gear technology, including backing down the vessel and net during retrieval, using a panel of fine mesh netting where backdown occurs, and daytime setting (Gilman, 2011<sup>15</sup>). There is 100% observer coverage of large purse seine vessels in the eastern Pacific. Of the five tuna RFMOs, only IATTC and ICCAT provide for international exchange of observers in purse seine fisheries, a best practice to maximize data accuracy: under the IATTC-administered AIDCP, at least 50% of observers assigned to national fleets are IATTC observers (Gilman et al., 2012).

11. In June 2012, the IATTC adopted a resolution to cap Pacific bluefin tuna catch at 1994-2007 levels<sup>16</sup>; and the entry into force in August 2010 of the Convention for the Strengthening of the Inter-American Tropical Tuna Commission, commonly referred to as the Antigua Convention, which reflects modern developments in fisheries management incorporated into the UN Fish Stocks Agreement includes the adoption of Conservation and Management Measures consistent with ecosystem-based management.

12. Of continuing challenges faced by the IATTC, at its June 2012 meeting, the commission failed to adopt conservation and management measures (CMMs) for the establishment of target and limit reference points for skipjack, yellowfin, bigeye, or bluefin tuna, or to extend the annual closure of the purse seine fishery to prevent overfishing of juvenile bigeye tuna, despite scientific advice that the closure was needed. The commission failed to adopt measures to improve fish aggregating device (FAD) data collection and management despite the high mortality of sharks associated with the use of FADs, or to conduct an independent performance review. Such reviews provide objective assessments of the performance of tuna RFMOs. The IATTC also did not prohibit the retention of hammerhead and silky sharks, even though the former is classified as endangered by the International Union for Conservation of Nature (IUCN), and the latter is the most widely caught shark in the Eastern Pacific Ocean with populations that have decreased markedly (IATTC 2010)<sup>17</sup>, or to ban the use of wire leaders, which are associated with high levels of shark by-catch in tuna longline fisheries, and to prohibit the removal of shark fins at sea.

13. Declining fisheries have led companies to reform policies related to marine commodities supply chains. One such measure is the use of certification or eco-labeling of marine commodities, given its potential ability to act as a driver for improved management and enhanced consumer demand for sustainable fish products. Certification and labeling schemes, such as MSC, are proof-points that fisheries are sustainable. Marine commodity companies should use certification if they wish to make a claim of sustainability “on-pack” to consumers, as third-party verification carries more weight than self-claims. MSC certification recognizes and rewards sustainable fisheries, which means for many fisheries the most significant improvements must happen prior to certification.

14. Demand for certified fish products has recently gained significant momentum. It seems likely that the sale of certified products may be changing from a niche marketing issue to one that is much more mainstream. In the late 1990s, companies such as Unilever and McDonald’s held concerns about the implications of overharvesting and for future seafood supplies, and these companies drove much of the involvement of the private sector in seeking sustainability. As public awareness and criticism from activist groups grew, other sellers of seafood, such as retailers, started to pay attention to minimize risks to their reputations and to demonstrate social responsibility.

15. Although certification and eco-labeling have become an accepted part of the seafood supply chain, demand for certification has so far been most strongly driven by retailers (rather than by producers), many of which have now made public commitments to their sustainable sourcing policies. These retailers have significant market power and an ability to influence their suppliers. However, demand for certified products is not uniform between countries, market segments (e.g., retail versus food service sector), individual businesses, or species. In practice, price premiums for marine commodities do not yet provide sufficient economic incentives to shift markets significantly and reduce

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<sup>15</sup> Gilman, E. 2011. Bycatch governance and best practice mitigation technology in global tuna fisheries. *Marine Policy* 35: 590-609.

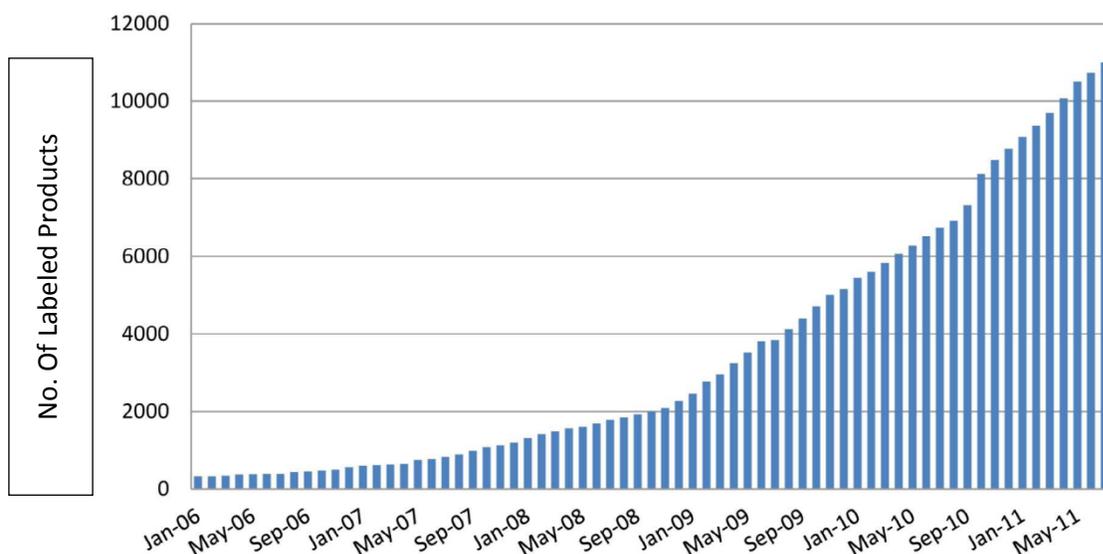
<sup>16</sup> IATTC resolution C-12-09

<sup>17</sup> Guillermo Compeán, Director of the Inter-American Tropical Tuna Commission; July, 2010.

pressures on fisheries and LMEs. And as the future of green commodities and global supply chains depends on the continued interest of these companies, there is wide awareness among private and public sectors alike that existing green commodities supply chain strategies must be scaled up internationally and at key country and commodity levels.

16. Existing market mechanisms to inform importers about compliance with conservation and fisheries legislation in countries of origin of their suppliers are currently very weak. In addition, the sourcing policies of retailers and marine commodities importers in the US and EU are not sufficiently selective to ensure that they are purchasing only from exporters that can prove they are not sourcing from fishermen suspected of poaching within MPAs or otherwise engaging in IUU fishing. Finally, not every fishery may become certified, and very few initiatives concentrate on marine commodities with resources so depleted that they may not achieve credible certification.

**MSC-labeled products as of 31 July 2011**



17. With growing global demand for sustainable marine fishery products, and particularly with the introduction of the Marine Stewardship Council (MSC) standard 10 years ago, many organizations, such as UNDP, MSC, SFP, WWF, and others, began to work on supply chain and consumer education programs. As a result, we now see a growth in the demand for sustainable marine commodities. This demand was initially focused more in parts of Europe. Nevertheless, significant gaps remain regarding demand for international fisheries trade within key markets, although demand is increasing in the US, France, and Spain. While northern Europe and Germany have made significant progress as leading consumers of global marine commodities, Southern Europe and France merit attention. In the US, dozens of major retailers and food service companies are, or are considering, developing sustainable procurement policies. The US food service industry remains an obvious gap, with many seafood distributors only paying lip service to sustainability. Another key missing piece is the lack of demand for sustainable marine commodities from large markets such as China and Japan. This is partly the result of retailers not asking the right questions to their suppliers. This is particularly true in fisheries markets that have been slower than others to change and embrace sustainable seafood, such as Spain, France, and Japan. Changes in these target markets would produce positive impacts for LMEs in the developing world.

18. Nevertheless, the existing market mechanisms to inform importers about compliance with conservation and fisheries legislation in countries of origin of their suppliers are currently very weak. Exporters from developing countries that make important commitments to biodiversity-friendly practices are difficult to identify for fisheries traders. The work proposed herein will constitute a major contribution in this regard by helping build capacity and global networks for biodiversity-rich developing nations to enter into FIPs. The work will also build collaborations between adjacent countries that share straddling stocks that could lead to the certification of those stocks and enhance bilateral cooperation for marine conservation. In addition, the sourcing policies of retailers and marine commodities importers in the US and EU are not sufficiently selective to ensure that they are only dealing with exporters that can

prove they are not sourcing from fishermen suspected of poaching within MPAs or otherwise engaging in IUU fishing. From a big seafood buyer point of view, by the mid-2000s, finding intelligible, updated sustainability information about seafood commodities, either already in their portfolio or prospective, was a rather discouraging task. Often the information was not publicly available at all, the format or language was too technical, the existing information was out of date, or all of the above. These issues rendered the effective embedding of information on status of stocks and on environmental impacts of fishing into procurement policies unviable.

19. This points to the need to i) strengthen demand for sustainable marine commodities; ii) foster national and regional enabling environments for sustainable marine commodities supply chain trade, particularly in biodiversity-rich developing countries; iii) register and socialize examples of sustainable supply chains for marine commodities among commercial stakeholders; and iv) generate sustainable marine commodities information systems to benefit responsible trading decisions. All of these challenges have been addressed by the implementation partners of this project (UNDP & SFP) in recent years. The main baseline actions for each of these challenges are discussed below.

### ***The Baseline Project***

20. This project builds on a strong win-win partnership between UNDP and SFP. UNDP is the GEF agency with the largest portfolio of LME projects globally. Work on these LMEs, which have identified and advanced a range of mechanisms and processes that are cornerstones for more sustainable marine commodities supply chains, will be a foundational platform on which the project will ground itself. Specifically the project will build ongoing initiatives by UNDP and SFP to address the following challenges: i) how to strengthen demand for sustainable marine commodities; ii) how to foster national and regional enabling environments for sustainable marine commodities supply chain trade; iii) how to register and socialize examples of sustainable supply chains for marine commodities among commercial stakeholders; and iv) how to generate sustainable marine commodities information systems to benefit responsible trading decisions. All of these challenges have been addressed by the implementation partners of this project (UNDP & SFP) in recent years. The main baseline ongoing actions for each of these challenges that the project will aim to strengthen and improve are the following:

#### **i) Baseline work to strengthen demand for sustainable marine commodities**

21. UNDP has several on-going global initiatives aimed at engaging commodity trading companies to improve environmental performance of supply chains through the review of their purchasing policies. The Green Commodities Facility (GCF, [www.greencommodities.org](http://www.greencommodities.org)) is the unit responsible for connecting developing country government institutions with agricultural and marine commodity producers and international companies purchasing commodities from those countries, in order to mainstream sustainability into those supply chains and to strengthen national capacities for scaling up best practices. Since 2009, UNDP GCF has engaged the main international retailers and large commodity buyers such as Walmart, ASDA, Tesco, Sainsbury's, and McDonald's, among others. GCF engagement has centered on convincing these companies to assertively modify their purchasing policies to increase demand for sustainable fisheries. Another initiative where UNDP is playing a lead role is the UN Global Compact. This is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment, and anti-corruption. The Global Compact has grown rapidly. With more than 8,700 corporate participants and other stakeholders from more than 130 countries, it is the largest voluntary corporate responsibility initiative in the world. UNDP takes advantage of both the Global Compact and the Green Commodities Facility to actively engage fisheries traders to modify purchasing policies.

22. Other significant initiatives are taking place to strengthen demand for sustainable marine commodity supply chains, which form part of this projects baseline, this includes:

23. The WCPFC Shark Research Program. This initiative has begun an effort to commence stock assessments for sharks in the Western Central Pacific Ocean. These stock assessments will in turn enable the WCPFC to improve conservation and management measures (CMM) for shark sustainability. Most relevant RFMOs have CMMs in place that require a 5% limit of ratio of weight of retained shark fins to carcasses. However, the form of the fins (frozen

versus dried) and form of the carcasses (whole weight, dressed, or partially dressed) is not specified in the measures, which precludes defining a clear method to assess compliance (Fowler and Seret, 2010). The 5% limit of ratio of weight of retained shark fins to carcasses, even if it did lend itself to being monitored for compliance, is unlikely to achieve the measures' explicit objective of achieving sustainable shark fishing mortality, if there is market demand for shark meat, as has been documented to be increasing in some regions (Gilman et al., 2008a; Gilman, 2011). The Shark Research Program initiative, however, still needs to be complemented by coordinated procurement advice to retailers and other supply chain stakeholders regarding longline-caught shark fins and meat. SFP has begun developing procurement specifications for some longline fresh and frozen tuna, which include measures to mitigate problematic shark bycatch. Nevertheless, SFP's current scope of action is limited and could be expanded to engage further with corporate partners to implement the specific changes required to reduce depletion of shark stocks. Another point of engagement with tuna RFMOs, including the WCPFC, is to improve their poor record of reporting shark captures. Estimation of shark catches by pelagic longline and purse seine fisheries is difficult because data are generally limited in quantity and quality (Walsh and Clark 2011). Such data are essential for the identification of vulnerable shark species and the establishment of effective CMMs (Cortés et al. 2010). RFMOs, such as the WCPFC and the IATTC, are bound by their respective conventions to manage species that are caught in association with tuna, providing a legally binding point of entry to engage RFMOs and their Contracting Parties to improve the management of sharks, including rigorous data collection on shark fisheries.

ii) Baseline work to foster national enabling environments for sustainable marine commodities supply chain trade

24. Historically, many countries have had very weak fishery regulation, open access, no gear restrictions, and insufficient stock assessments (lack of management tools). Over the past five years, successful examples have been developed by SFP and UNDP in which educating supply chain and producer representatives has in turn led to their engagement of national government structures to improve and promote the use of government tools to better regulate fisheries.

25. Indonesia: Project relevant to strategic goals stated in the Government Strategic Plan 2010-2014, which are: 1) strengthening the institutional and human resource capacity; 2) sustainable fishery management; 3) improve productivity and competitiveness based on science; and 4) expand access to both domestic and foreign market

26. A case in point is Indonesian blue swimming crab, where until recently no regulation existed, allowing open access to harvest. SFP and supply chain players have been working together to create a domestic processors' association, which in turn is becoming effective at government engagement. While many issues continue to challenge the fishery, the government now has an understanding that blue swimming crab is Indonesia's third largest export fisheries commodity and that stocks are in poor shape.

27. The Ministry of Marine Affairs and Fisheries (MMAF) has recently developed a policy for fisheries economic development aiming to control production from capture fisheries, develop further aquaculture production, and promote private-sector investment. In addition, in order to protect domestic and foreign consumers, the government has promulgated regulation related to quality control and the control of fisheries products. Decree No. KEMEN 01/Men/2002 requires fish processing units to apply the Integrated Quality Management Program, so now all exporting fisheries are required to have an Integrated Quality Certificate and/or Health Certificate issued by the Laboratory of Fish Inspection and Quality Control. This provides an interesting opportunity to develop sustainable fisheries partnerships. The MMAF has also just started to initiate the development of an Indonesian Blue Swimming Crab Fishery Management Plan to support sustainability efforts initiated by the supply chain.

28. Philippines: In the Philippines, general fisheries management is in place. The Philippines national framework for the management of all fisheries resources is mandated by the Fisheries Code (R.A.8550) of 1995. This law, supported by the Local Government Code of 1991 (R.A. 7160), further devolves the management of municipal fisheries waters (within a 15-km radius from the shoreline) to the local government units covering these areas.

29. In September 2012, the Bureau of Fisheries and Aquatic Resources adopted a blue swimming crab National Management Plan, which will be the framework for all management efforts for the species. The Management Plan will

address regulation of fishing efforts through: a minimum legal size of 10.16cm for landed and traded crabs; minimum length of fishing net or minimum number of fishing traps that a crabber can use; and closing of fishing season/fishing grounds if science supports such a decision.

30. Costa Rica: In recent years, Costa Rican institutions and NGOs have increased their investments and efforts to enable sustainable marine commodities supply chain trade. These combined investments add up to a baseline project in Costa Rica of more than USD 2 million.

31. One recent, very significant effort has been the establishment within the Ministry of Environment of the Vice-ministry of Water and Seas. The role of this new institution is to protect marine resources and dissuade fishermen from continuing shark finning practices through a strengthened regulatory framework. The most significant investments proposed by the Vice-ministry during the proposed project timespan will be increasing marine protected areas in the country to cover 10% of its Special Economic Zone. This will have a direct effect in the supply chains of fisheries from Costa Rica, as more thorough MPA legislation and norms will have direct impacts on fisheries trading and practices, particularly by long-line fishermen.

32. In December 2011, the President launched an Inter-institutional Commission for the Governance of the Seas. The role of this entity will be to improve governance of marine resources, and it will impact the strengthening of the regulatory framework for marine commodity supply chains in the country. The commission has already generated important products, such as a proposal to modify the board of the national institute of fisheries (INCOPECA) in order to avoid current conflicts of interest that have been identified in the management of this institution. The commission will be the project's most important policy-making ally during the proposed GEF investment.

33. Costa Rica participates in the GEF-UNDP Sustainable Management of the Shared Marine Resources of the Caribbean Large Marine Ecosystem (CLME) project, which has allowed participating countries to identify major transboundary issues and actions required to achieve sustainable management of these CLME living resources, as well as to define legal, policy and institutional policy reforms to this end. In Central America the project is helping countries –including Costa Rica– to improve and promote the use of governance tools to better regulate fisheries, as in the case of implementing a simultaneous closed season for lobster fisheries. Project's approach is to enhance local level capacity among western Caribbean fishery stakeholders and upward linkages to national and regional levels.

34. The Ministry of Agriculture (MAG) and the Costa Rican Tourism Institute (ICT) have recently incorporated responsible consumption into the criteria for its Sustainable Tourism Certification. This means that during project implementation, tourism businesses will need to ensure that they only consume fish from responsible or certified fisheries. This will increase the number of fisheries traders in Costa Rica willing to take part in the proposed project dialogues and sustainable fisheries partnerships. Equally important in this regard is decree No. 369820 by the Ministry for the Economy, Industry and Trade (MEIC) that formalizes the compulsory use of common names for marine commodities being sold in domestic markets. Therefore, during the period of the proposed project implementation, retailers in the country will have to tag shark meat as “shark” in all domestic markets, effectively banning the previous marketing strategy of giving shark products other names to confuse customers. This regulation serves as the basis for the incremental cost brought forward by the project.

35. The project will also build on the work of national NGOs such as Pretoma, which support sustainable fishing practices through the development of a program of observers on board artisanal and long-line fishing boats. Pretoma has developed observer-on-board protocols tailored for Costa Rican fishermen and has successfully mobilized artisanal fishermen to support a ban on shrimp trawling.

36. Finally, the Forever Costa Rica initiative is also providing significant baseline resources related to sustainable marine commodities. This is a non-profit association that manages the public-private conservation initiative developed by the Costa Rican government and its associates—The Nature Conservancy, the Linden Trust for Conservation, the Gordon & Betty Moore Foundation, and the Walton Family Foundation. The aim is to consolidate a marine and terrestrial protected areas system that is ecologically-representative, effectively managed, and supported by a stable

funding source, which will enable Costa Rica to become the first developing country to achieve the goals set forth by the Program of Work on Protected Areas (POWPA) under the UN Convention on Biological Diversity (CBD). The project will build on the Forever Costa Rica initiative by advancing the market components of its MPA-related work.

37. Ecuador: In Ecuador, the Undersecretary for Fisheries Resources (Subsecretaría de Recursos Pesqueros, SRP) has implemented, or plans to implement, a range of initiatives to protect and sustainably manage marine resources. These initiatives include:

- i) The adoption of regulations in 2010 that prohibit the directed capture, sale, or storage of manta rays (*Manta birostris*).
- ii) The adoption of regulations in 2012 that will prohibit the offloading, storage, or commercialization of smooth (*Sphyrna zygaena*) and scalloped (*Sphyrna lewini*) hammerhead sharks.
- iii) To continue working with WWF-Ecuador to obtain MSC certification for its mahi mahi (*Coryphaena hippurus*) fishery. Certification will be sought in 2013. As the mahi mahi stock is shared with other countries in the Eastern Tropical Pacific, such as Costa Rica, building capacity in Ecuador to obtain MSC certification for its fisheries will help the shared mahi mahi fishery become certified and bolster international cooperation between EPO countries toward common management of a highly migratory species.
- iv) The adoption by law of a Shark National Plan of Action (Shark NPOA) in 2007 that will be updated and revised in 2012. An independent review of Ecuador's Shark NPOA in 2010 found that 70% of the proposed activities in the NPOA had been implemented, a benchmark unmatched in Latin America. The lessons learned in the development and implementation of Ecuador's Shark NPOA will be valuable for Indonesia, which has adopted Shark NPOAs.<sup>18</sup>
- v) The adoption in 1993 of a law to prohibit shark finning and, in 2008, of legislation to prohibit the use of wire leaders by longline vessels. Wire leaders reduce shark bycatch in tuna longline fisheries.<sup>19</sup>
- vi) The primary tuna species of interest to Ecuador is bigeye tuna (*Thunnus obesus*). Ecuador will voluntarily reduce, in a stepwise fashion, the nation's annual tuna fishing effort for bigeye tuna in the eastern Pacific Ocean, in exchange for a reduction in the closure periods adopted in 2012 by the IATTC20.
- vii) To implement a study of the chain of custody of all sharks and shark products, the results of which will be made available online.
- viii) To conduct research on FAD design and FAD fishing techniques with the goal of reducing shark bycatch in purse seine fisheries to sustainable levels.
- ix) To conduct outreach activities associated with the Shark NPOA directed primarily at artisanal fisheries designed to raise awareness of the need to sustainably manage sharks.
- x) To develop a shark FIP that will be incorporated into Ecuador's Shark NPOA that will provide a model FIP for the sustainable management of shark fisheries that provide meat for domestic consumption.

38. Proposed activities described in items iii-xi would be supported with funding from the government of Ecuador and complemented by funds requested in this proposal.

### iii) Baseline work to register and socialize examples of sustainable supply chains for marine commodities

39. Over the past five years, Sustainable Fisheries Partnership Foundation (SFP) has developed successful fisheries improvement projects (FIPs) as examples of demonstrating success of supply chain engagement. A FIP is an alliance of stakeholders —retailers, processors, producers, and catchers— that come together to resolve problems within a specific fishery or improve some specific aspect of the fishery that requires attention. FIPs represent a way for stakeholders within a fishery to engage in dialogue and agree future actions with others that share a common interest in a productive marine ecosystem. There are now many examples of successful FIPs around the world: <http://www.sustainablefish.org/fisheries-improvement>. SFP seeks to build on this success and develop demonstration

<sup>18</sup> TC will find the appropriate reference.

<sup>19</sup> Gilman E, Clark S, Brothers N, Alfaro-Shigueto J, Mandelman J, Mangel J, Petersen S, Piovanoi S, Thomson N, Dalzell P, Donoso M, Goren M, Werner T. 2008. Shark interactions in pelagic longline fisheries. *Marine Policy* 32: 1–18.

<sup>20</sup> IATTC Resolution C-12-01

FIPs in the countries identified in this PIF and the tools necessary to run successful projects to be led by supply chain or local fisheries stakeholders, UN Agencies, governments, and/or NGOs. The National Fisheries Institute's (NFI) Crab Council has been a leader in blue swimming crab fisheries improvement efforts in both Indonesia and the Philippines for many years. The Council's members impose a 1.5 cent-per-pound tariff on imported blue swimming crab in order to fund these projects. NFI estimates approximately US\$ 140,000/country/year are applied to work in Indonesia and the Philippines and has recently hired an Asia Liaison staffer, part of whose work will directly support the project's efforts. SFP has recently announced a Fisheries Improvement Fund, currently funded at US\$ 20,000/year and expected to grow. SFP's FIP fund is expected to support work in Indonesia and other project areas.

40. UNDP, the Asian Development Bank, and the governments of Indonesia, Malaysia, Papua New Guinea, the Philippines, Solomon Islands, and East Timor are currently implementing the US\$ 3.4 million grant from Global Environment Facility for the project Portfolio Learning in International Waters with a Focus on Oceans, Coasts, and Islands and Regional Asia/Pacific and Coral Triangle (LEARN). This initiative is fostering structured learning, information sharing, collaboration, and replication across GEF's International Waters portfolio through the IW: LEARN network, with a particular focus on the Asia Pacific Coral Triangle Initiative. The project incorporates a global component aimed at advancing the oceans, coasts, and small island developing states targets of the 2002 Johannesburg Plan of Implementation, and at addressing emerging challenges such as climate change impacts and improved governance of marine areas beyond national jurisdiction.

#### iv) Baseline work to generate sustainable marine commodities information systems

41. FishSource (fishsource.com) is a tool developed by SFP to overcome the global lack of information for importers about compliance of conservation and fisheries legislation in countries of origin of their suppliers. FishSource provides impartial, accurate, up-to-date, non-technical information about fish stocks and impacts of fishing activities, without making sustainability judgments. By making summarized information available publicly for a large list of seafood resources, FishSource lowered the barrier for seafood buyers to engage in sustainable sourcing and, by becoming aware of specific problems of stocks and fisheries, buyers found room to use their leverage to help improve troubled stocks or fisheries with high impacts on environment and to mobilize their supply chains on those activities. A key challenge to making actionable information on marine commodities available has been to ensure that knowledge and scientific information are shared by experts with FishSource information systems. A delay in implementing an active global contributor's network model has not yet been a severe barrier for FishSource information teams, since so far the focus has been on data-rich fisheries for which information is available and a desktop-based approach is viable. FishSource is already covering approximately 75 percent by weight of the North American wild seafood commodities, while in the UK this figure is about 65 percent. However, addressing the remaining proportion, which is an immediate challenge, is anticipated as a very complex task for which an active contributors' network is key to ensure success. Integration of data from many thousands of additional fisheries, smaller fisheries, and fisheries with little data or little data online in English, is typical in many developing countries. The proposed work will provide data to FishSource on important fisheries from each of the participating countries, and promote the sharing of data between countries that manage shared fish stocks.

42. Currently the FishSource website developed by SFP is being transitioned to two separate websites. One website, FisheriesWiki.org, is aimed primarily at the scientific and fisheries management communities and attracting information contributors. It is designed to provide neutral scientific information and will include enhanced bibliographical material and data sharing capacity. The other website, FishSource.com, is targeted at major buyers, with the aim of further improving the usability of actionable information. Strengthening both programs and supporting the development of a global contributors' network for FisheriesWiki is a central component of the current project.

### **B. 2. INCREMENTAL COST REASONING AND THE ASSOCIATED GLOBAL ENVIRONMENTAL BENEFITS:**

43. This project will support developing countries scale up the adoption by fishers of certified standards in Indonesia, the Philippines, Ecuador, and Costa Rica. It will also work with the five tuna RFMOs, particularly the IATTC and the WCPFC, to: enhance data collection for shark captures; develop and implement effective CMMs for shark conservation and management in their Convention Areas; and bring major buyers to the table in order to pressure RFMOs to adopt meaningful CMMs for directed fisheries and species caught as bycatch, in particular, sharks. The

project will foster coordinated action between public- and private-sector needs in order to mobilize the necessary resources and technical expertise. It will help make a connection between governments and the private sector, requesting improvements in fisheries management and requiring fishing practices that are more sustainable. It will provide national institutions with additional skills to promote consumer and market preference for sustainable fish, strengthen policy and enforcement efforts to promote national sustainable fishing, and promote bilateral cooperation for the management of shared fish stocks. More importantly, retailers will be brought together with their suppliers, the fish trading companies, RFMOs, and the national governments in producing countries. By doing so, it will build on and ensure complementarity with GEF IW regional projects, particularly in the Coral Triangle (South China Sea, Sulu-Celebes Sea, Timor and Arafura Seas), Bay of Bengal, Western Central Pacific, Eastern Tropical Pacific, and Humboldt Current LME. The global environmental benefits will be improved fish and shellfish stocks and healthier and more biodiverse marine ecosystems from reduced overfishing and reduced bycatch, influenced through market preferences. This will be achieved through the three components described below.

## **1. Promotion of Global Demand for Sustainable Marine Commodities**

44. The project will educate major retailers and other supply chain partners, such as Walmart, ASDA, Tesco, Sainsbury's, McDonald's, Sobeys, Publix, Disney, and others, to demand sustainable fish from their supply chains and to minimize the impacts of fisheries on non-target stocks. Specifically, it will educate retailers and major buyers about the opportunities of greening marine commodities supply chains with the expectation that they may modify purchasing policies to demand sustainable supplies, support the creation of FIPs and buy more certified seafood products, including products that are associated with sustainable levels of bycatch. As a result, fish-buying companies will be able to ask the right questions of their suppliers. This will be made possible through one-on-one meetings with retailers, by advising relevant grocery and restaurant associations, and by bringing key retailer staff to meetings, such as the Seafood Choices Summit and meetings of RFMOs. Specific efforts will focus on markets that have not been the focus of efforts to date, such as Spain, France, and Japan, while deepening efforts in the core markets of the US and Europe. Changes in these target markets would generate positive impacts in LMEs in the developing world.

45. The project will also strengthen market mechanisms by providing information to importers about compliance with conservation and fisheries legislation in the countries of origin of their suppliers. It will aim to stimulate increased access to markets for those exporters in developing countries that make important commitments to biodiversity-friendly practices. It will also co-finance attendance at sustainable seafood events. It will attempt to address the sourcing policies of retailers and marine commodities importers from the US and EU, the selective purchasing of fish from those exporters that can prove that they are not sourcing from fishermen suspected of poaching and thus avoiding the purchase of products from IUU fishing within their sourcing. Beyond promoting changes in marine commodities that can eventually be MSC certified, this project will also concentrate on marine commodities that may not otherwise achieve MSC certification due to the status of fish stocks, the impacts of the fisheries on the environments, and/or the management of the fisheries. Special attention will be given to reduce IUU trade in buyer countries where IUU compliance does not meet minimum standards.

46. This project will also explore opportunities to reduce shark mortality to sustainable levels. A three-pronged strategy will be designed to address sustainability of shark populations: (a) decreasing shark by-catch mortality in pelagic longline and purse seine fisheries; (b) identifying leverage points within the Chinese market to seek their support for the use of sustainable, high-end products that can be substituted for shark fins; and (c) encouraging buyers of tuna from RFMOs to pressure those organizations and their Contracting Parties to improve data collection for all shark captures and to develop and adopt stronger conservation and management measures (CMMs) for sharks.

(a) The project will decrease shark by-catch mortality in longline and purse seine fisheries by influencing the five tuna RFMOs to adopt new, and improve existing, relevant CMMs. Initial efforts will have a trans-Pacific Ocean emphasis and include the WCPFC and the IATTC. An example will be to leverage SFP's relations with supply chain partners to influence the WCPFC and the IATTC. The Shark Research Plan of the WCPFC, on-going programs of the IATTC directed toward enhanced shark conservation and management in the eastern Pacific, and the CMMs of both RFMOs provide opportunities to work with both organizations and their Contracting Parties. The other three tuna RFMOs (the IOTC, ICCAT, and CCSBT) will also be engaged in order to bolster data collection efforts for shark fisheries and the adoption of robust CMMs for shark conservation and management. Project actions will be designed to influence practices and obtain accurate shark catch data from partners to feed

the WCPFC's Shark Research Plan and the corresponding initiatives of other RFMOs. The project will simultaneously, through Fishery Improvement Projects (FIPs), provide examples of sustainable shark fisheries for national consumption of shark meat. SFP has already begun developing procurement specifications for some longline fresh and frozen tuna, which include measures to mitigate problematic shark by-catch; and SFP plans to engage with its corporate partners to implement the specifications.

- (b) Identifying leverage points within the Chinese market would commence with the hire of a local or regional expert in Chinese shark trade and markets to conduct a supply chain analysis. The goal of the analysis is to identify opportunities to influence the Chinese shark fin markets and assess opportunities to encourage and provide sustainable, high-end alternatives to shark fins. Public outreach (mass communication) and government engagement roles identified by the analysis for implementation in China would be implemented by UNDP. The proposed work will also provide Chinese buyers and government officials with access to data from FishSource that will allow them to assess the status of shark populations and the impacts of selected fisheries on those populations.

47. Through the direct involvement of major seafood retailers, the project will also improve accuracy of catch information feeding into RFMO stock management and undertake short-term procurement studies to advise FIPs and retailers on fishery improvements. The proposed work will also promote the adoption of robust CMMs for non-target species, including sharks. This would generate a win-win for supply chain partners (as responsible players) and the RFMOs. SFP is uniquely and strategically poised to have buyers provide incentives and pressure upon RFMOs and their Contracting Parties in order to have them adopt sustainable practices directed towards more target species such as tuna, as well a non-target species such as sharks. The RFMOs provide the legally binding mandates for the adoption of such practices as well as the mechanisms for their implementation (i.e., CMMs). Tuna RFMOs are consensus-driven organizations where a single country can impede the adoption of meaningful CMMs for target and non-target species, a common outcome. By bringing major retailers to the table, this project stands to fundamentally alter that dynamic.

## **2. Enabling Environments for Sustainable Marine Commodity Supply Chains**

48. The project will establish national and regional coordinating platforms in producer countries to articulate actions conducive to wider adoption of sustainable practices by fish traders and fishing companies. The project will partner with national governments and institutions in Indonesia, the Philippines, Costa Rica, and Ecuador, so that key public- and private-sector decision makers, from fisheries departments and environmental agencies to trade and export promotion authorities, may participate in the necessary dialogue and planning to scale up sustainable practices. To ensure long-term improvements, the platforms will foster liaisons with wider governmental planning and national budgeting, so that the activities required for scaling up sustainable harvesting practices may be supported by public investments and private commitments after the end of the project.

49. By convening domestic and international buyers and fish trading and exporting companies, the project will serve to better identify institutional barriers and perverse incentives limiting sustainable fish harvesting, discuss possible economic incentives to help shift to sustainable practices with government, and plan capacity building needs assessments required for best practice. The platforms will serve to mediate existing conflicts between fish traders and national authorities, in particular regarding fish traceability, labor, and Marine Protected Area regulations, so that common ground may be found for mainstreaming sustainability into this economic activity. The platforms will articulate joint actions at the national level to take advantage of market opportunities for sourcing sustainably harvested marine commodities. These actions will be complemented by working with the five tuna RFMOs, in particular, the WCPFC and the IATTC, in order to foster reliable data collection efforts on shark captures and the adoption of effective CMMs for sharks in their respective Convention Areas.

50. Action will focus on educating fish traders about how to improve fisheries through purchasing policies and practices and engaging the right decision makers at the right times in policy and management reform efforts. Suppliers have the greatest capacity to influence fishery management, and a few are already launching efforts that may be catalyzed and multiplied through public and private collaboration. It will also serve to launch training programs for government staff on how best to work with the fishing companies to obtain sustainable products, including raising their awareness of financial and technical resources to improve harvesting and post-harvesting activities. Learning experiences will be facilitated through CEO-level roundtables bringing together suppliers sourcing from similar marine

commodities and farms; design training programs, peer-to-peer learning opportunities, and other knowledge management systems for sharing lessons; meetings of RFMOs; and other venues as available and appropriate, identifying weaknesses and promoting collaboration.

### 3. Demonstration of Sustainable Supply Chains for Marine Commodities

51. Demonstration projects will consist of initiatives where specific fish buyers and suppliers consciously work together to address the depletion of resources they are using. The establishment of national platforms in Component 2 will be complemented by the implementation of site-specific and fisheries-specific training on market demand-driven sustainability criteria, such as MSC and requirements for supply chain stakeholders and governments, to incentivize interest in the process of certification. In addition, targeted marine commodities stakeholders (buyers, traders, fishers) will be engaged to make the initial improvements that will eventually contribute to the process of adopting and verifying of any standards. These changes will be guided by agreements between buyers and suppliers of target marine commodities made progressively and facilitated by the project. This approach will avoid resistance of supply chain stakeholders to immediate compliance with the MSC sustainability standards (if applicable and available), thus making progress toward change from the very start of the project.

52. The project will record and share lessons and best practices on how to incentivize fishers to change practices and to meet specific buyer standards, as well as on how to help fishers and local processors convene like-minded companies to set up fisheries-specific improvement partnerships. These partnerships will address compliance with catch limits by sourcing companies, better science and monitoring technologies for fishers, reduction of bycatch in current strategies, limiting fishing impacts on habitats, improving fishing safety for those involved, and improving economic performance to combat overfishing.

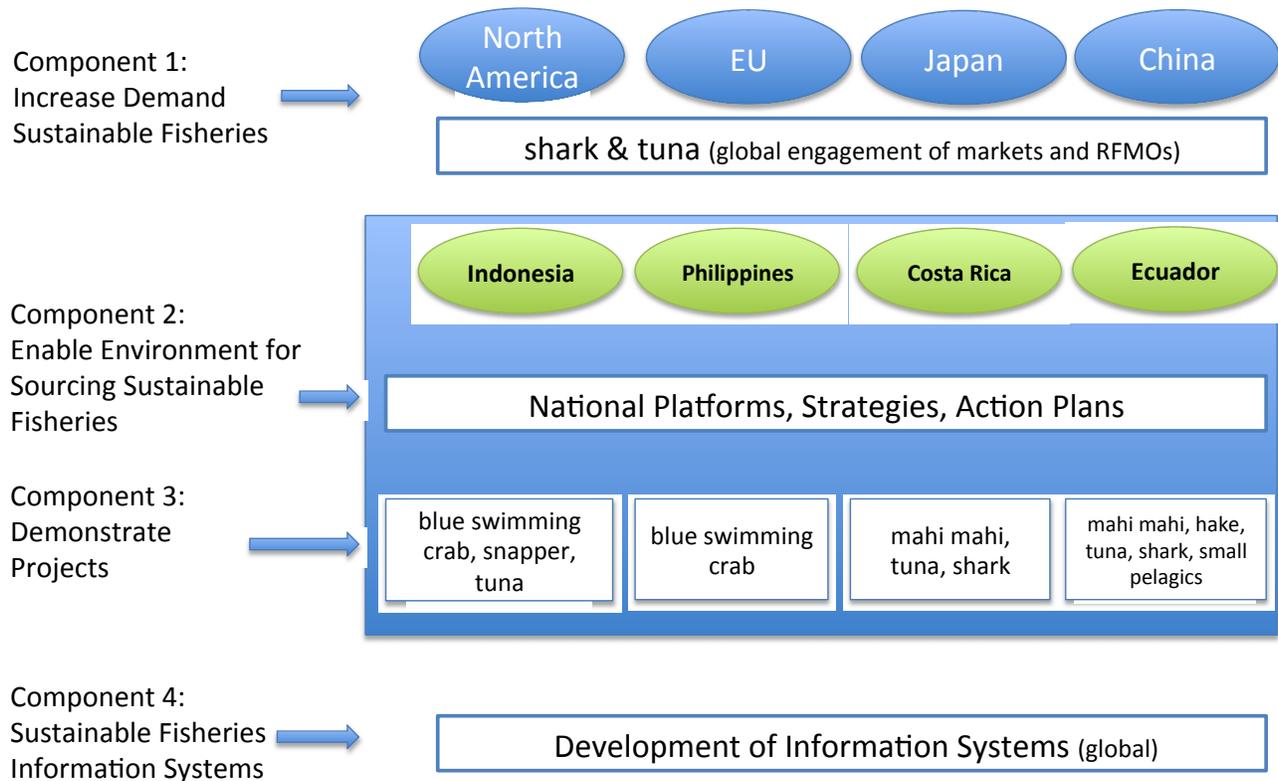
53. Demonstration projects will improve environmental performance of the selected marine commodities through the promotion of alternative fishing gear and strategies such as techniques to reduce by-catch from longlines and fish aggregating devices (FADs), the use of circle hooks and deep water longlines, the adoption of turtle excluder devices (TEDs), and restrictions on the use of inappropriate technology. In order to promote the benefit MPAs bring to target marine commodities (of increasing size and age of and reducing stress of fish stocks), and considering the difficulties in avoiding poaching within no-take zones of the selected LME, particular attention will be played on the use of vessel monitoring systems (VMS) to support the verification of compliance with agreed codes of conduct between buyers and suppliers of fish.

54. Demonstration projects will be managed in target countries in coordination with Project Management Units of other GEF IW projects in their respective regions, aiming also to link MPA authorities to provide the necessary linkages between conservation and sustainable markets.

55. The initial key marine commodities to be targeted with this project are listed below. These will be verified during the project preparation phase, at which time other potential commodities in other parts of the world could be included.

Marine Commodities	Countries	LME
snapper	Indonesia	Sulu-Celebes Sea, Bay of Bengal, Timor and Arafura Seas
blue swimming crab	Indonesia, Philippines	Sulu-Celebes Sea, Bay of Bengal
tuna	Indonesia, Ecuador	Sulu-Celebes Sea, Bay of Bengal,
whitefish (hake)	Ecuador	Pacific Central American Coastal
shark	Costa Rica, Ecuador, Indonesia	Humboldt Current, Sulu-Celebes Sea, Bay of Bengal, Pacific Central America Coastal
mahi mahi	Ecuador, Costa Rica	Pacific Central America Coastal
small pelagics	Ecuador	Pacific Central America Coastal

## Global Distribution of Project Activities



#### 4. Sustainable marine commodities information and knowledge management systems

56. The project will build on the fisheries improvement demonstration projects and make use of the coordinating platforms to develop sustainable marine commodities information systems. These will serve to measure the progress and failings of specific agreements between buyers, suppliers, and fishers. The project will help promote and implement metrics systems within the selected sites and for selected marine commodities.

57. The primary objective of the information systems is to deliver actionable information directly to seafood buyers and suppliers to monitor change. This information will provide engaged buyers with the ability to see whether the marine commodities they are sourcing from are on track to meet credible sustainability standards (e.g., MSC) or are registering other forms of improvement. They will also help buyers identify suppliers whose marine commodities are falling behind, to encourage them to change and reward those making progress. This objective ensures commercial incentives align with improvement needs, and encourages suppliers to engage in improvement efforts in individual marine commodities. Getting this level of specificity and information to buyers first requires a scientific information resource be readily available for individual marine commodities, as is available from FisheriesWiki.org. This information then needs to be summarized, simplified on FishSource.com, and delivered in usable format to individual buyers for their use in real time, either directly using FishSource profile fisheries information or through sustainable seafood metrics systems.

58. The project will generate reports and guidance documents on sustainable fishery supply chains and disseminate lessons, guidance, and testimonials from existing partners in improvement projects to retailers, suppliers, donor agencies, NGOs, and governments. This will help persuade major buyers to start engaging their supply chain in

improvement efforts, and educate other stakeholders such as catchers, regulators, and NGOs about the approach in general, and the rate of progress in individual marine commodities.

59. The proposed project will make the following information available through FishSource: (i) profiles for all project fisheries based on reliable, publicly available, up-to-date information on stock status, management quality, and environmental and biodiversity impacts of fishing activities; (ii) the best available data from tuna RFMOs on the impacts of tuna fisheries (using purse seine and longline) on shark populations; (iii) data on major project fisheries' impacts of on shark populations.

60. The Global Sustainable Supply Chains for Marine Commodities project will accelerate fisheries improvement efforts being led by FIPs, as well as the adoption of certification schemes such as MSC. It also has the ability to support existing MPA and resource management initiatives within LMEs that are conducive to sustainability, linking them to fish supply chains, taking advantage of the opportunities that the growing demand for sustainable seafood and credibly certified marine commodities could bring.

61. One of the roles of this project is to engage fisheries that cannot currently earn certification and help them improve to the point at which they can enter into a credible certification and labeling program, with a reasonable expectation of getting certified. SFP enables this process by forming Fishery Improvement Projects (FIPs), an arrangement that is increasingly being applied in situations where the involvement of the supply chain can generate progress in fisheries management where existing processes are inadequate or have failed.

62. With GEF support, retail outreach will be deepened in core markets and broadened to include France, Spain, and Japan. Additional private sector resources will be mobilized through the purchasing power of the larger companies' retailers and fish traders. The toolkits and pilot schemes developed will allow for other donor and agency involvement, thus adding further value to the initial GEF investment, and enabling scaling-up of pilot initiatives in target countries.

63. Improvements in fisheries management from the implementation of FIPs could result not only in environmental benefits but also potentially in significant contribution to poverty alleviation and food security in developing countries through guaranteeing the long-term availability of fish stocks, creating opportunities for increased long-term value-added and new markets, and helping to build capacity for the management of marine resources in the developing world. This could contribute significantly toward fulfilling the Millennium Development Goals. Certification and eco-labeling thus have the potential to generate environmental, social, and economic benefits.

64. The resources requested for this project will pinpoint and connect key fish buyers and retailers with the specific marine commodities that may be positively impacted through purchasing policy changes by such stakeholders. This investment will support the activities required to educate retailers and fish traders to promote increased demand of sustainable marine commodities, to directly engage with the stakeholders involved in poorly managed marine commodities from which they are sourcing, and to establish strategic partnerships that motivate sustainable practices. Project resources will also facilitate the convening of national-level institutional and sectorial stakeholders to provide gap analysis and strategy formulation in key fish-sourcing countries. These investments will play a catalytic role for additional, in-kind and financial resource mobilization through articulated joint actions. Funding will also serve to initiate, facilitate, and document progress of strategic marine commodities partnerships that will incentivize wider adoption of best practices and standards. Resources will also enable the use of sustainable seafood metric systems to monitor changes in the sustainability of selected marine commodities.

65. The project will establish a management system for better knowledge on mainstreaming sustainability into seafood supply chains through market and policy mechanisms and partnerships with the overarching goal of rebuilding and protecting fish stocks and livelihoods. To this end best practices will be documented and experiences shared with other projects through IW: LEARN participation, including IWCs. A functioning website consistent with IW: LEARN guidance will be also established.

### B.3. SOCIOECONOMIC BENEFITS TO BE DELIVERED BY THE PROJECT INCLUDING GENDER DIMENSIONS:

66. The project would help build capacity and global networks for biodiversity-rich developing nations to enter into FIPs. The project is expected to increase number of marine commodities coming from the fisheries involved in improvement project (FIP) in target countries. As a result of involvement in credible FIPs, the project will help increase the competitiveness of seafood products from project fisheries entering the global market.

67. The project anticipates increased income to the vulnerable fishermen from Indonesia, Philippines, Costa Rica, and Ecuador. The national coordinating platforms will serve to promote policy reform or strengthening that will establish enabling conditions for wider adoption of best practices in the harvesting of the selected marine commodities. This will result in increased incomes to the low-income fishermen, fish traders from these countries who adopt sustainable practices. At a site-specific level, demonstration projects will establish strategic partnerships between fishermen, traders, and buyers to agree on criteria and targets for improvements throughout the supply chain that may revert in price premiums paid or increased market access. In the Indonesian and Philippine blue swimming crab fisheries, increased income will flow to small communities and artisanal, sustenance fishers. In both countries while fishers are mostly men, much of the processing work is done by women, who make up the vast majority of workers in the picking plants. At a global level, the project will encourage traders to incorporate pro-poor approaches to the criteria requested for sustainable marine commodities, ensuring new processing tasks requested to suppliers to boost employment for women and young adults. The new standards agreed with buyers will also serve to improve the incomes and formalize employment arrangements of fishing companies, improving the livelihoods of thousands of coastal dwellers in the target countries.

### B.4. INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS AND MEASURES THAT ADDRESS THESE RISKS:

68. Climate change is modifying the distribution of marine and freshwater species. In general, warmer-water species are being displaced toward the poles and experiencing changes in habitat size and productivity. These changes could affect fisheries, particularly those located in high latitudes and on upwelling and coral reef systems. This could lead to modified primary production in target LMEs that, when faced with excessive fishing capacity of target countries, could result in accelerated overharvesting that collapses fish stocks to the point where certification systems would not solve the problem. The project will therefore address several of the LMEs most vulnerable to climate changes, in order to document the risks and warn the involved stakeholders about the dangers of business as usual for these marine commodities. The regional focus of the proposed work, both geographically (e.g., LMEs) and politically (e.g., RFMOs) provides a scale that will, in part, account for biological and oceanographic changes that result from climate change and ocean acidification. The following operational risks have also been identified as well as their corresponding response measures.

Risk	Rating	Risk Mitigation Strategy
Between 1970 and 2004, sea surface temperature around the planet rose between 0.2-1.0° C with a mean increase of 0.6° C. The pH of world oceans has decreased by 0.1 units. The tropics and eastern boundary upwelling ecosystems such as the Humboldt Current System EBUEs are among those ecosystems that are particularly vulnerable to changes in pH. These trends may affect migration patterns of pelagic species and primary productivity.	H	The project will ensure that the marine commodities information systems being supported may feedback into national and regional coordinating bodies and inter-institutional dialogue to adapt to changing conditions. The national and regional platforms established will allow for the necessary coordinating systems among stakeholders to make quick and informed decisions in the face of increased vulnerability. As the proposed activities will enhance biodiversity and promote sustainable fisheries, the ecosystems in question will become more resilient to large-scale stressors such as climate change and acidification.
Buyers and retailers show little knowledge or interest in changing purchasing policies for marine commodities.	L	There is low likelihood that companies will not want to work for improved sustainable harvesting, through schemes that are effective and may deliver progress in developing countries. The project will produce tailored scoping papers on specific marine commodities to inform and engage CEOs and purchasing

<b>Risk</b>	<b>Rating</b>	<b>Risk Mitigation Strategy</b>
		officials from retailers, large buyers, and fish trading companies. These will prove that in order to stay in business, traders need to establish strategic partnerships with their suppliers to ensure sustainable sourcing.
Changes in political administrations in target countries affect the continuity of the national platforms, strategy development, and implementation of joint action plans.	M	The project contributes to the achievement of established national and regional strategies (IW, BD, others); from the outset efforts will be made to raise awareness of key institutions and stakeholders. Existing cooperation mechanisms between stakeholders will also be strengthened to ensure continuity of platform action.
Demonstration projects partnering buyers with fishers fail to make the latter incorporate best practices.	L	The project will incentivize buyers to offer increasingly good price premiums and enhance market access to those fishers who may adopt changes towards sustainable harvesting. It will also encourage fish buyers to avoid purchasing from exporters who are suspected of trading IUU fish.
The current commitment to cooperate at national level is diminished.	L	The project will aim to mediate existing conflicts between marine commodities supply chain stakeholders and institutions to ensure long-term cooperation and joint action to increase adoption of best practices in the harvesting of target fisheries. The project will work to facilitate, and increase when necessary, cooperation between the agencies responsible for biodiversity protection (e.g., ministries of the environment) and capture fisheries in each country.
Limited will to share information between institutions in public and private sectors at national levels	M	Consultation mechanisms and formal working groups will be established; establishment of MOUs will streamline information flows; participation by scientific and academic sectors will be promoted.
Limited interest by the tuna RFMOs to adopt stronger CMMs for sharks or to collect reliable data on shark fisheries species	M	The project will bring to the table some of SFP's major retail partners to work with RFMOs and their Contracting Parties in order to create and adopt more effective CMMs for both target and non-target species, and to enhance data collection efforts for sharks.

#### **B.5. KEY STAKEHOLDERS INVOLVED IN THE PROJECT:**

<b>Stakeholders</b>	<b>Project Implementation Role</b>
<b>Governmental Authorities</b> Fisheries & Environmental Departments/Ministries from countries Targeted for National Platforms: Indonesia, the Philippines, Costa Rica and Ecuador	National authorities will lead coordinating platforms to articulate and review policies with the commitments for joint action plans made by the other stakeholders involved in the national dialogues for sustainable harvesting of fisheries. The same governmental authorities represent these countries on the level of RFMOs.
<b>Sustainable Fisheries Partnership Foundation (SFP)</b>	Will provide technical leadership for the development of demonstration projects and link fish buyers with suppliers so these may work together to address the depletion of resources they are using. SFP will also provide technical leadership for the development of sustainable marine commodities information systems to measure the progress and failings of specific agreements between buyers, suppliers, and fishers. SFP partners with companies, nonprofit organizations, universities, and local communities on projects around the world. Partners are committed to developing relationships and dialogues on improving fisheries with

	fisheries management organizations, fishing cooperatives, governments and associations. SFP's role is to convene these players and provide education and access to information on fisheries as well as systems for helping retailers track their progress towards sustainability. SFP also works with other NGOs such as New England Aquarium, Fishwise and WWF to engage their retailer and supply chain partners in Fisheries Improvement Projects (FIPs) worldwide.
<b>US, European, and Japanese Retailers &amp; Other Supply Chain Partners:</b> Walmart, ASDA, Tesco, Sainsbury's, McDonald's, Sobeys, Publix, Disney, and others	Retailers will be invited to participate in strategic partnerships for sustainable marine commodities. Retailers will motivate their suppliers (fish traders and exporters) to modify purchasing policies so that best practices may be widely adopted for fish harvesting.
<b>Fish Labeling Organizations:</b> Marine Stewardship Council & others	Engage with national coordinating platforms to facilitate initiation of efforts leading to certification of sustainable fisheries.
<b>National-Level Fish Organizations</b>	National fish associations and fish trading groups will be encouraged to join national platforms and demonstration projects as an opportunity to engage large buyers directly, and to be more informed of new purchasing policies and expectations of international buyers.
<b>International Fishmeal and Fish Oil Organization</b>	Engage their fishmeal producer members to improve the environmental performance of their marine commodities.
<b>Regional Fisheries Management Organizations and ISSF</b> Shark Research Program at Western and Central Pacific Fisheries Commission (WCPFC), shark conservation and management programs of the Inter-American Tropical Tuna Commission (IATTC), regular meetings of all tuna RFMOs for the adoption of CMMs for target species	Integrate project-supplied shark by-catch information into improved stock assessments facilitating enhanced conservation and management measures (CMMs) and use buyer-driven incentives to encourage both RFMOs to adopt robust and effective CMMs for both target and non-target species.  ISSF would be approached as a stakeholder in the project both on tuna sustainability and shark by-catch issues (dependent on work plan, which will be defined during the project development phase)

#### **B.6. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES:**

69. The aim of this project is to help national institutions maintain healthy ecosystems and biological diversity, and strengthen human and institutional capacities that deal with these issues in the host countries. This project supports the development of national platforms to facilitate sustainable supply chains in the marine commodities sector.

70. In Southeast Asia, within the Sulu-Celebes Sea, this project will work closely with the GEF-UNDP Sulu-Celebes Seas Sustainable Fisheries Management Project and the GEF-UNDP Arafura and Timor Seas Ecosystem Action Program that aim to achieve a regional consensus on transboundary priorities and focus on unsustainable exploitation of marine commodities. This project will also benefit from the agreements on regional and national legal, policy, and institutional reforms for improved marine commodities management through the formulation of a Strategic Action Program of the Sulu-Celebes and Timor-Arafura Seas projects, and take advantage of these projects' investment to strengthen institutions to catalyze implementation of policies on reducing overfishing and improving fisheries

management. Other relevant projects that will be coordinated with the proposed initiative include: GEF-UNDP-FAO Pacific OFM; other GEF UNDP Coral Triangle Initiative subprojects such as the Western Pacific and East Asia Oceanic Fisheries Management Project; and CTI subprojects implemented by ADB and FAO.

71. In particular, the project will incorporate lessons from UNEP's project Promoting Sustainable Trade, Consumption and Production Patterns in the Fisheries Sector, funded by Norway. That initiative aimed to assist and strengthen the capacities of governments and stakeholders to promote the sustainable management of marine commodities and to contribute to poverty reduction, through technical support on fisheries access agreements, subsidies, and supply chain work. The lessons from this project, which ended in 2009, will provide invaluable guidance on how to implement a global fisheries project addressing market mechanisms. In particular, UNDP will pay attention to the review of technical country reports on eco-labeling that were developed by the South African-based Institute for Security Studies as part of this project.

72. UNDP will coordinate closely with the project Global Partnership with Fisheries Industry for the Sustainability of Living Aquatic Resources. Coordination with this World Bank-GEF initiative is particularly relevant, as it will identify private-sector stakeholder needs, interests, and opportunities to engage the developing country industry regarding sustainable fisheries. The country-specific focus that UNDP will lead through this project in Indonesia, Philippines, Ecuador, and Costa Rica will build on the methods developed by the World Bank to identify key drivers and criteria for partnership participation with the fishing industry. The World Bank's comparative assessments of private-public partnerships and market-led approaches for sustainable natural resource use sectors and their applicability to the fishery sector will benefit the specific interventions in the target countries. UNDP will also contribute with this project by strengthening partnerships between the fishery industry and key global stakeholders. The UNDP project will also input into the capacity-building packages developed by the World Bank, ensuring the lessons of the implementation of FIPs within the target countries are included to expand the impact of both projects.

73. Project will also coordinate with national initiatives helping artisanal fishermen in value adding into products and develop capacities for stakeholders for value/change management by implementing innovative South-South certification programs, as it is the case of relevant Small Grants Programs implemented by UNDP in the participating countries.

#### **C. DESCRIBE THE GEF AGENCY'S COMPARATIVE ADVANTAGE TO IMPLEMENT THIS PROJECT:**

74. UNDP's Strategic Plan for 2008-2013, approved by the UNDP Executive Board, includes Managing Energy and the Environment for Sustainable Development (Goal 4), and includes the outcome Strengthened national capacities to mainstream environment and energy concerns into national development plans and implementation systems. UNDP has taken further internal steps to operationalize the mainstreaming elements of the Strategic Plan at a subsidiary level through its Water Governance Strategy endorsed by the UNDP Management Group in 2007. The Water Governance Strategy for includes as one of its three Strategic Priorities Regional and Global Cooperation and the associated Outcome, Enhanced regional and global cooperation, peace, security and socio-economic development through adaptive governance of shared water and marine resources, and the principal Output, Assist countries to develop and implement cooperation on transboundary waters through multi-country agreements on priority concerns, governance reforms, investments, legal frameworks, institutions and strategic action programs.

75. In managing its LME and transboundary fisheries programs, UNDP's Ocean Governance Programme ([www.undp.org/water/ocean-coastal-governance.shtml](http://www.undp.org/water/ocean-coastal-governance.shtml)) draws on a wide range of staff expertise in marine ecosystems, fisheries, and marine/coastal resources management at HQ, in its Regional Centers, and through its network of Country Offices. Senior advisors at HQ and in regional centers all have relevant PhD's (fisheries economics, marine biology, environmental management/policy, marine resource economics, etc.). UNDP's cumulative LME portfolio, working in 11 different LMEs in all 5 UNDP regions covering over 100 countries, represents US\$ 528 million in total financing from GEF, UNDP, governments, donor partners, and others. This represents the largest investment of any kind in advancing the sustainable, integrated, ecosystem-based management of LMEs, from which over 85% of the world's fisheries are harvested, which contribute US\$ 12.6 trillion/year in goods and services to the global economy, and which provide livelihoods for nearly half a billion people, many in the world's poorest countries.

76. In terms of implementing GEF IW projects, UNDP has consistently delivered results through a broad range of international transboundary water interventions, including the high-level adoption of 17 SAPs (8 in LMEs), eight of which are currently being implemented. In addition to providing vital technical, financial, and capacity-building support for the establishment of the world's first post UN Fish Stocks conservation and management organization for highly migratory fish stocks, the WCPFC, UNDP has strengthened or established 20 multi-country marine/coastal, river, and lake basin management agencies or commissions, including establishment of the world's first two LME commissions, the Benguela Current and Guinea Current LME Commissions.

77. UNDP also has internal capacity on greening commodity supply chains with extensive experience and engagement with the world's large retailers such as Walmart and Tesco. Its collaborative work with SFP also allows for direct engagement of international specialized fish retailers such as Delmar, Espersen, Foodvest, High Liner, Aqua Star, and Icelandic Group PLC. UNDP will combine its market and supply chain experience with its fishery capacity building experience to provide integrated capacity to implement this project from market to government to producer. UNDP has wide experience building national capacity for the sustainable production of commodities (coffee, cocoa, beef, cotton, seafood, minerals, etc.). UNDP already has several major sustainable commodity initiatives underway that support sustainable production and linkages to markets. These are in coffee, cocoa, and cotton and focus on market linkages, enabling environments and certification. UNDP recognizes that to have a real influence on global commodities and markets it needs to act globally, harmonizing and connecting activity across producer countries and vertically up the supply chains to include major buyers and consumers, not only the producers and governments. UNDP's unique mandate and ability to act as interface between governments, private sector, and communities provide it with the unique position to achieve this global impact.

78. Lastly, UNDP builds on its field presence in the countries covered by this project. In addition, the project will be directly supported by experienced UNDP staff members based in the regions (Asia Pacific and Latin America), as well as by the UNDP Principal Technical Advisor International Waters and the UNDP Lead Natural Resource Economist at UNDP Headquarters, with responsibility for global oversight of the UNDP Ocean Governance Programme and Green Commodities Facility, respectively.

#### **C.1. INDICATE THE CO-FINANCING AMOUNT THE GEF AGENCY IS BRINGING TO THE PROJECT:**

79. UNDP's in kind co-financing is provided through direct involvement of the Green Commodities Facility staff providing technical oversight and project support. The budgetary allocation from UNDP core funding to this project is US\$ 200,000. The Facility's involvement in this project will serve to build partnerships and connect global markets with national governments and producers to strengthen national capacity for scaling up sustainable commodity production around the world. At the country level, the Green Commodities Facility will comprehensively coordinate and facilitate the execution of national strategies. Multi-stakeholder project teams will implement programs to improve the structural conditions under which producers can meet global standards, certification systems, and sustainability initiatives (e.g., the Millennium Development Goals). These national-level, government-focused projects will create the approach, foundations, and models for mainstreaming sustainable fisheries trade.

#### **C.2. HOW DOES THE PROJECT FIT INTO THE GEF AGENCY'S PROGRAM AND STAFF CAPACITY IN THE COUNTRY TO FOLLOW UP PROJECT IMPLEMENTATION**

80. In Indonesia, Philippines, Ecuador, and Costa Rica the project relates to UNDAF (2011-2015) Outcome 8 Communities: have access to safe drinking water and adequate sanitation and sustainably manage the natural environment to enhance their livelihoods (UNDP, UNEP, WHO, FAO, UNICEF, ILO, UNOPS). By financing demonstration projects and establishing national platforms, the project will help achieve Outcome 8.4 Communities: efficiently manage natural resources for ecosystem benefits. It will also be addressing UNDAF Outcome 6.3: participation of private sector in selected service provision through operationalizing institutional and regulatory frameworks for PPP.

81. In Indonesia and the Philippines, the project will support Outcome 3 through the facilitation of national dialogues that will lead to (sub-outcome 3.3) policy frameworks in place that recognize the specific relationship between cultural communities and their natural environment, respect the customary rights of cultural communities and create equitable conditions for cultural communities to participate in the country's development process. Sub-outcome 1.4: increased

opportunities for achieving sustainable livelihoods in the poorest provinces of Indonesia through the development and implementation of appropriate participatory policies and programs will also be addressed through the establishment of demonstration projects in coastal areas of high vulnerability.

82. In Costa Rica and Ecuador, the project relates to Outcome 3: development of technical and institutional capacity to promote environmental sustainability.

83. The project will support activities in Philippines and Indonesia through the UNDP Asia Pacific Regional Office in Bangkok, Thailand, through the Regional Technical Advisor for Marine, Coastal and Marine Ecosystems. Activities in Costa Rica and Ecuador will be supported by the Latin America and Caribbean Regional Centre, Panamá, through the Regional Technical Advisor for Green Commodities and the UNDP LAC Regional Technical Advisor for Water, Ecosystems, and Biodiversity.

**PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT AND GEF AGENCY**

**A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT ON BEHALF OF THE GOVERNMENT:** (Please attach the [Operational Focal Point endorsement letter](#) with this template).

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
Ruben Muñoz Robles	Director, International Cooperation.	Ministry of Environment, Energy and Telecommunication of Costa Rica.	November 14, 2012
Lorena Tapia	Minister	Ministry of Environment of Ecuador.	November 29, 2012
Annaliza Rebuelta-Teh	Undersecretary	Department of Environment and Natural Resources	November 8, 2012
Dana A. Kartakusuma	Assistant Minister	Ministry of Environment	January 16, 2013

**B. GEF AGENCY CERTIFICATION**

<b>This request has been prepared in accordance with GEF/LDCF/SCCF/NPIF policies and procedures and meets the GEF/LDCF/SCCF/NPIF criteria for project identification and preparation.</b>					
Agency Coordinator, Agency name	Signature	Date (MM/DD/YYYY)	Project Contact Person	Telephone	Email Address
Adriana Dinu, UNDP/GEF Deputy Executive Coordinator		January 25, 2012	Jose Vicente Troya RTA, IW	507302-4636	<a href="mailto:jose.troya@undp.org">jose.troya@undp.org</a>