

# Oceans Partnerships Programme Bay of Bengal (OPP-BOB)



Presentation 3 of 3:

## **Developing the business case(s): Preliminary Ideas**

A contribution to the Global Think Tank (GloTT) meeting,  
New York, 7-9 November 2016

Bay of Bengal Inter-Government Organisation (BOBP-IGO)  
Chennai, India

## **Presentation Series for GloTT, New York, 7-9 November 2016**

[1] Project Overview and Progress

[2] Key Fisheries Issues in India and the Bay of Bengal Region

[3] Developing the Business Case(s) – preliminary ideas

## (1) Objectives

- To set the scene - To review recent global experiences of fisheries development and investment - what lessons?
- To examine current business cases and investment strategies in the Indian Ocean/BOB and for tuna fisheries specifically – what can be learned from this experience? What do the stakeholders think?
- To identify opportunities for future investment and development in IO/BOB tuna fisheries, and present a preliminary set of ideas for possible business cases for pilot projects;

## (2) Overview – A business case

### ***A business case***

- A business case is intended to convince key decision-makers of the merits of a particular course of action.
- It is a key part of project documentation:
  - a project brief describes what needs doing,
  - a project plan explains how, and
  - the business case sets out why.
- A good business case will explain the opportunity (or problem), identify all the possible options to address it, and allow decision-makers to decide which course of action will be best for the organisation.
- It will also allow any changes to the scope or timescale of the project to be assessed against the original purpose.
- The business case will also justify an investment (time, resources, finance) and show that the potential investment is 'worthwhile' using the best available information and data.

### (3) Overview – Fisheries investment

#### ***Fisheries investment – Some Key Considerations***

- The importance of investment (needs) and fisheries reform (transition)
- Types of investment
- Types of investor
- Sequencing and synergy of investments

## (4) Fisheries Development – Perspectives and Experiences

How can fisheries benefit to society? (very briefly)

- Why are fisheries important? (potential benefits)
- How do different stakeholders (investors) benefit?
- What is the current performance of fisheries globally?
- What factors produce 'successful' fisheries? (benchmarks)
- What has been the major fisheries development paradigm(s), investments and outcomes?
- New approaches to fisheries development? (international best practice?)

## (5) Status of IO Tuna fisheries (BOB perspective)

- Potential benefits (economic, social and environmental) ;
- PPT 2 (this series) indicated potential annual economic benefits of USD 2 billion from IO tuna fish stocks;
- Performance assessment in general (limited status currently);
- IOTC assessments of tuna stock status (mostly healthy), no parallel economic or social assessments (some data available);
- At national level, performance indicators are related to production only (fish catch, fleet size, employment); (increasing trends);
- Policy analysis at national and international level (limited also);
- Recent completion of FPI (first attempt for Yellowfin gillnet fishery in India) by the project (to be fully interpreted in due course)
- Recent stakeholder consultations revealed serious concerns about the long-term status of the IO tuna fisheries and related benefits.

## [6] IO/BOB tuna fisheries – current investment strategies (and links to fishery status?)

- *Analysis in progress;*
- BOB Governments (Policy objectives - Maximisation of fish production, fish trade expansion, welfare of fishers) (Major investments in infrastructure, technology, subsidies, welfare payments)(limited investment in fisheries management e.g. < 5% total budget in Tamil Nadu state)
- Private sector (investment in activities and businesses all along the production/marketing chain) (Some differences by country, in India – largely domestic market oriented, in Sri Lanka, Maldives – international trade); (further analysis ongoing)
- Others (Donors, NGOs) – a history of investment and support to BOB regional fisheries (mainly institutional support and capacity-building) (further analysis ongoing)



## **(7) IO/BOB tuna fisheries – Using a strategic approach to develop business cases and investments**

### **Preparation**

- re-visit key objectives, underlying approaches, concepts and narratives, performance? (stock-take)
- lesson-learning and identification of alternative entry-points (opportunities) (move forward)
- recognise the nature/impact of the political set-up (be realistic)

### **Three possible strategies:**

- [1] Support existing approaches (*status quo*)
- [2] Incremental reform (“nudge”, progressive)
- [3] or Re-orient and make new approach (complete “re-boot” the system),

### **Evaluate the strategies:**

- What will be the outcome/impact/pay-off? (measureable/time/beneficiaries)
- The challenge of whole vs. partial transformational development;
- Is there time? How urgent?
- Political support or resistance? Can this be managed?

## **(8) Four *preliminary* business cases (BC) for IO tuna fisheries**

[Strategy 1] Support existing approaches to fisheries development

[BC 1] Establish effective MCS systems (information flows, regulation)

[BC 2] Improve catch quality (increase catch value, reduce catch, value, promote management incentive)

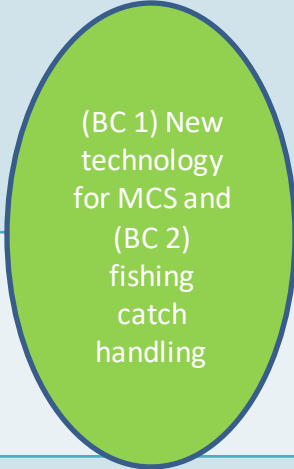

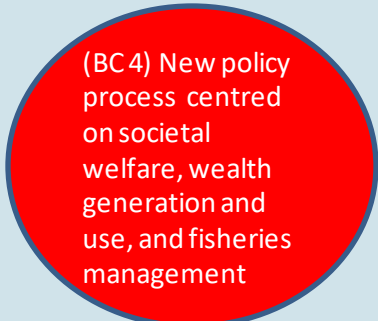
[Strategy 2] Initiate a progressive (“nudge”) approach

[BC 3] Fisheries management system pilot for neritic tuna (e.g. longtail tuna)




[Strategy 3] Establish a new approach to fisheries development

[BC 4] Policy development and capacity-building

# BOB – Fisheries strategies and likely outcomes compared plus implementation *difficulty* “traffic light” (low, medium, high)

Strategy	Support current interventions	Local level or nudge reform	Develop new overall approach
Likely Outcome			
No overall change (or negative at worst)	 <p>(BC 1) New technology for MCS and (BC 2) fishing catch handling</p>		
Partial positive transformation		 <p>(BC 3) Fisheries management planning and implementation within one or two well-defined FMUs and associated market-chains - to be scaled up</p>	
Whole positive transformation			 <p>(BC 4) New policy process centred on societal welfare, wealth generation and use, and fisheries management</p>

# BOB – Fisheries strategies and likely outcomes compared plus potential overall long-term benefits “traffic light” (low, medium, high)

Strategy	Support current interventions	Local level or nudge reform	Develop new overall approach
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# Business plan - simple outline

- Describe the business problem (opportunity?)
- Appraise the potential benefits
- Estimate the potential costs
- Assess the potential risks
- Recommend preferred solution
- Define implementation approach, timescale
- Calculate investment return

## [BC 1] Establish effective MCS systems (information flows, regulation)

- Describe the business problem (opportunity?)

India lacks MCS capability, which limits management implementation at national and international (regional) levels, especially control of fishing effort, overall reputational loss for Indian tuna catches (IUU issues also);

- Appraise the potential benefits

Increase fishery productivity and sustainability as part of improved fisheries management, increase in reputational value of Indian tuna catches;

- Estimate the potential costs

Includes both institutional capacity-building, systems and technology infrastructure

- Assess the potential risks

Overcoming institutional inertia, resistance from sector, long-term continuity, partial nature of this intervention (out-with a fully developed fisheries management system)

- Recommend preferred solution

Use of industry standard VMS/AIS, agreed by government and sector, legal support (developed as one part of a fully developed fisheries management system would be preferable)

- Define implementation approach, timescale, investors (share-holders?)

Initial pilots for both high seas and neritic tuna fisheries (3 years) in south India, IOTC linkages and processes, Government and industry initiative

- Calculate investment return

Potentially high IF part of an effective fisheries management system (long run)

## [BC 2] Improve catch quality through new onboard catch preservation technology

- Describe the business problem (opportunity?)

Indian tuna fishing vessels land low quality (low value tuna); limited onboard preservation technology; as a result fishers maximise catch to stabilise earnings; the introduction of new technology to preserve catch could increase value (reduce catch)

- Appraise the potential benefits

Increased catch value and earnings, reduced catch; entry-point for international trade;

- Estimate the potential costs

Institutional and industry-based capacity building and training;

- Assess the potential risks

Resistance from existing fish traders; increased fishing effort (as fish value increases); technology-based solutions seen as the 'only game in town' (fisheries management neglected)

- Recommend preferred solution

Technology for value-addition introduced with improved fisheries management; pilot testing of high standard and appropriate onboard preservation technology in one fishery in south India;

- Define implementation approach, timescale, investors (share-holders?)

Pilot in yellow-fin fishery, over 5 years, involving government and industry

- Calculate investment return

Potentially high return, through increased realisation of fish value at local, national and international levels (especially if Indian tuna becomes major part of international trade)

## [BC 3] Fisheries management system pilot for neritic tuna

- Describe the business problem (opportunity?)

In south India, fisheries management systems are not well-developed and lack implementation support; this constraints the potential benefits realised from fisheries, and exposes the fisheries to overexploitation; the situation is thought to be particularly serious for neritic tuna;

- Appraise the potential benefits

Well-managed tuna fisheries have the potential to contribute valuable economic, social and environmental benefits; IO tuna fish stocks are valued at over USD 26 billion;

- Estimate the potential costs

Institutional capacity-building and demonstration activities for one tuna fishery (USD5 million per year over 5 years);

- Assess the potential risks

Resistance from existing stakeholders with vested interest; data uncertainties;

- Recommend preferred solution

Focus on one fisheries management unit (neritic tuna in south India e.g. longtail tuna) rather than oceanic tuna; lesson-learning and upscaling;

- Define implementation approach, timescale, investors

Establish pilot in FMU, build upon strong preparatory work with full range of stakeholders; incremental process over 5-10 years; Government and industry support, plus international donors; [Option: Co-management System in Puducherry]

- Calculate investment return

Potentially very high – especially if pilot success generates ‘spin-off’ and upscaling impacts and lessons (to other fisheries and even for oceanic tuna fisheries)



## [BC 4] Establish a new approach to fisheries development

- Describe the business problem (opportunity?)

Fisheries development in India is dominated by key narratives (increased production, technology upgrades, subsidies and welfare handouts), producing negative outcomes (overfishing, overexploitation). A programme of institutional capacity-building and reform can help to re-orient the policy framework in line with international best practice (IBP), and with a focus on wealth generation and use;

- Appraise the potential benefits

India's tuna fisheries operate under new policy framework (increased economic, social and environmental benefits, on a sustainable basis), with core fisheries management systems in line with IBP, and supported by appropriate governance arrangements; India accesses a share of the USD 26 billion IO tuna fishery;

- Estimate the potential costs

Capacity-building and institutional through comprehensive reform programme (USD 5 million per year over 5 years)

- Assess the potential risks

Resistance to change from stakeholders with vested interest in current arrangements;

- Recommend preferred solution

Process of institutional reform established with support of majority of stakeholders;

- Define implementation approach, timescale, investors (shareholders?)

Pilot capacity-building programme over 5 years, supported by government and international donors and key international agencies; Option of IOTC as the focus? (rather than India alone)

- Calculate investment return

Potentially very high as India and others capitalise on significant potential wealth of tuna resources;

Thank you