

Evaluating Potential of New Public-Private Partnerships to Drive Environmental, Social, and Economic Improvements in Fiji's Albacore Tuna Fishery

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This proposal will support two new projects by Conservation International, one of which is funded by the Common Oceans Program by the United Nations Food & Agriculture Organization (FAO), and the other one funded by the Walmart Foundation.

OBJECTIVES

The overarching goal of this project is to evaluate the economic viability of alternative sustainability improvements to Fiji's albacore tuna fishery, and to provide recommendations on the role that public and private sector actors should play to realize those improvements. This will entail conducting a cost-benefit analysis (CBA) of three improvement scenarios in Fiji's longline fishery in order to identify the most viable pathway to enhanced sustainability. Specifically, we aim to answer:

- How much would it cost to implement a set of environmental, social, and economic improvements in Fiji's longline fishery (i.e., good, better, best), and who should pay for those improvements?
- What environmental, social, and/or economic benefits would be realized from those interventions, and who would capture those benefits?
- How much would buyers be willing to pay for albacore tuna from a fishery with “good, better, or best” management?
- How much would fishers be willing to accept for their product to undertake “good, better, best” improvements?
- How much are the Fijian government and NGOs willing to pay to de-risk these investments in tuna fishery sustainability?

A key output of the project will be a strategic document that helps to improve public and private sector understanding of the financial feasibility and risks associated with investments to address a range of tuna fishery sustainability issues in Fiji. Ideally, the latter information will enable the creation of new mutually beneficial partnership agreements and/or new commercial relationships between Fiji's tuna industry sector, international market partners, and other pertinent stakeholders.

SIGNIFICANCE

South Pacific albacore tuna longline fisheries are among the most problematic fisheries in the world. Bycatch is rampant: roughly a third of longline catch volumes are non-target species, including significant numbers of sharks, turtles, marine mammals, and seabirds. Meanwhile, exceptionally low observer coverage and a lack of transparency enables unsustainable, illegal, and unethical practices to flourish. Less than 5% of longline boats in the Western and Central Pacific Ocean have human observers or electronic monitoring onboard vessels. On the remaining 95%+ of boats, there is essentially no verification that seafood products are being harvested legally, sustainably, and without labor abuses. Longline albacore fisheries are truly the “Wild, Wild Wet”. As such, there is a critical need to drive comprehensive improvements in the environmental sustainability and social responsibility of these fisheries.

While governments are ultimately responsible for the sustainable management of these resources, private enterprises can also play an instrumental role in transforming how these fisheries are governed, monitored, and exploited. Major market partners (i.e., retailers, importers, supply chain companies), for instance, have made public commitments to buy only sustainable albacore, and can help drive sustainability through targeted purchasing agreements linked to auditable standards for sustainability,

social responsibility, and transparency. Fishing companies in-turn will then also be incentivized to adopt better on-board practices that comply with progressing sourcing policies to ensure that their products can access higher value markets in Europe and in the United States.

The target audience for this work therefore primarily includes three main stakeholders:

1. Fiji's national government, which can use the analyses and recommendations generated by the study to develop new policies and regulations that improve the sustainability of South Pacific albacore tuna fisheries.
2. Major market partners, who can leverage the analyses and recommendations generated by the proposed study to develop and/or update their sourcing policies and purchasing decisions.
3. The domestic tuna industry in Fiji, which may be incentivized to adopt more sustainable on-board practices as a result of the analyses and recommendations generated by the proposed study.

BACKGROUND

The project location is Fiji, where tuna fisheries thrive, but unsustainable fishing practices are rampant. Fiji has one of the largest domestic albacore fleets in the Pacific, making it a prime candidate country for the project. The sustainability commitments and efforts to address the highlighted issues in Fiji also provide a strong starting point from which to build. Fiji's national government, for instance, has committed to 100% management and 30% protection of its EEZ by 2030 under the National Oceans Policy. Over the last six months, Conservation International's Fiji Country Program has initiated a series of consultations with local industry and government officials to socialize the project concept, and has received favorable responses from both. The project also has support from the United Nations Food & Agriculture Organization (FAO) and from the Walmart Foundation. Finally, the proposed project will build on significant previous efforts by WWF to increase MSC certification coverage for Fiji's national tuna fleet, as well as on electronic monitoring trials that were recently funded by the United Nations - FAO.

EQUITY

The inclusion of social responsibility requirements as a key part of the fishery improvement initiative ensures that equity considerations are advanced by the project. The key elements of social responsibility in seafood are documented in the Monterey Framework (Kittinger et al. 2017), which include requirements around (1) Equal opportunities to benefit for all workers, and (2) Recognitions, voice, and respectful engagement for all groups, irrespective of gender, ethnicity, culture or socioeconomic status. The latter considerations are increasingly being required within credible Fishery Improvement Projects (FIPs) posted on FisheryProgress.com, and will be a critical element in the improvement scenarios that are analyzed by the Bren Group Project.

AVAILABLE DATA

Publicly-available information to support the proposed project can be categorized under the following themes: sustainability certification data, market partner data, bycatch and exploitation data, human

rights and labor practices data, and costing of sustainability improvements. These data have already been assembled, and are ready to be used immediately by the Bren project team. Direct links are in the Supporting Materials below. Staff based in CI's Fiji country office will also be available to provide information and resources to support the work.

POSSIBLE APPROACHES

In order to determine the incremental costs associated with a range of improvements in Fiji's longline tuna fishery, the cost-benefit analysis could include an assessment of three scenarios:

1. Fisheries are in a Fishery Improvement Project (FIP) or MSC-certified;
2. In addition to scenario 1, fisheries have enhanced electronic monitoring and human rights due diligence processes in-place;
3. In addition to scenarios 1 and 2, fisheries are sourced from verified sourcing geographies that have 100% management and 30% protection across the entire jurisdiction.

A market analysis could also be conducted to assess the willingness to pay of market partners for 'best-in-class' longline caught South Pacific albacore, compared with the willingness to supply of fishers. Finally, blended finance models and other innovative approaches could be explored to assess how the costs associated with each improvement pathway could be financed (and by whom, and in what sequence).

DELIVERABLES

Final deliverables for the Bren School project team will include the required final written report, executive summary, and final presentation. Final deliverables for the client, CI, will include:

1. **Value Chain Mapping** of Fiji's longline South Pacific albacore industry and market partners.
2. **Feasibility Study and Cost-Benefit Analysis** of three improvement pathways in Fiji's longline tuna fishery, which will help to improve public and private sector understanding of the opportunities associated with new sustainability investments and partnerships in the fishery.
3. **Recommendations** about the role that public and private sector actors should play in each of the three improvement scenarios for Fiji's longline tuna fishery.
4. **Monitoring & Evaluation Report** with a particular focus on summarizing the number of potential beneficiaries from the three potential improvement pathways, as well as other environmental and social benefits from implementation of the proposed interventions.
5. **Communication Materials and Dashboard** summarizing key project findings and metrics.

INTERNSHIPS

A total amount of \$10,000 USD will be provided by Conservation International to the Group Project, which can be used to fund at least 1 paid summer internship for 8 - 12 weeks. Funding may also be used to support a second internship to further the goals of the project, and/or to support travel to Fiji or Washington DC (COVID-19 permitting). The intern and other students in the group project will be involved in all aspects of this critically important and comprehensive project. Activities to be undertaken may include: (1) collection of data where gaps remain, (2) engagement with government and industry stakeholders, (3) in-person work with CI staff, and other related activities.

Supporting Materials

Additional Information & Data Sources

Sustainability certification data

- Marine Stewardship Council (MSC) Certification Guidelines and Audit Reports are available for review of Fiji tuna fisheries that have achieved MSC certification with outlines for species management strategy, monitoring, and enforcement

Market partner data

- Walmart asks suppliers to report their sustainability progress using the Seafood Metrics System, managed by the Sustainable Fisheries Partnership (SFP). This system provides data on measuring and tracking supplier performance on sustainable sourcing.
- The Global Longline Tuna Supply Chain Roundtable, a forum for companies involved in the supply chain of longline-caught tuna.

Bycatch and exploitation data

- Food and Agriculture Organization of the United Nations *Bycatch in small-scale tuna fisheries: A global study*
- RAM Legacy Stock Assessment Database for comparisons of maximum economic yield versus max sustainable yields in fisheries stocks.

Human rights and labor practices data

- The Monterey Framework and the associated Social Responsibility Assessment Tool are available on the RISE website; these tools are being used to drive social responsibility into traditional Fishery Improvement Projects (FIPs), in no small part due to the significant risk that social issues present to companies that buy FIP/MSC tuna.
- The Social Responsibility Assessment (SRA) Tool for conducting human rights due diligence in seafood supply chains to inform Fishery Improvement Project (FIP) work plans

Costing of sustainability improvements and of new revenue potential

The economic viability assessment will include a comparison of the costs and benefits of fishery improvements and key stakeholders' marginal utility thresholds for different improvement pathways. This will require: 1) Estimating current costs of different stakeholders in the fishery, 2) Estimating the increased costs to each stakeholder in the fishery associated with improvement scenarios, and 3)

Comparing costs with current and new potential economic benefits. Data sources may include:

- Fiji fisheries economic costs status quo (i.e., fuel cost, vessels upkeep) and revenue structures available via public data sources such as annual expenditures from Fiji Ministry of the Economy
- Imports data and fisheries subsidies (i.e., fuel subsidies) available from different sources including FAO and World Trade Organization (WTO)
- Fiji Ministry of the Economy - annual budget and financial reports
- Fijian Government budget - Overview of budget documents provided by the government of Fiji to support expenditure information for cost/benefits analysis.

- [Imports & world trade](#) - data on different fishery subsidies
- [FAOSTAT](#)- FAO database
- [Global capture and aquaculture production](#)
- Capture Production datasets with data up to 2019. The updated data are accessible through the Regional workspace in [FishStatJ](#).
- Aquaculture, Capture and Global production databases with data from 1950 to 2019. At present, the updated data are accessible through the global production workspace in FishStatJ or through [Online Query Panels](#).
- [Audit report of certified vessels](#)
- [Citizen data - FAO Smart-Form app](#)

Citations

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Budget and Justification

A total amount of \$10,000 USD will be provided by Conservation International to the Bren Group Project, which can be used to fund at least 1 paid summer internship for 8 - 12 weeks. Funding may also be used to support a second internship to further the goals of the project, and/or to support travel to Fiji or Washington DC (COVID-19 permitting). Additional use of funds, with CI approval, may include

payment for access to restricted databases, for office supplies, and for development of communication materials, among others.

The funding provided by CI will complement the \$1,300 provided by the Bren School of Environmental Science & Management.



January 21, 2022

Atten: Group Project Committee
Bren School of Environmental Science & Management
2400 Bren Hall, University of California
Santa Barbara, CA 93106

Dear Group Project Committee,

On behalf of Conservation International (CI), I am writing to express our full support for the 2022-2023 Bren School Group Project, *Evaluating Potential of New Public-Private Partnerships to Drive Environmental, Social, and Economic Improvements in Fiji's Albacore Tuna Fishery*.

The objective of the project is to attract new partnerships and sustainable investments in Fiji's longline albacore fishery to improve the environmental, social, and economic performance of the country's most important fishery.

Albacore longline fisheries are among the most problematic in the tuna industry. Bycatch is rampant: roughly a third of longline catch volumes are non-target species, including significant numbers of sharks, turtles, marine mammals, and seabirds. Meanwhile, exceptionally low observer coverage and a lack of transparency enables unsustainable, illegal, and unethical practices to flourish.

In response, market actors have made progressive commitments to seafood sustainability, such as Walmart's public sourcing policies requiring all canned tuna to be third-party certified as sustainable using Marine Stewardship Council (MSC) or in a credible Fishery Improvement Project by 2025. The existing supply of MSC-certified albacore is constrained, however. Additionally, while MSC-certified albacore fisheries are certainly a more sustainable choice relative to uncertified fisheries, they are far from perfect. MSC assessors have typically certified longline fisheries with just 5-20% observer coverage – better than the industry average, but still subject to significant and fundamental risk of illegal and unsustainable fishing practices like shark finning and labor abuses.

The work proposed by Conservation International intends to address these constraints and will help ensure that market partner commitments to tuna sustainability can be realized through an adequate supply of verifiably sustainable and socially responsible albacore.

In support of this project, CI commits to:

- Provide direct funding not to exceed **\$10,000 USD** to the Bren Group Project, which will be used by CI to hire at least 1 paid summer internship for 8 - 12 weeks. The funding may also be used to support a second internship to further the goals of the project, support travel to Fiji or Washington DC (COVID-19 permitting) or other expenses required for project completion.
- Encourage students to take a leadership role in the development and implementation of the project, which will include organizing and facilitating meetings, accessing data and understanding the implications, research, project planning, and report writing, among other tasks.
- Assist the student team to access existing data, as well as information made available through CI's Fiji-based staff. Pablo Obregon, CI's Tuna Program Director, and Mere Lakeba, CI's Fiji Country Program Director, have agreed to help facilitate introductions to key individuals within the country. Other CI staff members have offered to share their content expertise as well.

This area of work is a critical component of CI's overarching goal of improving the performance of longline albacore fisheries throughout the Pacific. We are excited to partner with the Bren School to drive this work forward in Fiji and support Bren School students at this stage of their career path.

Sincerely,



Emily Pidgeon
Vice President, Ocean Science and Innovation
Co-lead, Center for Oceans (acting)