ENVIROMENTAL DEFENSE FUND (EDF)
SUSTAINABLE LOBSTER AND CONCH
FISHING COOPERATIVES IN BELIZE

1 EDF-OCÉAN DE BELIZE

Company Background: EDF is a nonprofit environmental advocacy group that promotes market-based solutions to solve problems in four main areas: climate and energy, oceans, ecosystems and health. We worked with the EDF-OCÉAN de Belize organization, which promotes rights-based fishing methods to reverse overfishing and revitalize local fishing communities.

Prior to EDF involvement:

"I used to get 200 pounds of lobster in a day's work, but now fishermen think 10 lobsters is good." – Belizean Fisherman

Implementing Managed Access:

“Managed Access is our best hope if we want to continue to have fish.” – Belizean Fisherman

1 Zoning and Allocation
2 Licensing
3 Transparability & New Entrants
4 Managed Access Committees
5 Compliance & Enforcement
6 Data and Log Book
7 Diversification and Market Access
8 Science

Remaining Challenges:

"There seems to be a general sense among fishers that the cooperatives are not fully representing and looking out for the best interests of the membership, resulting in a lack of commitment to the cooperatives by the members." – EAF

Engagement:

• Managed Access programs require significant involvement and education of local fishermen
• Enforcement techniques are being explored

Attracting Investment:

• The two major fishing cooperatives in Belize have considerable debt, diminishing proceeds that were once paid to members as dividends
• Attracting external investment requires oversight and trust in cooperative financial leadership

2 OBJECTIVES AND APPROACH:

Context: Traditional oceans and fisheries protection efforts, such as political advocacy and media campaigns around specific endangered species and habitats, can be very effective, but have limited reach and sustainability. Philanthropic capital does not have the scale or bearing on a fisherman's credit history to make a long-term impact. Thus, there is growing interest in transitioning to a blend of conservation and business investments.

Problem Statement: What are the key success criteria for attracting private, international investment in Belizean fishing co-operatives, in order to achieve economic sustainability?

- What does the team look like? What are their backgrounds and skills?
- Does the co-op have enforcement mechanisms? Do people play by the rules?
- How effective are they at collecting, storing, processing, and shipping the product?
- How much debt is the co-op carrying?
- Is the co-op successful at packaging their product as sustainable, and price at a premium?
- To what extent do regulations control pricing and quantity?

3 FINDINGS AND RECOMMENDATIONS:

Organizational Processes

Establish baseline relationship with local government, but leave the majority of the program to cooperatives: The most successful fishing cooperatives have baseline support from local governments, but do not get involved in cooperative management. It is best to leave management (including some enforcement) to local leadership.

Involve local fishermen, but train them: Best practice is to involve fishermen in the leadership and day-to-day operations of the business to increase commitment, but this requires significant training as fishermen are not generally well versed in financial management.

Cost Structure

Conduct a comprehensive financial audit of fishing cooperatives: Build a complete financial picture as a first step towards understanding the scale of outstanding debt and current cash flows. Present audit findings to cooperative membership with a focus on education and incentive alignment. Define critical financial metrics, explain their relevance, and compare current status to a hypothetical sustainable model.

Conduct a comprehensive audit of cooperative operations: Use EDF's Catch Share Design Manual as the basis for operational audit. Focus on cost-effective management practices, catch tracking, accounting, bulk resource purchasing, etc. Identify inefficiencies that drive fluctuating operating costs and undermine future cash flow analysis and other financial modeling. Seek to stabilize costs in the short term, minimize them in the long term.

Get the cooperatives out of debt: Assess outcomes of implemented recommendations to determine best course of action for overcoming unsustainable debt load. While not optimal, acknowledge that philanthropic donations or government grants may be necessary. Understand the worse-before-better dynamics of the system and apply them to prevent financial collapse of cooperative and loss of members’ livelihood.

Revenue opportunities

Pursue sustainable certification for retail price premiums: Investment in sustainable certification can bring retail price premiums, but requires sustainability through the whole sustainable supply chain.

Invest in traceability: Traceable tags and IDs for seafood, along with a basic coop website, provides branding and marketing, along with an opportunity for the consumer to connect to the coop and individual fishers.

Increase Belizean branding: Invest in branding Belizean conch and lobster, to both increase consumers in existing markets, and expand geographic coverage.