

PRIVATE SECTOR ENGAGEMENT STRATEGY, PARTNERSHIP DEVELOPMENT, AND GOOD PRACTICES

—
USAID SUSTAINABLE FISH IN ASIA (SUFIA)



June 2022



2022

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Background

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Advising Governments, Multi-lateral Agencies, Development Agencies, Impact Investors, NGOs, Academia and Philanthropic Foundations

2

Developing business cases and matchmaking with different types of investors

3

Facilitating business councils, round-table meetings, Fisheries Improvement Projects (FIPs)

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Recent Examples

1. Sustainable Fisheries Investment Landscape Assessment
2. Co-developed 5 sustainable fisheries business cases/investment opportunities from initial master list of over 50 investment opportunities of sustainable fisheries businesses ranging from:
 - Processing plants for sustainable Tuna and Snapper
 - Aquaculture (seaweed, sea cucumber, shrimp, etc.)
 - Fishing efficiency and tracking systems (technology and internet-of-things (IOT))
 - Cold storage, infrastructure, and logistics
 - Eco-tourism, markets, and community-based fishery management

Consulting with leading venture capital/ impact investment firms in Jakarta, Bali, Singapore, and Hong Kong on investment eligibility and priorities.



Understanding the Context of PSE

- **Consider the full context:**
 - Geographic, Political, Legal, Economic, Social, Environmental
- **Avoiding false starts:**
 - Engagement aimed at change often starts from a point of fear
 - Early phase of engagement is challenged by multiple factors



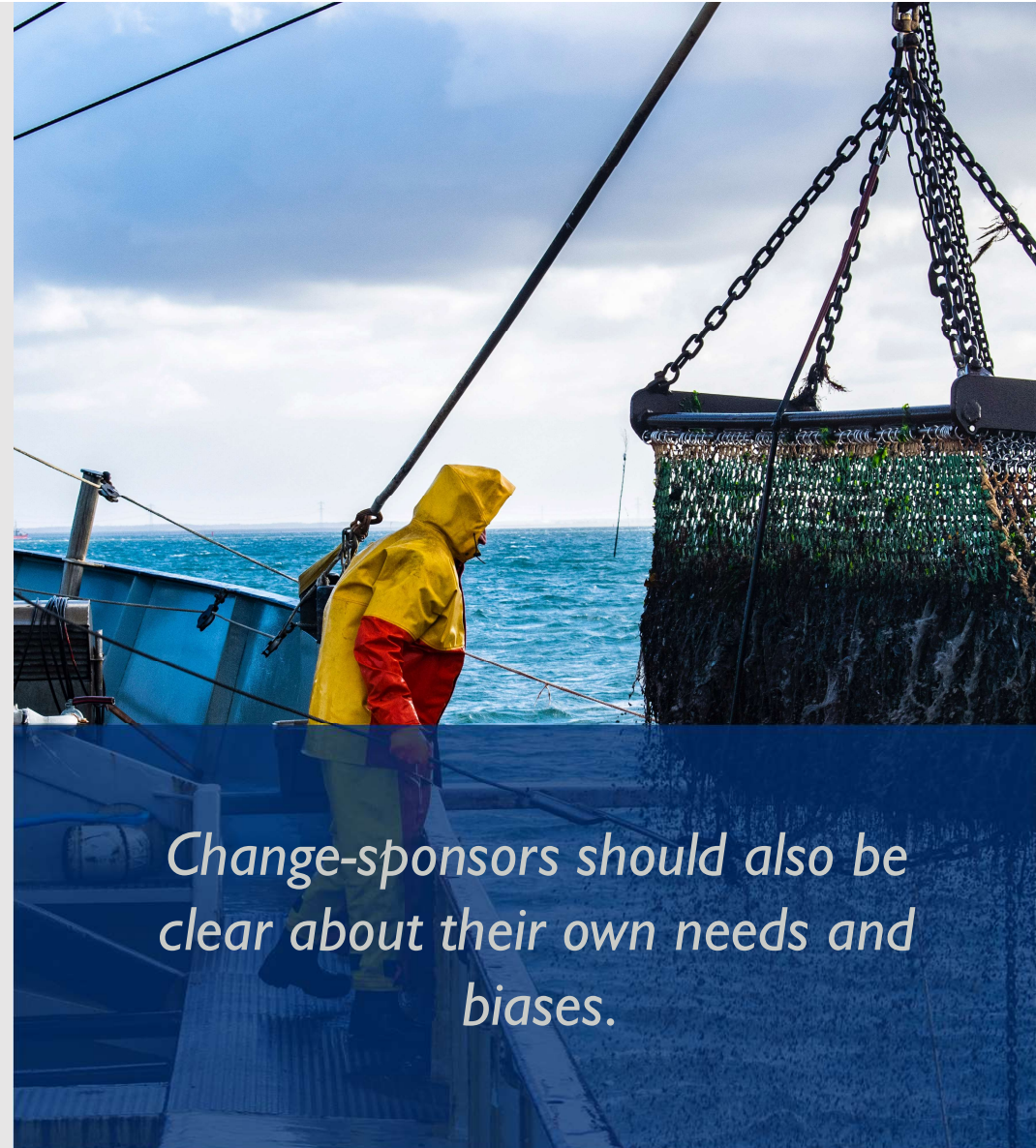
***“Change-sponsors:
Working from strategy
will help!”***

Change-Sponsors

- For a good “first impression”, change-sponsors’ pitch deck should highlight private sector benefits related to revenue potential, scalability, and profit margins.
- Change-sponsors should avoid ready-made solutions, listen, and truly be open to learn.
- All change-sponsors should be prepared to address specific questions about their commitment and provide answers about how this is sustained.



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Change-sponsors should also be clear about their own needs and biases.

Business Context for Screening Criteria: Financial and Commercial Viability

| No. | Screening Criteria | Guidance Questions |
|--|---|---|
| I. Financial and Commercial Viability | | |
| I.1 | Financial viability of the business after the change | Is the business after the change financially viable? Is there a track record in the industry that the change has good traction? |
| I.2 | Attractiveness to potential investors and change investment readiness | Does the change showcase commercial appeal and elements that are attractive to investors? How ready is the business to receive investment to make the change? Rate of growth and profitability? |
| I.3 | Ease of implementation of change | Can the change be implemented with minimal operational complications? To what degree is the change complicated by approvals and compliance? |
| I.4 | Potential for scalability of change | Does this change demonstrate potential for scaling and growth within relevant markets? |
| I.5 | Technical viability and use of technology | Is the technical premise of the change sound? To what degree is appropriate technology/equipment being used to support the change and operations? |
| I.6 | Potential to attract blended finance to leverage investment | To what degree can this business attract blended finance and leverage own investment in the change? |
| I.7 | Capacity of the sponsor and business to maintain and implement the change | What is the capacity of the change sponsor and the business? Do significant steps need to be taken to prepare for investment in change? |

Business Context for Screening Criteria: Sustainability Considerations

| No. | Screening Criteria | Guidance Questions |
|--|--|--|
| II. Sustainability Considerations | | |
| II.1 | Contribution to long term company goals | What is the contribution of the change to sustain the company? |
| II.2 | Socio-economic impact of the change | What are the socio-economic impacts of the change? |
| II.3 | Level of community & local government support and distribution of benefits of the change | To what degree do the local community support this change? Is there a broad distribution of benefits of the change to the broader community? Is the business able to get support among the community and local government? |
| II.4 | Identification of risks and risk management tools and strategies available | Has the change sustainability risks? To what degree is the model high risk? Has the sponsor introduced risk mitigation measures? |
| II.5 | Implementable under existing legal and regulatory frameworks | Is this change eligible and implementable considering existing national and subnational legal and regulatory frameworks? |

What else do investors and companies suggest?

Fisheries management generally includes three elements: secure tenure, sustainable catches, and robust monitoring systems. A strong regulatory framework is needed and appreciated. Government leads the way.

Reform towards strong regulatory enforcement is applauded and must continue in support of a ‘level-playing-field’ across all actors at all levels.

Harmonizing of rules is important and rules/regulations should not be changed too frequently.

It will be relevant to be selective in attracting investment into viable projects and work with key stakeholders who have a vested interest in the longevity of the seafood sector.



Public-Private Dialogue (PPD) between policy makers, private sector, and stakeholders is useful to discuss:

- Strategies to dramatically increase access to finance in coastal communities to roll-out and sustain change.
- Change promotion strategies related to the issue of fish species, variety, and size (for example, through development of shared information campaigns that may address market risk).
- Development of “one-stop shop” change-investment “focal points” that promotes sustainable investments opportunities and provides information relevant for context.

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