

CASE STUDY

Published November 2021

The Isda Strategy: Rewarding Fishers for Sustainable Practices

*Delivering a blueprint for a **just rural transition**
through novel approaches to sustainable, equitable
fisheries management*



supported by



Equitable, Sustainable Fishing through the Isda Strategy

A blueprint for delivering restoration and resilience to fishery value chains

Location

The Philippines

Context

The Philippines is the 11th largest seafood producer in the world. Over the last three decades, fish catch has either declined or stagnated due to overexploitation, at the expense of artisanal fishers.

Challenge

Set within the global challenge of depleting fishery stocks, a significant challenge for fisheries in the Philippines is a lack of regulation or measurement of fish catches.



This has led to an uncoordinated fishery value chain responsible for heavy depletion of unregulated nearshore species. No stock assessments or science-based catch limits are in place for many of these nearshore species or communities, meaning any potential fisheries regulation would lack guidance from science-based evaluations.

“ Seafood currently provides 17% of daily animal protein consumed globally, yet fish stocks worldwide are imperiled, threatening marine ecosystems, global food security, and the economic livelihoods of millions of fishers. ”

[The Rockefeller Foundation, Investing for Sustainable Global Fisheries report](#)

Solution

The Isda Strategy, developed by Encourage Capital, and one of six Investment Blueprints supported by the Rockefeller Foundation and Bloomberg Philanthropies, details how sustainable fishing practices might be implemented in a portfolio of small-scale fisheries in the Philippines.

To remedy a lack of coordination in Philippine fishery value chains, the Isda Strategy proposes an investment into a combination of fishery management improvements and a robust logistics network spearheaded through a hypothetical processing and distribution business (named TambaCo) producing premium seafood products for both domestic and international markets.

Impact investors would invest USD \$6.2 million in fishery management systems, such as automated tracking systems that enable the full traceability of fish back to the vessel, and USD \$5.5 million into the expansion of TambaCo, a mission-aligned fish processing and distribution company.

TambaCo would source from fishers committing to improved fishing practices, paying them a price premium of 15%, enabled by the full traceability resulting from the tracking systems and sustainability labelling.

Complementing the traceability system, a combination of nearshore no-take and exclusive fishing zones; sophisticated traceability-promoting vessel tracking and a database of fishers and species, would allow fishers to better control their takes. Commercial partners such as TambaCo could ensure a fresh and sustainable supply, and valuable data would be provided to authorities to inform management efforts.

An important incentive for fishers to join the Strategy, would be the establishment of a Fishing Community Trust (FCT). Initially capitalised with USD \$3 million, the Trust would provide fishers with business-interruption insurance in the event of extended periods of hazardous weather.

In the tenth year of the strategy, TambaCo would be sold (at an estimated value of USD \$2.9 million), with 10% of the proceeds used to recapitalize the Fishing Community Trust.

“ Impact-focused investors have approximately USD \$5.6 billion in capital to deploy ... [and] the means to dramatically reshape the world’s ‘blue economy’. ”

[Encourage Capital, report authors](#)

Impact

Though not yet implemented, a number of potential benefits are possible through the Programme. These include: the enhanced income of 19,000 artisanal fishers through the 15% premium paid on fish delivered sustainably to TambaCo; delivering an additional 800,000 meals to consumers annually; and reducing supply chain spoilage by an estimated 13%.

The Program would pay higher premiums for those who followed management principles, designed as an incentive to catalyze and sustain the implementation of sustainable fishing practices.

Development benefits would be paired with healthy returns for investors, with analysis suggesting that Isda has the potential to generate attractive financial returns, targeting a 20.7% equity return, with diversified cash flows stemming from both domestic and international sales.

“ We believe the Isda Strategy has the potential to generate a 20.7% base case equity return ... [while] enhancing the livelihoods of up to 19,000 fishers. ”

[Encourage Capital, report authors](#)

