



Investing in Sustainable Fisheries in the Dominican Republic



EVALUATION OF A TRUST MECHANISM

PREPARED BY:

WILDERNESS
MARKETS

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PREPARED FOR:

CONSERVATION
INTERNATIONAL (CI)

IN SUPPORT OF:

THE BUSINESS CASE
DEVELOPMENT EFFORTS IN
THE CARIBBEAN LED BY THE
FOOD AND AGRICULTURE
ORGANIZATION (FAO).



Food and Agriculture
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United Nations



DEVELOPED AS

PART OF THE GEF-FUNDED, WORLD BANK-
IMPLEMENTED OCEAN PARTNERSHIPS FOR
SUSTAINABLE FISHERIES AND BIODIVERSITY
CONSERVATION (OPP), A SUB-PROJECT OF THE
COMMON OCEANS ABNJ PROGRAM LED BY UN-FAO.

Evaluation of a Billfish Conservation Trust Mechanism in the Dominican Republic

AREA

Dominican Republic Exclusive Economic Zone (EEZ) — 269,165 km²

PROPOSED INVESTMENT

U.S. \$500,000 loan and \$500,000 grant

INVESTMENT TERM

10 years

FISHERY/SPECIES FOCUS

Primary: Billfish recreational sportfishers

Secondary: Multispecies, commercial FAD fishers

PROJECTED FINANCIAL RETURNS

6%

CORE BUSINESS CASE INVESTMENTS

Support the creation of a trust mechanism to secure a marine managed area to protect billfish spawning grounds and improve FAD management in the EEZ of the Dominican Republic

INVESTMENT OPPORTUNITY

Investment in a trust mechanism to formalize and professionalize the payments from the recreational sportfishing sector to small-scale commercial fish aggregating device (FAD) fishers.

In collaboration with an appropriately constituted board, the trust would prioritize interventions to support billfish conservation, reduce conflict around FADs and, if possible, support the professional development of the informal charter fleet.

POTENTIAL GOVERNMENT INVESTMENT TO SUPPORT CASE

(not required for implementation)

Implement co-management regulations

- Institute and enforce billfish harvest control rules
- Enforce fishing licensing system (a key step toward secure tenure for fishers)
- Collect, record, and analyze key fisheries data digitally, e.g., landings, fishing locations, etc.

TARGETED ENVIRONMENTAL RETURNS:

Protecting and Restoring Blue Marlin and White Marlin

- Conserve important spawning grounds of multiple billfish species to support Atlantic-wide stock recovery
- Reduce FAD related targeting of billfish stocks
- Promote the effective use of “catch and release” practices

TARGETED SOCIAL AND ECONOMIC RETURNS:

Supporting Fishing Livelihoods

- Increase fisher incomes in the Dominican Republic through transparent payments from a trust mechanism to compensate and support commercial fishers that implement sustainable fishing practices
- Reduce FAD-related conflict
- Serve as a model for other nations, by improving billfishes’ sustainability and increasing incomes in the Dominican Republic. *500 fishers in multiple sectors are targeted to benefit directly or indirectly*

POTENTIAL IMPACT METRICS

- 📈 Marine managed area increase
- 📉 Number of FAD-related conflicts decreases
- 📈 Number of spawning billfish landed in managed area decreases
- 📈 Compensation to commercial FAD fishers increases and is traceable



OTHER KEY NUMBERS

Currently, tournament participants and slip renters at two sportfishing marinas in the Dominican Republic pay a fee to the marinas that is estimated to collect approximately U.S. \$25,000 to \$50,000 annually which is supposed to be paid to the

fishers who set and maintain FADs. Formalizing these payments through the trust mechanism and collecting payment of a user fee of U.S. \$10 to \$30 per visitor trip at a 40% compliance rate, would generate U.S. \$1.3 to \$6 million over 10 years (or approx. U.S \$130,000 to \$600,000 per year on average).

STRENGTHS

- Establishment and enforcement of spawning area protections (potentially only in peak season)
- Payment transparency improves
- Precedents for user fee, trust, and conservation areas exist
- Fisher incomes improve and impacts on billfish decrease
- Recreational fishing experience improved; attract more tourists

- Economic incentive for fishers can be tied to conservation agreements
- Improvements to fisheries governance and co-management
- Economic incentive to register fishers
- Financial support for management and enforcement
- Tests viability of model for scale

THREATS

- Management and enforcement may not ensure compliance
- Fishers may decide not to comply
- Success of payment mechanism may result in increased effort
- Strong leadership needed to deliver and implement
- Ongoing threats, i.e., climate change, natural disasters, overfishing in other areas, etc.

WEAKNESSES

- User fee compliance is not legally mandated
- Limited local partners with existing operations
- Fishery management and enforcement is inadequate
- Poor records of existing FAD fishers

OPPORTUNITIES

TABLE 4: PROJECTED TEN YEAR REVENUE AT VARIOUS ASSUMPTIONS

COMPLIANCE RATE	10 YEAR REVENUE				
	USER FEE				
	\$10.00	\$20.00	\$30.00	\$40.00	\$50.00
40%	\$1,302,188	\$2,604,376	\$3,906,564	\$5,208,752	\$6,510,940
50%	\$1,627,735	\$3,255,470	\$4,883,205	\$6,510,940	\$8,138,675
60%	\$1,953,282	\$3,906,564	\$5,859,846	\$7,813,128	\$9,766,410
70%	\$2,278,829	\$4,557,658	\$6,836,487	\$9,115,316	\$11,394,145
80%	\$2,604,376	\$5,208,752	\$7,813,128	\$10,417,504	\$13,021,880

KEY ASSUMPTIONS

REVENUE		EXPENSES	
	ANNUAL		ANNUAL
Recreational Visitors	28,400	Personnel, Salaries, and Benefits	200,000
Boat Trips	7,100	Enforcement	200,000
Average Visitors Per Trip	4	Marketing and Publicity	40,000
Year-1 Trips	3,550	Maintenance	40,000
User-Fee	\$30	TOTAL	\$480,000
Growth Rate Visitors	3%	Inflation and Increases	3%
Annual Fund Appreciation	3%		
Compliance %, Year 1	50%		
Compliance %, Year 2	60%		
Compliance %, Year 3	65%		
Compliance %, Year 4	70%		

FINANCING	
	ANNUAL
Interest Rate	6%
Years to Payback	10
LOAN PAYMENTS	\$67,934
Discount Rate	5%
Royalties	0%

INVESTMENTS	
	ANNUAL
Loan	500,000
Grant and Donations	500,000
Patrol Vehicles	300,000
Training	100,000
Promotion and Marketing	—
Administration and Office	100,000
TOTAL INVESTMENTS	\$500,000
LEFT OVER FOR FUND	\$500,000

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