INDONESIA CHALLENGE FUND
COASTAL FISHERIES INITIATIVE

Engaging businesses to make coastal fisheries more sustainable and productive
Indonesia Challenge Fund

An initiative by the World Bank to increase private sector engagement in sustainable fisheries in Indonesia

It aims to:

1. Provide knowledge and understanding from across Indonesia on the main barriers to private sector participation and investment in sustainable fisheries, and ways to address those barriers;

2. Support the development of business cases, return-seeking responsible investments that could be undertaken in a specific fishery; and

3. Identify potential investors for those business cases.
Sustainable private investment in fisheries: what and why?

Type 1. Investors put capital into post-harvest businesses, fishing businesses, or fisheries management.

Type 2. Post-harvest businesses invest in sustainable harvest practices (gear or activities) or community management.

Type 3. Fishing businesses or communities invest in their own management practices.

Private investments in sustainability: Why?
- To secure supply chains
- To increase market access
- To meet CSR goals

Fishery improvement plans and actions.
A range of actions and instruments are needed

**Barriers**
1. Data deficiencies
2. Sub-optimal management
3. Few investable businesses or community schemes
4. Fisheries not a focus for social impact investing
5. Infrastructure and market access limitations mean low returns to sustainability investments

**Actions Needed**

**Short term:**
- Boost businesses’ investment prospects (business development/cases)
- Boost community-private relations (specific fisheries)

**Short and long term:**
- Public/blended capital (support lending and granting)
- Private capital (increase investor understanding)
- Promote entrepreneurs

**Long term:**
- Improve data
- Improve management

**Outcomes**
- Successes cases understood, supported, and promoted
- Public and private financing available and finding investable opportunities
- Fisheries management improving
Four mutually supportive pathways

A. Identify challenges and lessons from existing successes

B. Support investment readiness in a specific fishery (bus. cases)

C. Promote knowledge and opportunities among investors

D. Strengthen fisheries management; strengthen financial institutions

Synthesize broad experience
Build community and private sector capacity
Strengthen public institutions
Link supply and demand of capital
Outline of proposed activities (2020-22) under each pathway to impact
A. Synthesize broad experience (across Indonesia)

   
   Note: incorporate findings from global CFI knowledge products

2. **Find the successes**: Where has successful investment and partnership worked in Indonesia (identify success “models”), characterize these models, and determine how they overcame the identified challenges
   
   (i.e. provide advice to private sector, assuming no change in enabling environment)

   • **Deliverables**: (1) report on challenges and success models, (2) friendly handbook
B. Build community and private sector capacity

1. **Find new potential:** identify one or more fishery(s) (and associated community-business combination(s)) with the potential to benefit from the handbook’s lessons (section A) and **apply a fishery assessment tool** (i.e. assess investment constraints).

2. **Improve investment-readiness:** Prepare **business cases** for the target fishery(s), indicating specific opportunities for sustainability-enhancing investments (at any point within the fishery’s value-chain), and the expected benefits from those investments.

**Deliverables:** (1) Report on outcomes and lessons learned (input into friendly handbook); (2) business plan with credible assessments of returns and risk.

**Note:** A and B move in parallel: deliverables finalized with mutual inputs, and initial results informing early stages of the activities.
C. Link capital supply and demand by promoting experiences

1. **Promote business plan**: Identify financing options for the identified investments / business cases created in B (including opportunities from public, private, and philanthropic sources, plus certification opportunities); advise investors on opportunities.

2. **Support entrepreneurship (TBC)**: Support (1) an event showcasing sustainable fisheries orientated startups, or (2) develop media materials to promote one or more sustainable fisheries-orientated startups (in collaboration with other organizations)

**Deliverables**: (1) Report (internal) on promotions activities; (2) entrepreneurship output

**Note**: C follows B, as is based on the business plan, but investor identification should start earlier.
D. Strengthen public institutions for blue finance

1. **Investment readiness guidelines (public):** based on A, B, C provide input and technical assistance to the development of new and existing financing facilities, focused on fisheries investments.

2. **Deliverables:** (1) Government requested input incorporating lessons from Indo-CF.
Stakeholders

GOVERNMENT OF INDONESIA

FISHING INDUSTRY

BANKING AND INVESTMENT

OTHERS
CSO/NGO, media, key influencers (community leaders, academics), public
Stakeholders - Government

01
KKP
Min of Marine Affairs & Fisheries
Set national policy and activities, outreach to other stakeholders
- DG Capture Fisheries
- DG Improvement of Marine Products Competitiveness: marketing, logistics, quality, investment

02
Kemenkomarvest
Coordinating Ministry of Maritime Affairs & Investment
Coordination with MMAF and other ministries such as tourism, transport, investment, environmental, energy
Deputy Natural Resources & Services

03
Bappenas
Ministry for National Development Planning
Coordinate national development and also blue and green finance
ICCTF – Indonesia Climate Change Trust Fund

04
Provincial gov
Executing agencies and policymakers at subnational level
- The Province of CFI fishery focus
  - Potentially the provinces in Lastru (Maluku, North Maluku, Papua, West Papua, East Nusa Tenggara)
Stakeholders – Fishing Industry

Fisheries associations
tuna, snapper & grouper, blue swimming crab, shrimp, and aquaculture

Processing companies
Including foreign investment

(Tech) start ups in fisheries

Fishers
Fisher Associations, Fisher Co-ops
Stakeholders – Banking and investment

BANKS  FINTECH  OJK  BLU LPMUKP  IFC
Thank You
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