



**PROJECT IMPLEMENTATION REPORT (PIR)**

**for the project:**

**The Meloy Fund: A Fund for Sustainable Small-Scale Fisheries in Southeast Asia**

**FY22**

**October 01, 2021 – September 30, 2022**



**Executing Partners**



Project Information			
<b>Project Title:</b>	The Meloy Fund: A Fund for Sustainable Small-Scale Fisheries in Southeast Asia		
<b>Country(ies):</b>	Indonesia, Philippines	<b>GEF ID:</b>	9370
<b>GEF Agency(ies):</b>	Conservation International	<b>Duration In Months:</b>	60 months (Project Investment Period), over a 120-month term, plus two optional 12-month extensions
<b>Other Executing Partners:</b>	Rare	<b>Actual Implementation Start Date:</b>	10/1/2017
<b>GEF Focal Area(s):</b>	Biodiversity	<b>Expected Project Completion Date:</b>	08/01/2027
<b>GEF Grant Amount:</b>	\$6,000,000	<b>Expected Financial Closure Date:</b> End Date from Grant Agreement + 6 months	02/01/2028
<b>Expected Co-financing:</b>	\$35,199,864 (from Rare and CI)	<b>Date of Last Steering Committee Meeting:</b>	
<b>Co-financing Realized as of September 30, 2022:</b>	\$23,417,738 (in-kind); \$16,100,000 (investment capital)	<b>Mid-Term Review-Planned Date:</b>	03/31/2021
<b>Date of First Disbursement:</b>	11/02/2017	<b>Mid-Term Review-Actual Date:</b>	09/02/2021
<b>Cumulative disbursement as of September 30, 2022:</b>	\$6,000,000	<b>Terminal Evaluation-Planned Date:</b>	TBD
<b>PIR Prepared by:</b>	Lisa Pharoah, Veronica Yow	<b>Terminal Evaluation-Actual Date:</b>	TBD
<b>CI-GEF Program Manager:</b>	Free de Koning	<b>CI-GEF Finance Lead</b>	Susana Escudero

<b>Minor Amendment Categories</b>	<b>Minor Amendment Justification</b> Minor amendments are changes to the project design or implementation that do not have significant impact on the project objectives or scope, or an increase of the GEF project financing up to 5%. Please select the box that is most applicable for FY22 and include an explanation for the minor amendment request.
<b>Results framework</b> <input checked="" type="checkbox"/>	<p>Updates to the Results Framework are in process of being made as per the MTR recommendations and the CI-GEF Agency team site visit in August 2022 and will be reported against in future reports (starting Rare's FY23). This includes:</p> <p><b>Objective indicator B</b></p> <ul style="list-style-type: none"> <li>To measure improved status of livelihoods, the Fund will start to track the Poverty Probability Index (PPI) and potentially Food Insecurity Experience Scale (FIES) for fisher families.</li> </ul> <p><b>Objective indicator C; and Output indicators: 1.1.1.b and 1.1.1.c</b></p> <ul style="list-style-type: none"> <li>Indicators will be tracked for all investments not only at sites where investments overlap with Fish Forever sites.</li> </ul> <p><b>Objective indicator C, Outcome indicator 1.1.c., and Output Indicator 1.1.1.c.:</b></p> <ul style="list-style-type: none"> <li>The Fund team would also like to propose that the PPUE measure be replaced with the % of FIP performance.</li> </ul> <p><b>Objective indicator D; Outcome indicator 1.1.a; and Outcome indicator 2.1</b></p> <ul style="list-style-type: none"> <li>To be changed to "Number of hectares with MF-improved management of coastal ecosystems" (contributing to GEF Core Indicator 5).</li> <li>Aquaculture areas will be included in this total area (and will be completed with qualitative data).</li> </ul> <p><b>Output 1.1.1</b></p> <ul style="list-style-type: none"> <li>To include additional indicators that reflect social impact (e.g. PPI, potentially FIES, a qualitative indicator that evaluates employees' work satisfaction based on the Gallup Employee Engagement Survey and SEDEX Worker Wellbeing Engagement Survey).</li> <li>To include additional indicators that reflect environmental impact related to ecosystem health and biodiversity (e.g. the % of FIP performance which takes into account):           <ul style="list-style-type: none"> <li>The performance rating of the FIP [number of Performance Indicators (PIs)<sup>1</sup> being addressed and the progress of those PIs] x</li> <li>The influence of the investee on the stock of the Unit of Assessment (UoA)<sup>2</sup> engaged in the FIP which is key to impact.</li> </ul> </li> </ul> <p><b>Revise targets that were set at '&gt;0' in the project's monitoring plan</b> - Outcome indicator 1.1 c; and Outcome indicators 2.2 a, b, and c</p>
<b>Components and cost</b> <input type="checkbox"/>	
<b>Institutional and implementation arrangements</b> <input type="checkbox"/>	

<sup>1</sup> FIPs are based on 28 PIs across 3 key MSC principles to drive improvements in fishing practices or fishery management and on the water: 1) Sustainable fish stocks; 2) Minimizing environmental impacts (of the ecosystem upon which the fishery depends, including other species and habitats); 3) Effective management. Each FIP has a public profile on <https://fisheryprogress.org> that shows the FIP's performance against the PIs when it started to show how much progress the FIP has made over time.

<sup>2</sup> UoA: The full scope of what is being assessed. The target stock(s) combined with the fishing gear type(s), vessel type(s) if relevant, and the fishing fleets or groups of vessels, or individual fishing operators pursuing that stock, including any other eligible fishers that are outside of the proposed Unit of Certification..

Financial management <input type="checkbox"/>	
Implementation schedule <input type="checkbox"/>	
Executing Entity <input type="checkbox"/>	
Executing Entity Category <input type="checkbox"/>	
Minor project objective change <input type="checkbox"/>	
Safeguards <input type="checkbox"/>	
Risk analysis <input type="checkbox"/>	
Increase of GEF project financing up to 5% <input type="checkbox"/>	
Co-financing <input type="checkbox"/>	
Location of project activity <input type="checkbox"/>	
Other <input type="checkbox"/>	

#### MINOR AMENDMENT RESPONSE FROM CI-GEF

Amendments to the results framework are approved. Outcome indicators 2.2 a, b, and c, for which no new targets have been set yet, will be further analyzed during FY24 to ensure relevance for the Meloy Fund investments. For Objective indicator B the Fund will start to track the Poverty Probability Index (PPI) and potentially Food Insecurity Experience Scale (FIES) for fisher families. Therefore it is recommended to rephrase this indicator for FY24 as “Percentage of fishers and fish workers with improved PPI or FIES through project investments as a measure of improved status of livelihoods”.

## **SECTION I: PROJECT IMPLEMENTATION PROGRESS STATUS SUMMARY**

### **PROJECT SUMMARY**

The Meloy Fund is an USD 18 – 20 million investment vehicle that seeks to incentivize the rapid adoption of sustainable fisheries behaviors by investing in fishing and seafood-related enterprises in Indonesia and the Philippines. The investment objective of the Fund is to generate measurable social and environmental outcomes and provide reasonable financial returns for investors by making debt and equity investments in fishing and seafood-related enterprises at different stages of growth that have operations in Indonesia and the Philippines.

Through the Fund's investments, the project will aim to incentivize the sustainable management of important fishery resources. As such, the overall objective of this non-grant pilot project is to improve the conservation of coral reef ecosystems by providing financial incentives to fishing communities in the Philippines and Indonesia to adopt sustainable fishing behaviors and rights-based management regimes through capital investments in commercially viable enterprises.

The Meloy Fund and Fish Forever's strategies are closely intertwined, such that both are included as components of the proposed project (although no financial resources are being requested of the GEF in direct support of Component 2 under this non-grant instrument).

The two project components are:

1. The Meloy Fund for Sustainable Small-Scale Fisheries (USD 6 million requested from GEF); and
2. Fisheries technical assistance (TA) through Fish Forever (USD 0 requested from GEF)

### **PRIOR PROJECT IMPLEMENTATION STATUS (FY21)**

In FY21 (Oct. 2020 – September 2021), the Meloy Fund continued to support and further expand its portfolio companies amidst the on-going COVID-19 pandemic. The Fund's multi-pronged approach in response to the pandemic proved to be instrumental in helping the portfolio companies navigate through the pandemic. As a result, the Fund managed to deploy new investments, expand the Rapid Response Loan Program (RRLP) to address working capital gaps along the seafood supply chain, and help scale its existing portfolio through follow-on investments. The Fund continuously worked with the portfolio companies to develop responses and solutions to help them recover from the effects of the pandemic. Ensuring portfolio companies on-going financial viability was one of the Fund's responses to the pandemic. This year, the Fund supported the portfolio companies' efforts to diversify its products and has facilitated introduction to new markets to further boost their recovery.

In FY21, the Fish Forever teams in Indonesia and the Philippines focused on accelerating the adoption of specific sustainable behaviors through campaigns adapted to local contexts. These efforts complement the 'umbrella' sub-national campaigns deployed across seascapes in Indonesia and the Philippines and serve as models across the other Fish Forever countries. This approach is key to achieving the scale required for effective ecosystem conservation and coastal fisheries reform. Fish Forever is also building local capacity that enables fishery management bodies to legally establish and maintain a limit on fishing effort over a specific managed access area. Through its efforts, Fish Forever has built the capacity of 94 management bodies with jurisdiction across nearly 2,727,258 hectares of coastal waters in the Philippines and Indonesia. This work will directly benefit local fishers and communities by improving their livelihoods and well-being and the ecosystem conditions and productivity upon which they depend.

### CURRENT PROJECT IMPLEMENTATION STATUS (FY22)

During FY2022, the Fund provided necessary capital and technical assistance to sustain the portfolio companies' growth on the back of pandemic-related restrictions being lifted and the recovery in both local and international markets. The Meloy Fund approved eight transactions in FY2022 including new investments in four companies and follow-on investments in four existing portfolio companies to support growth and expansion and exited from three of its investments generating positive returns. With the investments in FY2022, the Fund has fully committed its capital.

In general, all portfolio companies recorded revenue growth in FY2022 compared to FY2021. The Fund remains in close collaboration with the portfolio companies to provide the necessary support for the companies to scale and to identify opportunities for follow-on investments, new rounds of fundraising, and/or potential exits. In FY2022, the Fund further strengthened its ESG and Impact Measurement and Management framework by updating its Environmental and Social (E&S) guidelines specific to small-scale fisheries including adding to its exclusion criteria, adapting its ESG Performance Score to better identify and monitor ESG risks at the fishery level, and adding impact metrics that further define depth (the degree of change experienced by the stakeholders). Meanwhile, the Technical Assistance (TA) Facility completed one project, with five ongoing, and four more in development. These TA projects range from post-harvest improvements that increase fishers' income to launching [Indonesia's first octopus Fishery Improvement Project](#) (FIP) and establishing new sourcing relationships. In addition, the TA Facility helped investees demonstrate the value of their technology to smallholder farmers thus opening a new market segment.

As highlighted during the CI-GEF Agency field visit in August 2022, in the province of Zamboanga Sibugay, Rare has been working with 141 communities across the 13 coastal municipalities to implement our Fish Forever program which uses a community-driven process, anchored in behavior adoption principles and supported by scientific design to establish community-based co-managed access with reserve (MA+R) areas in coastal waters. By the end of this reporting period, digitized maps of the network of MA + R and use zones were completed – the first in the country. This MA+ R design helped the Philippines' Department of Environment and Natural Resources (DENR) with its process to have the first RAMSAR site in the region declared. Of Zamboanga Sibugay's 13 municipalities, 11 engage in seaweed production activities. The Fish Forever program has been supporting communities which sell seaweed to Meloy Fund investee, Agromar, with improved seaweed producing techniques (e.g. construction of drying platforms, reduced fertilizer usage).

Other Fish Forever milestones achieved during the reporting period include the approval of six MA+R ordinances by the Governor of Indonesia's Southeast Sulawesi province, and the passing of five MA+R ordinances by municipalities in the Philippines. Combined, these milestones officially give coastal fishing communities the legal basis to access and co-manage 244,865 hectares of fishing grounds and 5,460 hectares of reserves. These ordinances will benefit nearly 23,000 fishers across 117 communities who depend on the ocean for their food and livelihood.

### SUMMARY: PROJECT IMPLEMENTATION PROGRESS STATUS

PROJECT PART	PRIOR FY22 IMPLEMENTATION PROGRESS RATING	CURRENT FY23 IMPLEMENTATION PROGRESS RATING <sup>3</sup>	RATING TREND <sup>4</sup>
OBJECTIVE	S	S	Unchanged
COMPONENTS AND OUTCOMES	S	S	Unchanged

<sup>3</sup> **Implementation Progress (IP) Rating:** Highly Satisfactory (HS), Satisfactory (S), Moderately Satisfactory (MS), Moderately Unsatisfactory (MU), Unsatisfactory (U), and Highly Unsatisfactory (HU).

For more details about IP rating, please see the Appendix I of this report

<sup>4</sup> **Rating trend:** Improving, Unchanged, or Decreasing

PROJECT PART	PRIOR FY22 IMPLEMENTATION PROGRESS RATING	CURRENT FY23 IMPLEMENTATION PROGRESS RATING <sup>3</sup>	RATING TREND <sup>4</sup>
ENVIRONMENTAL & SOCIAL SAFEGUARDS	S	S	Unchanged

**PROJECT RISK RATING<sup>5</sup>**

RISKS	S	M	Decreasing
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<sup>5</sup> Risk Rating: Low (L), Moderate (M), Substantial (S), High (H)

**a. Progress towards Achieving Project Expected Objective:**

<b>PROJECT OBJECTIVE:</b>	To improve the conservation of targeted coral reef ecosystems by providing financial incentives to fishing communities in the Philippines and Indonesia to adopt sustainable fishing behaviors and rights-based management regimes through capital investments in commercially viable enterprises.
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OBJECTIVE INDICATORS	END OF YEAR INDICATOR STATUS	PROGRESS RATING <sup>6</sup>	COMMENTS/JUSTIFICATION
<b>Objective indicator A:</b> Number of investments made in scalable ventures in Indonesia and the Philippines	15	IS	Through the end of the reporting period, the Fund has approved 15 investments in 13 companies.
<b>Objective indicator B:</b> Percentage of fishers and fish workers with increased earnings through project investments as a measure of improved status of livelihoods	100 % of the fishers that the Fund is working with  *This is based on sampling and may not be 100%. We're working on the sampling methodology now.	IS	Each of the Fund's investments seeks to improve fisher incomes, namely through higher prices for higher quality products.  Based on the MTR recommendations and the CI-GEF Agency team site visit at the end of FY22 Q4, to measure improved status of livelihoods, the Fund will start to track the Poverty Probability Index (PPI) and potentially the Food Insecurity Experience Scale (FIES) for fisher families. The team is working to figure out baselines for this indicator and how progress will be systematically monitored (starting FY23).  Please advise if we need to adjust the way the Indicator itself is written based on the MTR recommendations.
<b>Objective indicator C:</b> Percent increment in profit per unit effort (PPUE) at sites of investment.	0 %	IS	Based on the MTR recommendations and the CI-GEF Agency team site visit at the end of FY22 Q4, a minor amendment has been made to this indicator, namely, eliminating the wording "at sites where investments overlap with FF sites".  For more meaningful monitoring, the Fund team will replace the PPUE measure with the % of FIP performance which takes into account: <ul style="list-style-type: none"> <li>• The performance rating of the FIP [number of Performance Indicators (PIs)<sup>1</sup> being addressed and the progress of those PIs] x</li> <li>• The influence of the investee on the stock of the Unit of Assessment (UoA)<sup>2</sup> engaged in the FIP which is key to impact.</li> </ul>

<sup>6</sup> O= Overdue; D= Delayed; NS= Not started on schedule; IS= Under implementation on schedule; and CA= Completed/Achieved



OBJECTIVE INDICATORS	END OF YEAR INDICATOR STATUS	PROGRESS RATING <sup>6</sup>	COMMENTS/JUSTIFICATION
			<p>With this change, the team will now work to systematically monitor and report for all investments (to be reported in the next fiscal year).</p>
<p><b>Objective indicator D:</b> Number of hectares with improved management of marine ecosystems</p>	<p>1,069,164 hectares (89 percent of target) (clarification under Component 1)</p>	<p>IS</p>	<p>Based on the MTR recommendations and the CI-GEF Agency team site visit at the end of FY22 Q4, this indicator has been changed to read as number of hectares of MF-improved management of coastal ecosystems. Aquaculture areas will be included in this total area (and will be completed with qualitative data).</p> <p>To date, Fund investees have placed 1,069,164 hectares of coastal ecosystems under MF-improved management by implementing responsible sourcing practices with their suppliers and participating in existing FIPs to reduce IUU fishing.</p> <p>Each of the Fund’s investees ensure that any seafood they source is from a moderately selective fishery/avoids serious habitat damage, is of legal size and caught with legal gear. In addition, in partnership with these companies, the Fund has identified additional improved supply chain and value-add-processing practices that can potentially be implemented on the ground.</p> <p>In collaboration with the Fund, each investee is being required (minimally) to develop the following:</p> <ul style="list-style-type: none"> <li>• A responsible sourcing policy that guides all company procurement activity and seeks to minimize any potential negative impact the company may have on coastal fisheries. For example, a responsible sourcing policy for fisheries processors will include size limits, acceptable gear, and restrictions on by-catch, among others.</li> <li>• Fisheries-related investment covenants to ensure that the company remains in compliance with the Fund’s ESG Standards and all applicable laws.</li> <li>• A human rights and labor policy that addresses social equity considerations in the fishery</li> <li>• Internal compliance capacity</li> </ul>

OBJECTIVE INDICATORS	END OF YEAR INDICATOR STATUS	PROGRESS RATING <sup>6</sup>	COMMENTS/JUSTIFICATION
			<p>Other activities that the Fund may engage in depending on investee development and needs include operational traceability systems, stakeholder engagement, the development of grievance mechanisms, supplier loyalty programs, safety-at-sea and financial literacy programs.</p> <p>Investee impact targets are tied to the Fund's own impact targets. These targets are developed in coordination with the investee. Given the uncertainty in dealing with natural environments and international market volatility in seafood pricing, goals may be aspirational and committed to on a best-efforts basis.</p>

OBJECTIVE IMPLEMENTATION PROGRESS RATING	JUSTIFICATION
<b>S</b>	<p>The project has successfully approved 15 investments in 13 companies. The area of marine ecosystems with improved management is now at 89% percent of the established target. The fund has continued with technical assistance for fishers. Based on the Mid Term Evaluation some adjustments were made to the indicators. To measure improved status of livelihoods, the Fund will start to track the Poverty Probability Index (PPI) and potentially the Food Insecurity Experience Scale (FIES) for fisher families. Also, the project will replace the PPUE measure with the % of FIP performance.</p>

**b. Progress towards Achieving Project Expected Outcomes (by project component).**

<b>COMPONENT 1</b>	The Meloy Fund for Sustainable Fisheries
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<b>Outcome 1.1:</b>	Area of coral reef ecosystems in Indonesia and the Philippines under improved sustainable management increased through financial investments that incentivize adoption of sustainable rights-based fisheries management practices that include protection for critical habitats.
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OUTCOMES TARGETS/INDICATORS	END OF PROJECT INDICATOR TARGET	END OF YEAR INDICATOR STATUS	PROGRESS RATING <sup>7</sup>	COMMENTS/JUSTIFICATION
<b>Outcome indicator 1.1.a.:</b> Number of hectares of marine ecosystems with improved management through financial incentives offered through Meloy Fund investments (*including aquaculture areas).	1.2 million hectares	1,069,164 hectares (89 percent of target)	IS	<p>Based on the MTR recommendations and the CI-GEF Agency team site visit at the end of FY22 Q4, this indicator has been changed to read as <i>number of hectares of marine ecosystems with improved management through financial incentives offered through Fund investments</i>. Aquaculture areas will be included in this total area (and will be completed with qualitative data).</p> <p>This indicator is self-reported by each investee. As of September 30, 2022:</p> <ol style="list-style-type: none"> <li><b>Meliomar</b> = 600,000 hectares. The investee calculates the number of hectares based on the number of buying stations from which they source seafood from. The main areas of influence of these buying stations include the area located within the Quezon province in Philippines. All these sites are within territorial limits of Philippines. More accurate mapping of relevant fishing grounds using vessel tracking devices and improved data on Meliomar’s fishing grounds has resulted in the inclusion of a buying station in Infanta that uses larger vessels to make fishing trips at least twice as far as smaller boats, resulting in at least double the previous number of hectares of seascape that are fished with sustainable practices and included in fishery management programs. This investment was exited in FY21 Q2.</li> <li><b>Agrita</b> = 252,000 hectares. The investee calculates the number of hectares based on the length of coastline from where its fishers source seafood from. The total coastal area from which its fishers sourced from was 1,500 km<sup>2</sup>. The main areas of influence include</li> </ol>

<sup>77</sup> O= Overdue; D= Delayed; NS= Not started on schedule; IS= Under implementation on schedule; and CA= Completed/Achieved

OUTCOMES TARGETS/INDICATORS	END OF PROJECT INDICATOR TARGET	END OF YEAR INDICATOR STATUS	PROGRESS RATING <sup>7</sup>	COMMENTS/JUSTIFICATION
				<p>Flores Island in Indonesia. All these hectares lie within territorial boundaries of Indonesia. Agrita is implementing vessel tracking devices and may revise the hectares accordingly.</p> <p>3. <b>SIG Asia</b> = N/A. Company has been restructured and absorbed into investee 4 below.</p> <p>4. <b>Laut Biru Seafood</b> = 186,300 hectares. The main areas of influence include Sulawesi and Maluku waters in Indonesia. All these hectares lie within territorial boundaries of Indonesia. LBS is implementing vessel tracking devices and may revise the hectares accordingly.</p> <p>5. <b>Koltiva</b> = 5,704 hectares. Note: this figure depends on the supply chain of Koltiva's clients. If certain farmers no longer sell seaweed to their clients, then the number may reduce. In addition to the aforementioned hectares for Indonesia/Philippines, the investment through the Meloy Fund has also supported Koltiva's activities in Madagascar (= 9,930 hectares)<sup>8</sup>.</p> <p>6. <b>Frolian</b> = 4,239 hectares. The main areas of influence include Palawan, Bantayan Islands, and Zamboanga. All these sites are within territorial limits of Philippines.</p> <p>7. <b>Agromar</b> = 6,693 hectares. The main areas of influence include Palawan, Bantayan Islands, and Zamboanga. All these sites are within territorial limits of Philippines. Note: for the Fund's seaweed investments (Agromar and Frolian), the number of hectares is based on certain assumptions of productivity per farmer and average farm area per farmer. Therefore, when the volume purchased changes, the number of farmers changes, and subsequently the hectares.</p> <p>8. <b>Jackson &amp; Partners</b> = 9,065 hectares. This investment was exited in FY22 Q2. The main areas of influence include Madura, East Java,</p>

<sup>8</sup> The actual hectare of seaweed in Madagascar is 993 ha where we included a multiplier of 10 to account for the spillover effect (only for mariculture seaweed) based on:

The benefits of seaweed can be in the form of:

- a) Nutrient removal: 1 ha of seaweed aquaculture removes the equivalent nutrient inputs entering 17.8 ha for nitrogen (Nutrient removal from Chinese coastal waters by large-scale seaweed aquaculture, Xi Xiao et al., 2017)
- b) Underwater abundance: seaweed farms harbor 1.4 times more fish and invertebrates (Global Principles of Restorative Aquaculture, TNC, 2021)

Between 1.4x and 17.8x, we have used an average of 10x

The actual hectare of seaweed in Indonesia is bigger than Madagascar (3,104) ha but because they are pond-based, we did not include the multiplier. The multiplier of 10 was only added to the mariculture seaweed of 260 ha for Indonesia and Philippines.

OUTCOMES TARGETS/INDICATORS	END OF PROJECT INDICATOR TARGET	END OF YEAR INDICATOR STATUS	PROGRESS RATING <sup>7</sup>	COMMENTS/JUSTIFICATION
				<p>Southeast Sulawesi, and South Kalimantan in Indonesia. All these sites are within territorial limits of Indonesia. In addition to the aforementioned hectares for Indonesia/Philippines, the investment through the Meloy Fund has also supported J&amp;P's activities in India (= 1,302 hectares).</p> <p>9. <b>REAL Prime Seafoods</b> = 5,000 hectares. This investment was exited in FY22 Q2. The main areas of influence include Zambales and Samar. All these sites are within territorial limits of Philippines.</p> <p>10. <b>Jala Tech</b> = 163 hectares. The main areas of influence include Central and West Java, East Sumatra, and Bali in Indonesia. All these sites are within territorial limits of Indonesia.</p> <p>11. <b>Aquarev</b> = Aquarev is still being established as it is a new startup and does not yet have impact data. Aquarev will report its impact data next quarter.</p> <p>12. <b>Ocean Union</b> = New investment (Q4 FY22) no impact data yet.</p> <p>13. <b>Jam</b> = New investment (Q4 FY22) no impact data yet.</p>
<p><b>Outcome indicator 1.1.b.:</b> Number of investments made through the Meloy Fund</p>	<p>To be determined as the pipeline is rolled out</p>	<p>15</p>	<p>IS</p>	<p>The Fund has made 15 investments in 13 companies total; adding four new companies to our portfolio during FY22.</p> <p>With the Fund's capital fully committed, the Fund will shift its focus on deploying the remaining capital that has been committed and ensuring the success of existing portfolio companies. The Fund remains in close collaboration with the portfolio companies to provide the necessary support for the companies to scale and to identify opportunities for follow-on investments, new rounds of fundraising, and/or potential exits.</p>
<p><b>Outcome indicator 1.1.c.:</b> Average percent increment in profit per unit effort (PPUE) at sites of investment</p> <p>For more meaningful monitoring, the Fund team will replace the</p>		<p>Will be reported for the next fiscal year.</p>	<p>IS</p>	<p>Based on the MTR recommendations and the CI-GEF Agency team site visit at the end of FY22 Q4, moving forward (Rare's FY23) this indicator to be tracked for all investments not only at sites where investments overlap with Fish Forever sites.</p> <p>For more meaningful monitoring, the Fund team will replace the PPUE measure with the % of FIP performance which takes into account:</p> <ul style="list-style-type: none"> <li>• The performance rating of the FIP [number of Performance Indicators (PIs)<sup>1</sup> being addressed and the progress of those PIs] x</li> </ul>

OUTCOMES TARGETS/INDICATORS	END OF PROJECT INDICATOR TARGET	END OF YEAR INDICATOR STATUS	PROGRESS RATING <sup>7</sup>	COMMENTS/JUSTIFICATION
PPUE measure with the % of FIP performance				<ul style="list-style-type: none"> <li>The influence of the investee on the stock of the Unit of Assessment (UoA)<sup>2</sup> engaged in the FIP which is key to impact.</li> </ul>

COMPONENT 1 IMPLEMENTATION PROGRESS RATING	JUSTIFICATION	RATING TREND
<b>S</b>	The project has made good progress on the outcomes and outputs of this component. The project has successfully approved 15 investments in 13 companies. The Fund's capital has been fully committed, and the project is focusing on ensuring the success of existing portfolio companies. The number of hectares of marine ecosystems under improved management has further increased, reaching 89% of the target. On the basis of the MTR, the PPUE measure will be replaced with the % of FIP performance, and reporting will start during the next fiscal year.	Unchanged

<b>COMPONENT 2</b>	Fisheries technical assistance (TA) through Fish Forever
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<b>Outcome 2.1:</b>	Capacity of portfolio companies to deliver on the Fund's environmental and social impact targets improved through fisheries TA provided by Fish Forever
<b>Outcome 2.2:</b>	Integrity and functioning of targeted coral reef ecosystems maintained through the implementation of community rights-based management at Fish Forever sites, as incentivized through Meloy Fund investments

OUTCOMES TARGETS/INDICATORS	END OF PROJECT INDICATOR TARGET	END OF YEAR INDICATOR STATUS	PROGRESS RATING <sup>9</sup>	COMMENTS/JUSTIFICATION
<b>Outcome indicator 2.1.:</b> Percentage of projected E&S impact targets achieved.	<i>Environmental Target</i> a: 1.2 million hectares of marine ecosystems)	<i>Environmental Targets</i> a: Through the Fund's 15 investments, 1,069,164 hectares of coastal ecosystem is under MF-improved management.	IS	Together, the investees and the Fund develop an Action Plan of activities that they will execute together throughout the life of the investment to improve fisheries management. E.g.: <ul style="list-style-type: none"> <li>Fisheries data collection: The Fund and the company will jointly seek to gather first-hand data on fisheries health and fisher incomes to track the Fund's impact.</li> </ul>

<sup>9</sup> **O**= Overdue; **D**= Delayed; **NS**= Not started on schedule; **IS**= Under implementation on schedule; and **CA**= Completed/Achieved

OUTCOMES TARGETS/INDICATORS	END OF PROJECT INDICATOR TARGET	END OF YEAR INDICATOR STATUS	PROGRESS RATING <sup>9</sup>	COMMENTS/JUSTIFICATION
	<p>under improved management</p> <p><i>Social Targets</i> b: 100,000 fisher household members positively impacted</p> <p>c: USD 20 million aggregate annual purchases from fishers</p>	<p><i>Social Targets</i> b: Through the Fund's 15 investments, 58,728 fisher household members have been positively impacted (an estimated 49.4 percent are female).</p> <p>c: Through the Fund's investments, USD 31,828,965 (159 percent of target) has been purchased from local fishers.</p>		<ul style="list-style-type: none"> <li>- Supply chain improvements: The Fund and the company will jointly implement supply chain improvement projects to encourage the adoption of sustainable practices that simultaneously increase fisher incomes, including using improved gear and or increasing catch quality via fisher training.</li> </ul> <p>A portion of the funding for this plan may be covered by the Fund's Technical Assistance Facility (TAF). The Meloy Fund's TAF is designed to provide grant funding to the Fund's portfolio for projects that may a) accelerate Meloy Fund investees' triple-bottom-line impact, and b) increase the rate at which sustainable small-scale fisheries projects are deployed and scaled.</p> <p><i>Environmental Target</i> a: This indicator is self-reported by each investee. As of September 30, 2022 the investees have 1,069,164 hectares under MF-improved management:</p> <ol style="list-style-type: none"> <li>1. <b>Meliomar</b> = 600,000 hectares. This investment was exited in FY21 Q2.</li> <li>2. <b>Agrita</b> = 252,000 hectares.</li> <li>3. <b>SIG Asia</b> = N/A. Company has been restructured and absorbed into investee 4 below.</li> <li>4. <b>Laut Biru Seafood</b> = 186,300 hectares.</li> <li>5. <b>Koltiva</b> = 5,704 hectares.</li> <li>6. <b>Frolian</b> = 4,239 hectares.</li> <li>7. <b>Agromar</b> = 6,693 hectares.</li> <li>8. <b>Jackson &amp; Partners</b> = 9,065 hectares. This investment was exited in FY22 Q2.</li> <li>9. <b>REAL Prime Seafoods</b> = 5,000 hectares. This investment was exited in FY22 Q2.</li> <li>10. <b>Jala Tech</b> = 163 hectares.</li> <li>11. <b>Aquarev</b> = As Aquarev is still being established it does not yet have impact data yet.</li> <li>12. <b>Ocean Union</b> = New investment (Q4 FY22) no impact data yet.</li> <li>13. <b>Jam</b> = New investment (Q4 FY22) no impact data yet.</li> </ol>

OUTCOMES TARGETS/INDICATORS	END OF PROJECT INDICATOR TARGET	END OF YEAR INDICATOR STATUS	PROGRESS RATING <sup>9</sup>	COMMENTS/JUSTIFICATION
				<p><i>Social Targets</i></p> <p>b: As of September 30, 2022, the investments have positively impacted 58,728 fisher household members. Each of the investees tracks and reports on the number of fishers they work with, and the average number of household members is then taken from census data averages.</p> <p>As noted under Outcome indicator 1.1.a. (with regards to number of hectares), for the Fund’s seaweed investments (Agromar and Frolian), numbers are based on certain assumptions of productivity per farmer and average farm area per farmer. Therefore, when the volume purchased changes, the number of farmers changes, and subsequently the number of fisher household members. Similarly, Koltiva’s figures depend on the supply chain of Koltiva’s clients. If certain farmers no longer sell seaweed to their clients, then the number of fisher household members may reduce. Further, for LBS, in Q2 and Q3 the number of fishers was based on an estimated number of fishers per vessel sourced from. From Q4 onwards, the number of fishers is actually based on LBS’ traceability system so this is actual number of fishers. Also, supply chain fluctuates and tuna is seasonal so these numbers will change from time to time.</p> <ol style="list-style-type: none"> <li>1. <b>Meliomar</b> = 12,630 fisher household members. This investment was exited in FY21 Q2.</li> <li>2. <b>Agrita</b> = 6,000 fisher household members.</li> <li>3. <b>SIG Asia</b> = N/A. Company has been restructured and absorbed into investee 4 below.</li> <li>4. <b>Laut Biru Seafood</b> = 5,220 fisher household members.</li> <li>5. <b>Koltiva</b> = 14,856 fisher household members.</li> <li>6. <b>Frolian</b> = 4,607 fisher household members.</li> <li>7. <b>Agromar</b> = 7,275 fisher household members.</li> <li>8. <b>Jackson &amp; Partners</b> = 1,600 fisher household members.</li> <li>9. <b>REAL Prime Seafoods</b> = 960 fisher household members.</li> <li>10. <b>Jala Tech</b> = 5,580 fisher household members.</li> <li>11. <b>Aquarev</b> = As Aquarev is still being established it does not yet have impact data yet.</li> </ol>



OUTCOMES TARGETS/INDICATORS	END OF PROJECT INDICATOR TARGET	END OF YEAR INDICATOR STATUS	PROGRESS RATING <sup>9</sup>	COMMENTS/JUSTIFICATION
				<p>12. <b>Ocean Union</b> = New investment (Q4 FY22) no impact data yet.  13. <b>Jam</b> = New investment (Q4 FY22) no impact data yet.</p> <p>c: As of September 30, 2022, the investments have purchased USD 31,828,965 from local fishers. Each of the investees tracks and reports on these amounts:</p> <ul style="list-style-type: none"> <li>• <b>Meliomar</b> = \$773,022. This investment was exited in FY21 Q2.</li> <li>• <b>Agrita</b> = \$3,303,985</li> <li>• <b>SIG Asia</b> = N/A. Company has been restructured and absorbed into investee 4 below.</li> <li>• <b>Laut Biru Seafood</b> = \$3,276,062</li> <li>• <b>Koltiva</b> = n/a</li> <li>• <b>Frolian</b> = \$2,838,896</li> <li>• <b>Agromar</b> = \$5,201,396</li> <li>• <b>Jackson &amp; Partners</b> = \$1,022,457. This investment was exited in FY22 Q2.</li> <li>• <b>REAL Prime Seafoods</b> = \$491,147. This investment was exited in FY22 Q2.</li> <li>• <b>Aquarev</b> = As Aquarev is still being established it does not yet have impact data yet.</li> <li>• <b>Ocean Union</b> = New investment (Q4 FY22) no impact data yet.</li> <li>• <b>Jam</b> = New investment (Q4 FY22) no impact data yet.</li> </ul>
<p><b>Outcome indicator 2.2.a.:</b>  Percentage of live coral cover within targeted TURF + reserves</p>	<p>&gt;0</p>	<p>45% (Indonesia)  24% (Philippines)</p>	<p>IS</p>	<p>Baseline data has been collected within designated TURF + reserve areas.</p> <p>There is 45% of live coral cover within targeted TURF + reserves in Indonesia; and 24% of live coral cover within targeted TURF + reserves in the Philippines.</p>
<p><b>Outcome indicator 2.2.b.:</b>  Total fish biomass within targeted TURF + reserves</p>	<p>&gt;0</p>	<p>120 kg/ha (Indonesia)  254 kg/ha (Philippines)</p>	<p>IS</p>	<p>Total fish biomass was equivalent to 120 kg/ha within the proposed TURF + reserves in Indonesia and 254 kg/ha in the Philippines.</p>
<p><b>Outcome indicator 2.2.c.:</b>  Average length of target species under TURF + reserve management</p>	<p>&gt;0</p>	<p>18 cm (Indonesia)  10 cm (Philippines)</p>	<p>IS</p>	<p>The average length of target species in proposed TURF + reserve areas was equal to 18 cm in Indonesia and 10 cm in the Philippines.</p>

COMPONENT 2 IMPLEMENTATION PROGRESS RATING	JUSTIFICATION	RATING TREND
S	There is good progress on environmental, social and economic targets. The project's environmental target (hectares of marine ecosystems under improved management) has been almost achieved. The target for amount of annual purchases from fishers was exceeded. The number of fisher household members that are positively impacted by the project keeps growing. Outcome indicators 2.2 a, b, and c, will be reassessed during the next fiscal year.	Unchanged

### c. Overall Project Results Rating

#### OVERALL PROJECT RESULTS IMPLEMENTATION RATING

OVERALL RATING	JUSTIFICATION	RATING TREND <sup>10</sup>
S	The project has made good progress on the objectives, outcomes, and outputs. The project has approved 15 investments in 13 companies, through which environmental and social impacts are achieved. These investments contribute to the improved management of important areas of marine ecosystems, and a significant amount of fisher household members is benefitting from the project.	Unchanged

### d. Recommendations`

CORRECTIVE ACTION(S)	RESPONSIBLE PARTY	DEADLINE
Outcome indicators 2.2 a, b, and c, for which no new targets have been set yet, should be further analyzed during FY24 to ensure relevance for the Meloy Fund investments. For Objective indicator B the Fund will start to track the Poverty Probability Index (PPI) and potentially Food Insecurity Experience Scale (FIES) for fisher families. Therefore it is recommended to rephrase this indicator for FY24 as "Percentage of fishers and fish workers with improved PPI or FIES through project investments as a measure of improved status of livelihoods".	Meloy Fund team	End of FY24

<sup>10</sup> Rating trend: Increasing, Unchanged or Decreasing

### SECTION III: PROJECT RISKS STATUS AND RATING

#### a. Progress towards Implementing the Project Risk Mitigation Plan

#### Progress towards Implementing the Project Risk Mitigation and Plan Project Risks Annual Reassessment

PROJECT RISKS	PRODOC RISK MITIGATION MEASURE	MITIGATION MEASURES IMPLEMENTATION	PROGRESS RATING <sup>11</sup>	COMMENTS/JUSTIFICATION	PRODOC RISK RATING	CURRENT FY22 RISK RATING	RISK RATING TREND <sup>12</sup>
<b>Risk 1:</b> <u>Deal sourcing risk</u> : The Fund may be unable to find a sufficient number of attractive investment opportunities to meet its investment objectives and, even if successful in finding such opportunities, that those selected investments will successfully achieve the Fund's objectives.	The Meloy Fund believes that the historical precedent for investment in this sector undervalues the potential and is stifled by a lack of entrepreneurship, creativity, and long-term strategies for fishery improvements. Further, our deal sourcing ability is enhanced via the following channels a) Local staff with on-the-ground presence; b) Technical expert network; c) Conservation partners; d) Country advisory boards; and e) Conferences, forums, and investor networks.	The Meloy Fund team is continuously identifying potential investment opportunities through targeted regional networking and fishery conferences.	IS	With the investments in FY2022, the Fund has fully committed its capital. With the Fund's capital fully committed, the Fund will shift its focus on deploying the remaining capital that has been committed and ensuring the success of existing portfolio companies. The Fund remains in close collaboration with the portfolio companies to provide the necessary support for the companies to scale and to identify opportunities for follow-on investments, new rounds of fundraising, and/or potential exits.	Substantial	Low	Decreasing
<b>Risk 2:</b> <u>Currency exchange risk</u> : The income received	Both Indonesia and the Philippines currently have fairly	To-date, each of the Fund's investments have been made to companies	IS	The Fund continues to explore mechanisms to hedge currency	High	High	Unchanged

<sup>11</sup> O= Overdue; D= Delayed; NS= Not started on schedule; IS= Under implementation on schedule; and CA= Completed/Achieved

<sup>12</sup> Rating trend: Increasing, Unchanged or Decreasing

PROJECT RISKS	PRODOC RISK MITIGATION MEASURE	MITIGATION MEASURES IMPLEMENTATION	PROGRESS RATING <sup>11</sup>	COMMENTS/JUSTIFICATION	PRODOC RISK RATING	CURRENT FY22 RISK RATING	RISK RATING TREND <sup>12</sup>
by the Fund will be in U.S. Dollars, although the Portfolio Companies will operate in their own local currency. Accordingly, changes in currency exchange rates between the U.S. Dollars and such foreign currencies may adversely affect the portfolio companies' ability to pay and potential returns to the Fund.	<p>strong macroeconomic fundamentals and no major currency swings are expected at least in the short term.</p> <p>The Fund investment committee will take into account potential currency risks as a standing component in every investment and prioritize investments in organizations that export their products to developed countries as a hedging strategy. The Fund may also explore currency hedging strategies if local currency investments are required.</p>	<p>that conduct most of their sales in USD or EUR currencies.</p> <p>The Fund has also identified some potential hedging mechanisms and foreign exchange coverage options, but has not had the need use them to-date.</p> <p>The Fund also has a USAID partial guarantee that will cover up to 50 percent of any loss, in USD, on the Fund's debt portfolio.</p>		risk for pipeline companies with high exposure to local currency.			
<b>Risk 3: Investment Risk:</b> There can be no assurance that the development of any particular investment will be successful or that its business will be profitable. Some of the Fund's portfolio	The Meloy Fund has four key elements in order to mitigate investment risk. First, the Fund will follow rigorous due diligence buttressed by our local staff, Rare's network of technical experts, and the setting up of country	<p>A rigorous due diligence process has been carried out by the Fund's team for each of its investments.</p> <p>The team also provides close and on-going monitoring of portfolio companies.</p>	IS	<p>The Fund has developed robust set of tools and clear due diligence process to identify and mitigate potential risks.</p> <p>The Meloy Fund continues to employ four key steps to mitigate investment risk:</p> <ol style="list-style-type: none"> <li>1. follow a rigorous due diligence process buttressed by our local</li> </ol>	Substantial	Substantial	Unchanged

PROJECT RISKS	PRODOC RISK MITIGATION MEASURE	MITIGATION MEASURES IMPLEMENTATION	PROGRESS RATING <sup>11</sup>	COMMENTS/JUSTIFICATION	PRODOC RISK RATING	CURRENT FY22 RISK RATING	RISK RATING TREND <sup>12</sup>
<p>companies may be unseasoned, unprofitable and/or have no established operating history or earnings. These companies may also lack technical, marketing, financial and other resources, or may be dependent upon the success of one product or service, or a unique distribution channel.</p>	<p>advisory boards. Second, the Fund's portfolio will manage its concentration risks against specific limits including parameters such as sector, geography, and borrower type. Third, the Fund will monitor each investment on a regular basis including a quarterly internal review involving a valuation report. Each investee will be required to make at least quarterly payments to instill strong repayment discipline and will provide reports on a quarterly basis. Fourth, the fund will take first ranking security over all the investee's fixed and where possible current assets, including those assets purchased with the investment.</p>	<p>The Fund has established a Technical Assistance Facility which will provide required additional support to portfolio companies (e.g. strengthening their financial capacity, fishery management tools).</p> <p>The deals to-date have been structured to include (at least) quarterly repayments on their loans and are required to submit monthly operating and financial reports.</p>		<p>staff and Rare's network of technical experts.</p> <ol style="list-style-type: none"> <li>2. manage its concentration risks against specific limits</li> <li>3. monitor each investment on a regular basis including a quarterly internal review involving a valuation report. Each investee is required to make at least quarterly payments to instill strong repayment discipline and will provide reports on a quarterly basis.</li> <li>4. Seek to take first ranking security over a significant portion of the investee's fixed and of those assets purchased with the investment.</li> </ol> <p>Some of the main challenges faced by portfolio companies have been the limited supplies of raw materials and expensive logistics costs. Inclement weather, seasonality factors, and crop diseases were the main drivers behind various shortages in raw materials. The Fund's portfolio companies have initiated partnerships with suppliers and expanded their sourcing locations to address the volatility of raw material supplies.</p>			

PROJECT RISKS	PRODOC RISK MITIGATION MEASURE	MITIGATION MEASURES IMPLEMENTATION	PROGRESS RATING <sup>11</sup>	COMMENTS/JUSTIFICATION	PRODOC RISK RATING	CURRENT FY22 RISK RATING	RISK RATING TREND <sup>12</sup>
<p><b>Risk 4: <u>General economic and market conditions:</u></b> By investing in various developing countries, the Fund may be subject to economic, political, regulatory and social risks, which may affect the liquidity and value of its investments. Foreign governments may exercise substantial influence over many aspects of the private sector, and the success of the Fund's investments may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international</p>	<p>Rare has developed strong relationships with key government bodies at local, municipal, regional, and national levels as a key element of developing healthy community fisheries and will make sure it continues doing so as part of the Fund's activities.</p> <p>Additionally, our multi-local approach diversifies risk across geographies and political boundaries, hedging against potential weather events, political changes, microeconomic pressures, etc.</p> <p>Finally, we will assemble a well-networked in-country advisory board, to include top government and private sector players, to help us vet investment opportunities and to</p>	<p>To date, the Fund has made 15 investments and aims to have no more 70% percent of its invested capital in one single country</p>	<p>IS</p>	<p>The team continues to monitor the economic and market conditions closely.</p> <p>At a macro level, the Philippines and Indonesia have now fully reopened their economies. With COVID-related restrictions at a minimum, businesses are allowed to operate daily and for extended hours. Tourism, conventions, travel, and trade activities flourished during the quarter, providing the Fund's portfolio companies with opportunities to grow. In general, this resulted in stronger performance in Q4 FY2022 compared to the previous quarter.</p> <p>However, challenges faced by the Fund's portfolio companies, including price volatility in their respective markets, limited supplies of raw materials, and pressures from competition and rising inflation may affect the Fund's financial performance.</p> <p>The Fund's management team is in continuous communication with each investee so that it can quickly respond to changes in the market while ensuring that portfolio companies have sufficient liquidity.</p>	<p>Moderate</p>	<p>Substantial</p>	<p>Unchanged</p>

PROJECT RISKS	PRODOC RISK MITIGATION MEASURE	MITIGATION MEASURES IMPLEMENTATION	PROGRESS RATING <sup>11</sup>	COMMENTS/JUSTIFICATION	PRODOC RISK RATING	CURRENT FY22 RISK RATING	RISK RATING TREND <sup>12</sup>
political circumstances.	minimize the effects of corruption and political pressure.						
<b>Risk 5: Climate change risk:</b> An increase in global average surface temperatures has resulted, among others, in rising sea levels, shifting precipitation patterns, droughts and floods, and higher likelihood of more extreme weather and more violent natural catastrophes. Temperature rises make weather harder to predict and raise the margin of error in modeling knock-on effects on agricultural and fisheries production. The Philippines appears to be especially susceptible to climate change related challenges due to it being an	Fish Forever contributes to social resilience in communities through community engagement and capacity building. This, along with a diversification of income sources, which help communities adapt and respond to climate events. Conserving coral reefs, coastal habitats, and preserving trophic balances also provide biophysical resilience as ecosystem integrity is improved, helping reef systems better withstand natural disasters and the effects of warming ocean temperatures.	Building on lessons from its first Fish Forever cohort, going forward, Rare will incorporate climate-smart metrics into program design to estimate ecological resilience to climate change. We will also integrate climate modeling into management planning and reserve network design. Alongside these efforts, we will prioritize building effective and adaptive capacities in the communities; this includes using an EbA approach to governance and management, working with communities to collect basic slow-onset metrics (which can help them to see gradual climatic changes and take appropriate preventative actions), and informing national adaptation plans and Nationally Intended Contributions under the Paris Agreement.	IS	The updated Fish Forever strategy includes new program curricula that builds in the important cross-cutting theme: climate change’s impacts on coastal fisheries. To address this, Fish Forever will augment the decision support tools around reserve design and fisheries management to be “climate smart” in helping local government and communities identify and plan for the effects of slow onset and sudden shock impacts (especially regarding coral reef health, distribution of target fish populations, and access to fishing grounds). Rare will also help local governments to develop and embed fisheries management into climate change adaptation strategies.	Moderate	Moderate	Unchanged

PROJECT RISKS	PRODOC RISK MITIGATION MEASURE	MITIGATION MEASURES IMPLEMENTATION	PROGRESS RATING <sup>11</sup>	COMMENTS/JUSTIFICATION	PRODOC RISK RATING	CURRENT FY22 RISK RATING	RISK RATING TREND <sup>12</sup>
island nation with a very high number of tropical storms, and which are expected to increase in severity due to regional wind patterns and rising sea levels.		Furthermore, to help communities adapt and respond to climate change, building on its success in the Philippines, Fish Forever is integrating financial inclusion across all of its new sites, including: financial literacy training; establishment of savings and loans clubs; building club support for public goods – e.g. fisher pensions, natural disaster insurance); and establishment of community enterprises.					
<b>Risk 6: Fish Forever program risk:</b> Rare is in process of developing its strategy for the next cohort of Fish Forever sites in both countries. As the strategies are finalized, Rare will then be required to raise funds in support of the outlined interventions.	Through its work in-country and globally, Rare has developed a strong network of experts and partners that could be called on for technical support as needed.  Furthermore, Rare has been working closely with both governments to support positive social change, build connectivity between reform efforts across multiple levels of	The new Fish Forever strategies in Indonesia and the Philippines build on the results and lessons learned (see <a href="https://www.rare.org/fisheries-report">https://www.rare.org/fisheries-report</a> ) from the program’s first cohort of Fish Forever sites.  In addition, as had previously been done in the Philippines, the Indonesia team has been working closely with the government to ensure that the sustainable development of coastal	IS	Although small-scale fisheries provide important contributions to coastal and national economies, these contributions are often undervalued, unaccounted for, and marginalized.  To address this, Rare continues to actively build awareness and recognition of the importance of coastal fisheries as well as effective fisheries policy and management—for food, for jobs, for meeting multiple SDG targets, for contributing to national economies, for ensuring a healthier ocean, and for	Moderate	Moderate	Unchanged



PROJECT RISKS	PRODOC RISK MITIGATION MEASURE	MITIGATION MEASURES IMPLEMENTATION	PROGRESS RATING <sup>11</sup>	COMMENTS/JUSTIFICATION	PRODOC RISK RATING	CURRENT FY22 RISK RATING	RISK RATING TREND <sup>12</sup>
	<p>government, and scale our community-led solutions – such as Fish Forever. Rare has been working to empower local partners to address policies and regulations that remove barriers to and incentivize implementation of natural resource management solutions long in the future.</p>	<p>fisheries is integrated into the draft national mid-term development plan, 2020-2024.</p> <p>Furthermore, as a part of its larger Blended Finance Initiative, Rare is working closely with the governments of both Indonesia and the Philippines to create large-scale green financing facilities for coastal fisheries management, which will enable the scaling of small scale fisheries management as well as greater impact for Meloy Fund investments.</p>		<p>developing secure, climate-resilient communities; and continues to work closely with the governments of Indonesia and the Philippines as well as coastal communities to build their support for sustainable small-scale fishery management.</p>			
<p><b>Risk 7: <u>COVID-19 pandemic</u></b></p>	<p>N/A</p>	<ol style="list-style-type: none"> <li>1. Ensure the companies’ ongoing financial viability.</li> <li>2. Encourage the companies to provide continued employment or support to their employees.</li> <li>3. Facilitate assistance to the companies’ suppliers, i.e. small-scale fishers, to</li> </ol>	<p>IS</p>	<p>Philippines and Indonesia have essentially lifted pandemic-related restrictions in FY2022 following the significant decline in COVID-19 cases and the high vaccination rates in both countries. Localized lockdowns which raised uncertainties to businesses in FY2021 were also kept to a minimum this year. With these developments, business activities coupled with the easement of travel requirements and tourism activities have benefitted both</p>	<p>N/A</p>	<p>Moderate</p>	<p>Decreasing</p>

PROJECT RISKS	PRODOC RISK MITIGATION MEASURE	MITIGATION MEASURES IMPLEMENTATION	PROGRESS RATING <sup>11</sup>	COMMENTS/JUSTIFICATION	PRODOC RISK RATING	CURRENT FY22 RISK RATING	RISK RATING TREND <sup>12</sup>
		mitigate disruptions in seafood sourcing and enable a swift recovery once the outbreak is contained.		countries' economies and the Fund's portfolio companies.  In general, all the portfolio companies recorded revenue growth in FY2022 compared to FY2021 and follow-on investments were made by the Fund to sustain such growth.			

PROJECT RISKS MITIGATION MEASURES RATING	JUSTIFICATION	RISK RATING TREND <sup>13</sup>
M	Due to the decreased risk of the Covid pandemic, the overall risk rating has been adjusted to medium	Decreasing

#### Recommendations

MITIGATION AND CORRECTIVE ACTION(S)	RESPONSIBLE PARTY	DEADLINE
N/A	N/A	N/A

<sup>13</sup> Rating trend: Increasing, Unchanged or Decreasing

**SECTION IV: PROJECT ENVIRONMENTAL AND SOCIAL SAFEGUARDS IMPLEMENTATION STATUS AND RATING**

**a. Progress towards Complying with the CI-GEF Project Agency’s Environmental & Social Safeguards**

MINIMUM SAFEGUARD INDICATORS	PROJECT TARGET	END OF YEAR STATUS	CUMULATIVE STATUS	PROGRESS RATING <sup>14</sup>	COMMENTS/JUSTIFICATION
<b>ACCOUNTABILITY AND GRIEVANCE MECHANISM</b> 1. Number of conflict and complaint cases reported to the project’s Accountability and Grievance Mechanism	0	0	0	IS	<p><u>Meloy Fund:</u> No complaints were submitted to the project’s Accountability and Grievance Mechanism in relation to the Fund’s investments or investees. During the initial due diligence process (prior to investment), the Meloy Fund assesses the accountability and grievance mechanisms (AGM) put in place by each of the investees for their workers to raise concerns, including how grievances are handled and how the mechanism is communicated to workers internally.</p> <p>Based on recommendations from the MTR, the Meloy Fund team is working with its investees on AGM signage. A few investees are also looking at providing a third-party grievance mechanism hotline to their supply chain run by NGOs.</p>
2. Percentage of conflict and complaint cases reported to the project’s Accountability and Grievance Mechanism that have been resolved	100	No grievances received	0 no grievances.	IS	<p><u>Meloy Fund investments:</u> No complaints were submitted to the project’s Accountability and Grievance Mechanism in relation to the Fund’s investments or investees.</p>
<b>GENDER MAINSTREAMING</b> 1. Number of men and women that participated in project activities (e.g. meetings, workshops, consultations)	MF: N/A	MF: 2,251 total participants (~13% women)	2,251 total participants (~13% women)	IS	<p><u>Meloy Fund:</u> As per our approved project monitoring plan, this will be tracked at sites where FIPs have been developed and are under implementation. All investees involved with wild caught species are sourcing from FIPs.</p> <p><u>Fish Forever:</u> At the end of the fiscal year, Fish Forever had a total of 101,561 participants across Philippines and</p>

<sup>14</sup> O= Overdue; D= Delayed; NS= Not started on schedule; IS= Under implementation on schedule; and CA= Completed/Achieved

MINIMUM SAFEGUARD INDICATORS	PROJECT TARGET	END OF YEAR STATUS	CUMULATIVE STATUS	PROGRESS RATING <sup>14</sup>	COMMENTS/JUSTIFICATION
2. Number of men and women that received benefits (e.g. employment, income generating activities, training, access to natural resources, land tenure or resource rights, equipment, leadership roles) from the project	<p>FF: overall target is 50 % men/women</p> <p>MF: 100,000 fisher household members to be positively impacted through the Fund's investments.</p> <p>FF: overall target is 50 percent men/women</p>	<p>FF: 101,561 total participants (~49% women)</p> <p>MF: 66,904 fisher household members (an estimated 33,051 or 49.4 percent are female)</p> <p>FF: Approximately 1.8 million total people (approx. 50.6% males, 49.4% females in the Philippines; and 50.58% males and 49.42% females in Indonesia)</p>	IS	IS	<p>Indonesia. Approximately 51% women in Indonesia and 48% women in the Philippines. During this period there was a decrease in the participation of women. The team notes that this is likely due to the types of interventions that were conducted during the specified reporting periods - for example, our activities with savings clubs often have a higher percentage of women to men. That said, the project always strive for the target of 50% women/men across all activities</p> <p><u>Meloy Fund:</u> an estimated 66,904 fisher household members. As per demographic data, we estimate that out of the 66,904 fisher household members – 33,051 (49.4 percent<sup>15</sup>) of which are female and the remaining 33,853 (50.6 percent) male (including fishers).</p> <p>The total number of fisher household members is estimated based on the number of fishers from which the Fund's portfolio companies source seafood (*this is self-reported by each company. Where available, company provides exact numbers from their traceability system). Demographic data on household size is adjusted at a national level (Philippines and Indonesia) using United Nations' data<sup>16</sup>.</p> <p><u>Fish Forever:</u> Approximately 1.8 million people across 1,100 communities. This is equivalent to the total population in the communities where we are currently working.</p>

<sup>15</sup> Data source: World Bank data base year 2017, <https://data.worldbank.org/indicator/SP.POP.TOTL.FE.ZS?locations=ID>

<sup>16</sup> Household Size and Composition around the world (2017), retrieved from [https://www.un.org/en/development/desa/population/publications/pdf/ageing/household\\_size\\_and\\_composition\\_around\\_the\\_world\\_2017\\_data\\_booklet.pdf](https://www.un.org/en/development/desa/population/publications/pdf/ageing/household_size_and_composition_around_the_world_2017_data_booklet.pdf)

MINIMUM SAFEGUARD INDICATORS	PROJECT TARGET	END OF YEAR STATUS	CUMULATIVE STATUS	PROGRESS RATING <sup>14</sup>	COMMENTS/JUSTIFICATION
<p>3. Number of strategies, plans (e.g. management plans and land use plans) and policies derived from the project that include gender considerations (this indicator applies to relevant projects)</p>	<p>MF: 100 % (at sites where FIPs are in place)</p> <p>FF: 100 %</p>	<p>MF: N/A</p> <p>FF: 12 sub-national social marketing campaigns; 99 campaigns; 1 gender strategy; 36 fisheries management plans</p>	<p>IS</p>	<p>IS</p>	<p><u>Meloy Fund</u>: As per our approved project monitoring plan, this will be tracked at sites where FIPs have been developed and are under implementation. All investees involved with wild caught species are sourcing from FIPs. Fishery Progress is requiring Human Rights and Social Responsibility policies to be developed for all FIPs that includes:</p> <ul style="list-style-type: none"> <li>• No gender-based discrimination and violence.</li> <li>• Gender transformative policies and programs to be in place as a best practice, such as routine data collection of gender-disaggregated data to understand, identify and rectify inequities and inequality, including intersectional factors. For example, in the octopus FIP, the local NGO partner will start running financial literacy programs that include fishers' wives.</li> <li>• Communities or people with claims to the resource shall be strongly involved in management of the resource, and traditional practices and knowledge are incorporated into resource management, and special attention shall be paid to ensure women and disadvantaged groups are included. For example, in the octopus FIP, the local NGO partner will identify women who glean for octopus are supported in attending management/FMP processes if they can be engaged.</li> </ul> <p>The Fund is currently supporting its wild-caught investees to develop and implement the required Human Rights and Social Responsibility as part of their FIPs.</p> <p>For aquaculture investees like Jalatech, they are currently implementing the Gender Action Learning System (GALS) developed by Oxfam with smallholder farmers. This gender-equitable, community-led empowerment methodology helps farmers and their wives develop a long-term vision and break it down into shorter term goals. GALS also includes financial planning and examines gender roles in the household. For</p>

MINIMUM SAFEGUARD INDICATORS	PROJECT TARGET	END OF YEAR STATUS	CUMULATIVE STATUS	PROGRESS RATING <sup>14</sup>	COMMENTS/JUSTIFICATION
					<p>Aquarev, they are currently conducting an assessment of their sites against the <a href="#">ASIC Social and Gender standard</a> to promote improvements in labour practices, human rights and gender equality that lead to increased wellbeing, cooperation and resilience for all involved.</p> <p><u>Fish Forever:</u> In FY22, 1 sub-national social marketing campaign in Indonesia and 11 in the Philippines, and 99 campaigns (39 in Indonesia and 60 in the Philippines) were continued from FY21 which incorporated gender considerations into their design and roll-out. See Output Indicator 2.2.1 below for more information on these campaigns.</p> <p>A total of 36 fisheries management plans were fully developed and completed (16 in Indonesia and 20 in the Philippines), while 39 more management plans are currently in development in the Philippines.</p> <p>Fish Forever has continued to operationalize its Gender Strategy which can be found on Rare's data portal <a href="https://portal.rare.org/wp-content/uploads/2021/03/global-gender-strategy-fishforever-040521.pdf">https://portal.rare.org/wp-content/uploads/2021/03/global-gender-strategy-fishforever-040521.pdf</a></p>
<p><b>STAKEHOLDER ENGAGEMENT</b></p> <p>1. Number of government agencies, civil society organizations, private sector, indigenous peoples and other stakeholder groups that have been involved in the project</p>	<p>MF: We are not sure how to set a target for this as it really depends on pipeline development, TAF opportunities etc.</p>	<p>MF: 8 government agencies (SECO, USAID, DFC, Philippines - DENR, DOST, DA-BFAR, Indonesia – MMAF (national, provincial and district level), Coordinating</p>	<p>IS</p>	<p>IS</p>	<p><u>Meloy Fund:</u> With regards to their support for the technical assistance facility, SECO was engaged throughout FY22. USAID missions in Indonesia and the Philippines, DFC (as Fund guarantors) and government agencies i.e., DENR, DOST, DA-BFAR, MMAF (national, provincial and district level), Coordinating Ministry of Maritime and Investment Affairs and the Ministry of Communication and Information Technology were also engaged.</p> <p>In November 2021, the first multi-stakeholder gathering was held in East Nusa Tenggara with Agrita, the provincial and district local government, local NGOs, academia, fishers, and</p>

MINIMUM SAFEGUARD INDICATORS	PROJECT TARGET	END OF YEAR STATUS	CUMULATIVE STATUS	PROGRESS RATING <sup>14</sup>	COMMENTS/JUSTIFICATION
	FF: 220	<p>Ministry of Maritime and Investment Affairs), Ministry of Communication and Information Technology; 23 SMEs; 150 seaweed farmers, 1,509 shrimp farmers and their wives, 34 octopus fishers, 4 CSOs</p> <p>FF: 20 government partners (Indonesia); 122 government partners (Philippines)</p> <p>483 communities in Indonesia and 652 communities in the Philippines.</p>			<p>buyers to discuss the vision, workplan, and joint activities for the octopus FIP.</p> <p>In terms of partnerships with civil society organizations (CSOs):</p> <ul style="list-style-type: none"> <li>• Agromar partners with Rare on sustainable seaweed</li> <li>• JAM Seafood partners with WWF on sustainable tuna</li> <li>• LBS partners with the Indonesian Pole &amp; Line and Handline Fisheries Association on sustainable tuna</li> <li>• Aquarev partners with Blue Forests Foundation to develop a mangrove strategy</li> <li>• JALA partners with Oxfam on their gender empowerment program</li> </ul> <p>During the FY22 reporting period, 23 companies (13 in Indonesia; 10 in the Philippines) underwent E&amp;S assessments as per the Fund’s due diligence processes. In addition, the team also had continuous strategic engagement with the investees, including providing mentoring/capacity building to portfolio companies and pipeline companies.</p> <p>Through support from the TAF, the Fund’s investees provided training to:</p> <ul style="list-style-type: none"> <li>• 150 seaweed farmers (45 of which are female) on Good Aquaculture Practices (GAP), Good Environment Practices (GEP) and Good Financial Practices (GFP).</li> <li>• 1,509 participants (243 of which are female) on technology adoption of Jala’s shrimp farm management software, water and disease monitoring, and financial literacy using a gender lens approach</li> <li>• 34 octopus fishers on vessel and license registration, octopus data collection, socialization of fisher association and organizational management</li> </ul>

MINIMUM SAFEGUARD INDICATORS	PROJECT TARGET	END OF YEAR STATUS	CUMULATIVE STATUS	PROGRESS RATING <sup>14</sup>	COMMENTS/JUSTIFICATION
<p>2. Number persons (sex disaggregated) that have been involved in project implementation phase (on an annual basis)</p>	<p>MF: N/A</p> <p>FF: we do not have targets for the number of persons involved in program implementation, but rather target a select number of communities.</p> <p>Target districts Indonesia = 220 Target Municipalities Philippines = 150</p>	<p>MF: 58,728 total participants (~49% women)</p> <p>FF: 101,561 total participants (~49% women) across Indonesia and the Philippines. Approximately 51% women in Indonesia and 48% women in the Philippines.</p>	<p>58,728 total participants (~49% women)</p>	<p>IS</p>	<p>The Fund's aquaculture investees, Jala has a written stakeholder engagement plan while Aquarev and Koltiva are both developing a stakeholder engagement policy.</p> <p><u>Fish Forever:</u> During FY22 the team engaged 122 (Philippines) and 20 (Indonesia) government partners; 652 (Philippines) and 483 (Indonesia) communities.</p> <p><u>Meloy Fund:</u> 58,728 fisher household members (an estimated 49.4 percent are female).</p> <p><u>Fish Forever:</u> 101,561 total participants (~49% women) participants across Indonesia and the Philippines. Approximately 51% women in Indonesia and 48% women in the Philippines.</p>



MINIMUM SAFEGUARD INDICATORS	PROJECT TARGET	END OF YEAR STATUS	CUMULATIVE STATUS	PROGRESS RATING <sup>14</sup>	COMMENTS/JUSTIFICATION
3. Number of engagement (e.g. meeting, workshops, consultations) with stakeholders during the project implementation phase	MF: We are not sure how to set a target for this as it really depends on pipeline development, TAF opportunities etc.  FF: we do not have targets for the number of engagements for program implementation.	MF: 178  FF: 543 (445 Indonesia; 98 Philippines)	IS	IS	<u>Meloy Fund:</u> Through the TA Facility, the Fund's investees held: <ul style="list-style-type: none"> <li>8 training workshops for 150 seaweed farmers, 45 of which are female</li> <li>160 events attended by 1,509 participants, 243 of which are female including classes/workshops on technicalities of shrimp farming and Jala's technology adoption, farmer discussion groups, and GALS</li> <li>1 multistakeholder workshop to gather input on the development of octopus FIP in East Nusa Tenggara, 3 meetings with provincial government, 6 workshops and workshops for octopus fishers on vessel and license registration, social security and healthcare, forming fisher associations, and organizational management</li> </ul> <u>Fish Forever:</u> this includes meetings, workshops, consultations, and campaigns.
4. Percentage of stakeholders who rate as satisfactory the level at which their views and concerns are taken into account by the project <i>(responsible party for measuring this indicator is CI-GEF Agency and this will be undertaken by the consultant hired by the CI-GEF Agency to conduct the MTR and Terminal Evaluation)</i>	100 %	N/A	NS	NS	N/A – this has not been assessed by the CI-GEF Agency to date, it will be assessed in the terminal evaluation
<b>INDIGENOUS PEOPLES</b>					
1. Percentage of indigenous/local communities where FPIC	MF: 100%	MF: N/A		IS	<u>Meloy Fund:</u> As per our approved project monitoring plan, this will be tracked at sites of investment that overlap with Fish Forever sites. There are currently limited sites of overlap with the Fish Forever program. Fish Forever currently only

MINIMUM SAFEGUARD INDICATORS	PROJECT TARGET	END OF YEAR STATUS	CUMULATIVE STATUS	PROGRESS RATING <sup>14</sup>	COMMENTS/JUSTIFICATION
have been followed and documented	FF: 100%	FF: N/A			<p>supports a handful of communities which sell seaweed to Meloy Fund investee, Agromar, with improved seaweed producing techniques (e.g. construction of drying platforms, reduced fertilizer usage).</p> <p>The Fund ESG due diligence process is based on the IFC Performance Standards (PS). IFC PS 7 covers Indigenous Peoples and provides guidance on FPIC.</p> <p><u>Fish Forever</u>: The Fish Forever program does not currently work in territories traditionally owned, customarily used, or occupied by indigenous peoples.</p> <p>The team utilizes a well-documented process framework for participatory, formalized decision making within the local coastal communities in which we work.</p>
2. Percentage of communities where project benefit sharing have been agreed upon through the appropriate community governance mechanisms and documented	MF: 100%  FF: 100%	MF: N/A  FF: 100% (99-turf reserve areas)		IS	<p><u>Meloy Fund</u> : As per our approved project monitoring plan, this will be tracked at sites of investment that overlap with Fish Forever sites. There is currently one site which overlaps with Fish Forever (see below).</p> <p><u>Fish Forever</u>: The program currently does not work with any designated Indigenous communities. However, a well-documented process framework for benefit sharing has been agreed upon by local communities for 39 TURF + reserve areas in Indonesia and 60 TURF + reserve areas in the Philippines.</p>
<b>INVOLUNTARY RESETTLEMENT</b>					
1. Percentage of sites where a formalized decision-making process regarding natural resource use and access was facilitated by Rare/Fish Forever	MF: 100 % (at sites where FIPs are in place)  FF: 100 %	MF: N/A  FF: 100 % both Indonesia and Philippines		IS	<p><u>Meloy Fund</u>: As per our approved project monitoring plan, this will be tracked at sites of investment that overlap with Fish Forever sites. However, given the lack of overlap, we recommend that this be adjusted instead to sites where FIPs are in place.</p>

MINIMUM SAFEGUARD INDICATORS	PROJECT TARGET	END OF YEAR STATUS	CUMULATIVE STATUS	PROGRESS RATING <sup>14</sup>	COMMENTS/JUSTIFICATION
					<p>The Fund ESG due diligence process is based on the IFC Performance Standards (PS). IFC PS 5 covers land acquisition and involuntary settlement.</p> <p>In addition, most small-scale fisheries in Indonesia and the Philippines are unregulated, so both fishery-specific objectives and decision-making procedures need to be designed and implemented. In order to begin to regulate these valuable export-based fisheries, it will be necessary to collaboratively design fishery-specific objectives to assure that the fishery is being managed sustainably. At the same time, it will be necessary to develop human infrastructure amongst fishers to make decisions and to liaise with the regional government for decision-making purposes. How such decision-making will work, needs to be established and formalized, and will interact with the ability to set fishery-specific objectives.</p> <p>For the octopus FIP, workshops held in 2021 with diverse stakeholders (processors, suppliers, NGOs, academics, fishers, funders, consultants) and the regional competent authority (DKP NTT), confirmed that there is strong interest in quantifying regional octopus production. After evaluating the different means or organizing amongst fishers that can help them to make decisions and to liaise with the regional government for decision-making purposes in setting fishery-specific objectives, it has been identified that Peraturan Pemerintah Republik Indonesia Nomor 50 Tahun 2015 (PP No. 50 of 2015, <i>Government Regulation of the Republic of Indonesia Number 50 of 2015</i>) on the empowerment of small-scale fishers and fish farmers, is the most relevant to agreeing rules of procedure for the fishery.</p> <p>PP No. 50 of 2015 is a regulation at the national level that describes the development of small fishing groups sanctioned by government. Different levels of governments</p>

MINIMUM SAFEGUARD INDICATORS	PROJECT TARGET	END OF YEAR STATUS	CUMULATIVE STATUS	PROGRESS RATING <sup>14</sup>	COMMENTS/JUSTIFICATION
					<p>have this jurisdiction in accordance with their authority to develop small fishing groups through:</p> <ul style="list-style-type: none"> <li>a) Facilitating the establishment of Kelompok Usaha Bersama (<i>Joint Business Group</i>) (KUBs) by small-scale fishers;</li> <li>b) Facilitating the development of KUBs into Fisher Cooperatives; and</li> <li>c) Empowering women in small fishing families.</li> </ul> <p>For Agrita, their local NGO partner is actively engaging the fishers in Flores to form KUBs and conducted trainings on the foundations of good organizational management. The next step is to follow up with the fishers to formalize the KUB at the Beginner level and to socialize the main objectives of: 1) collective organizing with respect to fisheries management, 2) implementing a group workplan, 3) developing procedures for joint decision-making, 4) obtaining representation in national fisheries management or safety at sea processes and 5) pursuing economic development.</p> <p>In the Philippines, the Fund’s latest investee, Jam Seafood played a key role as the Chairman of the Philippines Associations of Tuna Processors (PATPI), a key stakeholder in driving the Philippine Tuna Handline Partnership (PTHP) alongside two Tuna Fisher Associations (TFA) and WWF to achieve Marine Stewardship Council (MSC) certification in October 2021. These TFAs participate as representatives of small-scale fisherfolks in the integrated Fisheries and Aquatic Resources Management Councils (FARMCs), a multistakeholder body that decides on practices and policies tailor-fit to the needs of the fisheries.</p> <p><u>Fish Forever</u>: This is continuing to be in progress – as the managed access areas are still be designed/established by communities and local government partners (note: sites/communities can be at different stages of</p>

MINIMUM SAFEGUARD INDICATORS	PROJECT TARGET	END OF YEAR STATUS	CUMULATIVE STATUS	PROGRESS RATING <sup>14</sup>	COMMENTS/JUSTIFICATION
2. Percentage of sites where a decision regarding natural resource use and access rights was achieved	MF: 100 % (at sites where FIPs are in place) FF: 100%.	FF: In progress. To date, 16 of 39 (41%) sites in Indonesia and 31 of 60 (52%) sites in the Philippines.		IS	implementation). To-date, this has been achieved within 39 of 39 TURF + reserve areas in Indonesia and 60 of 60 TURF + reserve areas in the Philippines.  <u>Fish Forever:</u> This is currently in progress for some sites. The 16 sites in Indonesia and 31 in the Philippines are TURF + reserve areas that have reached full legal status as recognized by the government. Fish Forever made great progress in FY22, significantly increasing the number of fully legal TURF + reserve areas, while also expanding to begin the process of TURF + reserve establishment in new sites.
3. Percentage of sites that have a high level of satisfaction with the decision achieved	MF: 100 percent (at sites where FIPs are in place) FF: 100 %	MF: N/A  FF: 63% Indonesia; 85% in Philippines		IS	<u>Meloy Fund:</u> To include a similar question as Fish Forever in the household survey.  <u>Fish Forever:</u> As no household survey data was collected in 2021, 2022 surveys were used for this metric.  In sites with available data from FY22, on average 63 percent of community members in Indonesian sites and 74 percent of community members in Filipino sites feel that current fishing regulations are effective at managing the fishery and at ensuring catches remain stable. This demonstrates an increase in satisfaction from 56 percent of sites in Indonesia and 74 percent of sites in the Philippines.

## b. Information on Progress, challenges, and outcomes on stakeholder engagement

In FY2022, the Fund strengthened its ESG and Impact Measurement and Management framework by revising its E&S Performance Scoring system to better identify and monitor E&S risks at the fishery level. This includes completing in-depth questionnaires with multi-stakeholders ranging from fishers to traders, civil society organizations and local government agencies to validate data collected during site visits to seven fisheries (including tuna, octopus, and blue swimming crab) across Indonesia and the Philippines.

Each sub-category of the new scorecard has four performance levels that provide clear guidance for how investees can improve their score over time. Practical toolkits and resources will be created to further support these efforts. Starting in FY2023, the Fund will re-score each investee annually (with a pilot trial in November 2022), while higher-risk areas will be tracked on a quarterly basis and reported in the Quarterly LP report. The following definitions are used in the Meloy Fund's fishery-specific E&S Performance Scorecard:

**Environmental Risks, Wild-Caught or Capture Fisheries:** Ensure investee's operations do not threaten the long-term health of the target species population, through:

- **Fishery Health:** Ensuring that all investees involved with wild-caught species source from existing or newly created, credible Fishery Improvement Projects (FIPs) that already have or are in the process of developing stock assessments to inform fishery management.
- **Data:** Ensuring that data is being collected to minimize the risk of illegal, unreported, and unregulated (IUU) fishing. This applies to the primary species that are caught and traded, any by-catch, and bait used while fishing, as well as any interaction with endangered, threatened, or protected (ETP) species.
- **Fishery Management:** Ensuring that the relevant authority has the interest in, and capacity to put in place a fishery management plan, and implement it through monitoring, control, and surveillance (MCS).
- **Traceability Risks:** Ensuring that investees continuously extend their traceability system back to provenance (fishing ground, vessel, and fisher) for most of their product by volume (>75%).
- **Waste Management:** Ensuring that investees have a policy in place that refrains fishers from disposing of plastic in the ocean and dispose of inorganic wastes on land using the most sustainable manner available at the location.

**Social Responsibility Regarding Supplier (fisher) Conditions:** Ensure investees comply with the basic human rights and safety of fishers in their supply chain, as follows:

- **Human Rights:** Verify that investees have established policies against child labor or forced labor, or violating rules regarding young workers, the internal audit capacity to ensure compliance with those policies in their supply chains, and clear evidence that suppliers or fishing vessel owners are aware of these policies.
- **Debt Bondage:** Ensure that fishers are not in systematic and longstanding debt that is not of their choosing, their debt remain stable/ decreased over time proportional to their income (or share of catch) and that the terms of the debt and the debt records are clear, transparent, and accessible to fishers.
- **Fisher Safety:** Ensure that fishers have a reliable way to get help during an emergency at sea, and maintain adequate, relevant, and up-to-date medical supplies on board their fishing vessels.
- **Grievance Mechanism:** Ensure that investees establish a grievance mechanism that allows fishers to communicate potential violations of these policies and that there are records of use.

This updated E&S scorecard helps to ensure that ongoing stakeholder engagement takes place throughout the investment period.

### c. Information on the progress towards achieving gender sensitive measures/targets

To identify any needed improvements, as well as to better understand the role of women within their supply chains, the Fund team has started to conduct further assessment with a few investees on the gender perspectives from the management level as well as on working conditions for female workers. For example, following further site visits to Flores, the Fund found that women are very much involved in Agrita's octopus supply chain. When fishers return from sea, their wives are the ones who record the catch and determine the size and quality before sending the octopus to the suppliers. As part of the FIP, the local partner has started engaging fishers and their wives in financial literacy which includes understanding and keeping track of household income and expenses, and setting short, medium and long term goals together. The traders' wife and daughter have also been trained on octopus biological data collection.

For aquaculture investees like Jalatech, they are currently implementing the Gender Action Learning System (GALS) developed by Oxfam with smallholder shrimp farmers. This gender-equitable, community-led empowerment methodology helps farmers and their wives develop a long-term vision and break it down into shorter term goals. GALS also includes financial planning and examines gender roles in the household. For Aquarev, they are currently conducting an assessment of their sites against the [ASIC Social and Gender standard](#) to promote improvements in labour practices, human rights and gender equality that lead to increased wellbeing, cooperation and resilience for all involved. For example, what they found is women play a major role in shrimp farming as farmers' wives share in the farming work and decision-making and as such, capacity-building activities should include farmers' wives to increase their capacity as well as recognize their contributions.

Additionally, although the fund had focus on collecting baselines through HH surveys, responses are collected from a variety of people within the FF communities, not only fishers. The initial portion of the HH survey focuses on demographic data (gender, age, etc.) and the role people have within the fishery (fisher, trader, etc.).

### d. Lessons learned and Knowledge Management products<sup>17</sup> developed and disseminated

Without specific M&E and/or ESMF affiliated technical assistance grant funding through the GEF and given that there is limited overlap with Fish Forever sites/communities, it has been a challenge to measure against all indicators within our Results Framework. A major lesson learned is that grant funds should be secured alongside non-grant financing to support required GEF-Project M&E and implementation of ESMF related activities. The Fund's investments in SMEs helps them become responsible businesses that comply with environmental, social, and governance (ESG) practices (as outlined in the ProDoc), however, the Fund itself is not directly investing in or working with communities. Each investee is required to develop fisheries-related investment covenants to ensure that the company remains in compliance with the Fund's ESG Standards and all applicable laws. The Fund's TA facility (funded through other donors) works to support investees to build strong environmental and social management and monitoring systems as well as establish clear guidelines and incentives that extend to the first mile fishers, specify catch regulations, demonstrate benefits, and reduce or eliminate predatory lending between traders and fishers. Aligned with its investments, where feasible, the TAF also supports the implementation of existing FIPs or development of new FIPs where none exist.

In FY22, the Fund participated in the following events to share about Meloy Fund and the key lessons learnt:

- Presented at Convergence's Blended Finance through the lens of the UN SDGs focusing on SDG 14: Life Below Water (Jan 2022)
- Developed a case study on Meloy Fund with SECO as part of their Private Sector Engagement approach (Apr 2022)
- Developed a case study on Meloy Fund with Green Finance Institute: <https://www.greenfinanceinstitute.co.uk/gfihive/case-studies/the-meloy-fund/> (May 2022)
- Presented at the 'Non-octopus vulgaris fisheries; Initiatives and Opportunities' webinar organized by Sustainable Fishery Partnership's Global Octopus Supply Chain Roundtable (Jun 2022)
- Invited as Panelist on Blue Finance Accelerator Program and Consultation on the Blue Economy Development Program in Indonesia by Coordinating Ministry of Marine and Investment Republic of Indonesia and UNDP (Aug 2022)

<sup>17</sup> Knowledge Products are those that are both intended to transmit knowledge but at the same time enable action by their audiences. For example, a lessons learned report, compilation of good practices and recommendations, etc.

- Hosted a learning trip and site visit for GEF, SECO and USAID to investees' sourcing areas in Indonesia and the Philippines (Aug 2022)
- Participated in G20 Investment Forum on Energy Transitions by G20 Presidency of Indonesia and IRENA (Sept 2022)
- Participated in the National Tuna Congress in the Philippines (Sept 2022)
- Hosted a panel on Creative Financing towards Sustainable Fishery Management in a Post-COVID Seafood Sector at Seafood Expo Asia with Agrita, their buyer, and the Fund's Chief Investment Officer as the panelists (Sept 2022)

The Fund is currently working on its 2022 Annual Impact Report.

#### e. Overall Project Safeguard Implementation Rating

##### SUMMARY: PROJECT SAFEGUARD IMPLEMENTATION RATING BY TYPE OF PLAN

SAFEGUARDSTRIGGERED BY THE PROJECT	CURRENT FY 22 IMPLEMENTATION RATING	RATING TREND
Accountability and Grievance Mechanisms	S	Unchanged
Gender Mainstreaming Plan (GMP)	S	Unchanged
Stakeholder Engagement Plan (SEP)	HS	Unchanged
Indigenous Peoples	NA	Unchanged
Involuntary Resettlement (Restriction of Access)	S	Unchanged

##### OVERALL PROJECT SAFEGUARD IMPLEMENTATION RATING

RATING	JUSTIFICATION	RATING TREND
S	The project has a functioning AGM in their website and continues to monitor any grievances that may arrive. To date, no grievances were reported. The Fund assesses the accountability and grievance mechanisms (AGM) put in place by each of the investees for their workers to raise concerns, including how grievances are handled and how the mechanism is communicated to workers internally. Following an MTR recommendation some of the Fund's partners are advancing agreements with a third party NGO to improve accessibility to the AGM by local communities. The signature of the agreement took place this fiscal year, but implementation will start on the next. On the GMP, there was a small decrease in the participation of women, that was justified because of the emphasis in some type of activities during this FY as compared to the previous FY. Nevertheless, participation is still close to parity, with the exception of the results reported by the MF in the first indicator of the GMP. Also, some of the partners are in the process to pilot existing gender-responsive frameworks and standards in alliance with organizations such as OXFAM. For the SEP, the Fund overachieved on the indicator that had a target, with the other two demonstrating a wide reach and diversity of stakeholders' groups engaged. There are still no indigenous peoples identified among the communities that are participating in the project, so ESS4 continues to be not applicable during this FY. Finally, on ESS3, the project has also advanced at a good pace in all of its indicators. Nevertheless, progress on reaching a final decision/agreement seems to be slower in Philippines than Indonesia, and the level of satisfaction with restrictions, is higher in Philippines than Indonesia.	Unchanged



**f. Recommendations**

CORRECTIVE ACTION(S)	RESPONSIBLE PARTY	DEADLINE
<p>Once the agreement with the third party NGO is in place to have a more accessible AGM, the Fund should invest efforts in socializing its existence with all stakeholders, especially at local communities' level.</p>	PMU	June 2024
<p>Efforts to engage women equally, need to continue. It is recommended that partners who are experiencing lower women's participation, learn and adopt good practices from those that are performing better. This includes exchanging experiences in the implementation of new frameworks or tools.</p>	PMU	June 2024
<p>The project should monitor closely the causes behind the lower satisfaction level of stakeholders with decisions related to the restriction to access natural resources in Indonesia compared with those in the Philippines. If possible, identify any good practices from Philippines that can be shared with the teams leading these activities in Indonesia, to improve current levels of satisfaction.</p>	PMU	June 2024

## **SECTION V: PROJECT IMPLEMENTATION EXPERIENCES AND LESSONS LEARNED**

### **Required topics**

#### **1. Project institutional arrangements, including project governance**

As reported last fiscal year, a move to transition the Fund to an independent entity (outside of Rare) was in the works. In FY21 the transition was completed with the Meloy Fund transitioning under Deliberate Capital as its new management company.

In FY22, the Fund convened the Impact Committee in January and June to discuss the latest updates on the Fund's impact measurement and management strategy and what good will look like in five years as well as the key insights and findings from site visits to multiple fisheries in investees' supply chain.

#### **2. Capacity building**

In FY22, the Technical Assistance Facility (TAF) supported investees to complete one TA project, five are ongoing, and four more are in development. These TA projects range from post-harvest improvements that increase fishers' income to launching Indonesia's first octopus FIP and establishing new sourcing relationships. In addition, the TA Facility helped investees demonstrate the value of their technology to smallholder farmers, thus opening a new market segment. This includes capacity building for:

- 150 seaweed farmers on Good Aquaculture Practices, Good Environment Practices and Good Financial Practices
- 1,509 participants (243 of which are female) on technology adoption of Jala's shrimp farm management software, water and disease monitoring, and financial literacy using a gender lens approach
- 34 octopus fishers on vessel and license registration, octopus data collection, socialization of fisher association and organizational management

In addition, capacity building was provided to investee companies on:

- SMETA (Sedex Members' Ethical Trade Audit) requirements that include labor standards, health and safety, etc. at the processing facility level
- MSC Chain of Custody requirements

#### **3. Implementation of safeguard policies, including gender mainstreaming, accountability and grievance mechanisms, stakeholder consultations**

In FY22, Agrita continued to engage multi-stakeholders including the national, provincial, and local government, the University of Nusa Cendana, local fishers, traders, and other NGOs in the implementation of its FIP. For other investees, they are part of industry associations like the Indonesian Pole and Line and Handline Fisheries Association, Indonesian Blue Swimming Crab Association, Philippines Association of Tuna Processors, Shrimp Club Indonesia, etc. which act as forums for multi-stakeholder engagement to stay up to date with the latest industry developments particularly in sustainability. The Fund's aquaculture investees, Jala has a written stakeholder engagement plan while Aquarev and Koltiva are developing a stakeholder engagement policy.

For the supply chain, investees are looking into third party grievance mechanism hotline system such as from the National Fishers Center: <https://nfc.or.id>. Investees will get an update on the number, type, and status of cases reported (gender disaggregated) while maintaining the anonymity of the submitters.

In terms of gender mainstreaming, all investees involved with wild caught species sourcing from FIPs are required to put in place a Human Rights and Social Responsibility policies that includes:

- No gender-based discrimination and violence.
- Gender transformative policies and programs to be in place as a best practice, such as routine data collection of gender-disaggregated data to understand, identify and rectify inequities and inequality, including intersectional factors. For example, in the octopus FIP, the local NGO partner will start running financial literacy programs that include fishers' wives.
- Communities or people with claims to the resource shall be strongly involved in management of the resource, and traditional practices and knowledge are incorporated into resource management, and special attention shall be paid to ensure women and disadvantaged groups are included. For example, in the octopus FIP, the local NGO partner will identify women who glean for octopus are supported in attending management/fishery management plan processes.

For the aquaculture investees, like Jalatech, they are currently implementing the Gender Action Learning System (GALS) developed by Oxfam with smallholder farmers. This gender-equitable, community-led empowerment methodology helps farmers and their wives develop a long-term vision and break it down into shorter term goals. GALS also includes financial planning and examines gender roles in the household. For Aquarev, they are currently conducting an assessment of their sites against the [ASIC Social and Gender standard](#) to promote improvements in labour practices, human rights and gender equality that lead to increased wellbeing, cooperation and resilience for all involved.

#### **4. Factors that improve likelihood of long-term sustainability of project impacts**

To improve the likelihood of long-term sustainability of project impacts, the team is learning that:

- Internally, it is important to integrate ESG into companies' policies and support investees in strengthening their Environmental and Social Management System (ESMS) so that it becomes a standard way of doing business.
- The Fund's latest investment aims to consolidate up to seven seafood companies (including two existing portfolio companies) in the region that operate across different stages of the supply chain. With a larger company, we can streamline the development and deployment of ESG policies including hiring a dedicated ESG manager reporting to the Executive Team to ensure the long-term sustainability of project impacts.
- Having a deeper understanding of the investees' supply chain and their level of influence on coastal communities and ecosystems. Where possible, if investees are not sourcing directly from fishers/farmers, we connect them with cooperatives/NGOs that work directly with fishers/farmers to create more transparency and long-term sourcing relationships. This works the same way on the other end of the supply chain - we also connect investees with the type of buyers that value sustainability.
- Putting in place frameworks for fishery management such as FIPs that engages a larger group of stakeholders to ensure buy-in and long-term financing. While this takes a lot of time, effort, and costs, it is necessary for certain species and investees. Where possible, to identify existing efforts that investees can be part of.

#### **5. Factors that encourage replication, including outreach, dissemination of lessons learned, and communications strategies**

In FY22, the Fund developed a few case studies and were invited to be speakers in a few key events as mentioned above. The combination of online and offline exposure helped to encourage replication, including outreach, dissemination of lessons learned, and communications strategies. This has resulted in more media features in FY23.

#### **6. Financial management and co-financing**

Overall, the Fund has secured approximately USD 1.44M in TA funding from various funders that serve different purpose:

- A big part of the TA funding goes towards co-developing TA projects with investees in either business improvement services (i.e., financial management, certification to international food quality standards, internal controls/ business processes review, social audits, etc.) or fisheries technical assistance (quality improvements, initiating a FIP, establishing new sourcing relationships, traceability, technology adoption for smallholders, gap assessment against international sustainability certification, etc.) to maximize the environmental and social impact of the investees towards achieving the Fund's key impact metrics.

- Another part of the TA funding goes towards continuously strengthening the Fund’s ESG and Impact Measurement and Management (IMM) framework (see further explanation below).
- In addition, the Fund received grant funding from a European charitable trust to improve smallholder seaweed farmers’ income through better production and harvesting practices that increase productivity and improve the quality of seaweed produced. A portion of the grant will be used to finance a revolving loan facility to equip seaweed farmers in the Philippines and Indonesia. This funding complement the existing TA in providing grant funding for farmer training programs and monitoring and evaluation activities, as this loan facility can provide low/zero-interest loans to organizations such as cooperatives and farmer associations to finance their members’ working capital or capital improvement needs at the farm level.

## 7. Scientific and technological issues

In FY2022, the Fund strengthened its ESG and IMM framework by updating its Environmental and Social (E&S) guidelines to be more specific to small-scale fisheries as follows:

- Adding to the exclusion criteria
  - The investee's raw material supply (target species) does not promote overcapacity in vulnerable life stages in unmanaged stocks.
  - Investee’s trade does not support the catch of at-risk look-alike species.
- Adapting the ESG Performance Score to better identify and monitor ESG risks at the fishery level including in-depth questionnaires at the investee and fishery levels to provide cross-validation. This will be rolled out across the portfolio in FY2023.
- Adding impact metrics that further define the depth (degree of change experienced by stakeholders) to complement existing scale metrics (number of people/hectares experiencing the outcome/impact)

Based on site visits conducted in seven fisheries (tuna, octopus, and blue swimming crab) across Indonesia and the Philippines during due diligence and portfolio management processes in FY2022, the Fund identified key common E&S risks that may occur at the fishery level that are shown in the following E&S Performance Score sub-categories:

ENVIRONMENTAL								
Stock Status	Illegal, Unreported, Unregulated (IUU) Risks			Non-target risks, Bait & Endangered, Threatened & Protected (ETP) Species	Management Interest / Capacity	Monitoring, Control, & Surveillance (MCS) capacity	Traceability Risks	Waste Management
	Illegal	Unregulated	Unreported					
SOCIAL								
Child Labor	Young Workers	Forced Labor	Debt Bondage	Occupational Health & Safety		Grievance Mechanisms (Workers Voice)		
				Telecommunications & access to emergency services	Medical Care for Injuries			

Each sub-category has four performance levels with clear descriptions of how investees can improve their score. Practical toolkits and resources will be created to further support investees. Starting in FY2023, the Fund will re-score each investee (with a pilot trial in November 2022) while higher-risk areas will be tracked on a quarterly basis and reported in the Quarterly LP report.

**SECTION VI: PROJECT GEOCODING**

Please see file attached separately.

**APPENDIX I: PROJECT ANNUAL IMPLEMENTATION PROGRESS RATING**

Rating		Overdue (O)	Delayed (D)	Not started on schedule (NS)	Under implementation on schedule (IS)	Completed/Achieved (CA)
Highly Satisfactory (HS)	HS	0%			100%	
Satisfactory (S)	S	20%			80%	
Moderately Satisfactory (MS)	MS	40%			60%	
Moderately Unsatisfactory (MU)	MU	60%			40%	
Unsatisfactory (U)	U	80%			20%	
Highly Unsatisfactory (HU)	HU	100%			0%	

- **Highly Satisfactory:** 100% of the indicators: a) have been completed/achieved, b) are under implementation on schedule, and/or c) have not started but are on schedule, according to the original/formally revised Project Annual Workplan for the project. The project can be presented as an example of “good practice” project,
- **Satisfactory:** 80% of the indicators: a) have been completed/achieved, b) are under implementation on schedule, and/or c) have not started but are on schedule, according to the original/formally revised Project Annual Workplan for the project; except for only 20% that are delayed and/or overdue and need remedial action,
- **Moderately Satisfactory:** 60% of the indicators: a) have been completed/achieved, b) are under implementation on schedule, and/or c) have not started but are on schedule, according to the original/formally revised Project Annual Workplan for the project; while 40% are delayed and/or overdue and need remedial action,
- **Moderately Unsatisfactory:** 40% of the indicators: a) have been completed/achieved, b) are under implementation on schedule, and/or c) have not started but are on schedule, according to the original/formally revised Project Annual Workplan for the project; while 60% are delayed and/or overdue and need remedial action,
- **Unsatisfactory:** only 20% of the indicators: a) have been completed/achieved, b) are under implementation on schedule, and/or c) have not started but are on schedule, according to the original/formally revised Project Annual Workplan for the project; while 80% are delayed and/or overdue and need remedial action, and
- **Highly Unsatisfactory:** 100% of the indicators: a) are overdue, and/or b) delayed in their implementation, according to the original/formally revised Project Annual Workplan for the project.

**APPENDIX II: PROGRESS TOWARDS ACHIEVING PROJECT EXPECTED OUTPUTS**

INDICATORS	PROJECT TARGET	END OF YEAR INDICATOR STATUS	PROGRESS RATING <sup>18</sup>	COMMENTS/JUSTIFICATION
<b>Outcome 1.1:</b> Area of coral reef ecosystems in Indonesia and the Philippines under improved sustainable management increased through financial investments that incentivize adoption of sustainable rights-based fisheries management practices that include protection for critical habitats.				
<b>Output Indicator 1.1.1.a.:</b> Number of investments in Indonesia and the Philippines made through the Meloy Fund	The exact # of investments will be determined once the Fund rolls out its investment pipeline. The Fund may make multiple investment into one company.	15	IS	The Fund has made 15 investments in 13 companies total; Adding four new companies to our portfolio during FY22.
<b>Output Indicator 1.1.1.b.:</b> Number of fishers and fish workers with improved wellbeing (measured through PPI and FIES) through investments disaggregated by gender of beneficiaries	TBD	0	IS	Based on the MTR recommendations and CI-GEF Agency field visit in Q4, this output indicator is to be changed to the number of fishers and fish workers with improved wellbeing (measured through PPI and FIES) through investments disaggregated by gender of beneficiaries.  The team is currently in the process of designing the sampling methodology for the baseline household survey. Once we conduct the baseline, realistic targets can be set.
<b>Output Indicator 1.1.1.c.:</b> Average percent increment in profit per unit effort (PPUE) at sites of investment that overlap with Fish Forever sites	>0	0	IS	Based on the MTR recommendations and the CI-GEF Agency team site visit at the end of FY22 Q4, moving forward this indicator to be tracked for all investments not only at sites where investments overlap with Fish Forever sites.
<b>Output Indicator 1.1.2:</b> Amount of USD invested for ventures that source from sustainably managed SSFs to acquire or upgrade equipment and/or other assets that preserve or add value to fish and fish products along the supply chain	USD 5 million	USD 1,812,964	IS	Based on actuals with portfolio companies.

<sup>18</sup> O= Overdue; D= Delayed; NS= Not started on schedule; IS= Under implementation on schedule; and CA= Completed/Achieved



INDICATORS	PROJECT TARGET	END OF YEAR INDICATOR STATUS	PROGRESS RATING <sup>18</sup>	COMMENTS/JUSTIFICATION
<b>Output Indicator 1.1.3:</b> Number of hours of mentoring and business development support provided to pipeline and portfolio companies	50,000 hours	17,621	IS	<p>The team has provided 17,621 total hours of mentoring support through the end of FY22.</p> <ul style="list-style-type: none"> <li>• FY18 = 700 hours</li> <li>• FY19 = 2,668 hours</li> <li>• FY20 = 4,880 hours</li> <li>• FY21 = 4,334 hours</li> <li>• FY22 = 5,039 hours</li> </ul>
<b>Outcome 2.1:</b> Outcome 2.1: Capacity of portfolio companies to deliver on the Fund’s environmental and social impact targets improved through fisheries TA provided by Fish Forever				
<b>Output Indicator 2.1.1:</b> Percentage of portfolio companies that have undergone due diligence with technical input from the Fish Forever team	All portfolio companies – the exact # of portfolio companies will only be determined once the Fund rolls out its investment pipeline	100 %	IS	<p>Pre-investment due diligence is conducted for every portfolio company to assess their Environmental and Social (E&amp;S) impact on small-scale fisheries and their ability to meet the minimum E&amp;S standards of the Fund.</p> <p>During the FY22 reporting period, 23 companies (13 in Indonesia; 10 in the Philippines) underwent E&amp;S assessments as per the Fund’s due diligence processes, with technical input from either Fish Forever or other relevant partners (including the newly established Impact Committee).</p> <p>Company-level ESG scores/progress are included in Annex below (as reported to the LPs).</p>
<b>Output Indicator 2.1.2:</b> Percentage of portfolio companies in adherence with the E&S minimum standards	All portfolio companies – the exact # of portfolio companies can only be determined once the Fund rolls out its investment pipeline	100 %	IS	<p>Every Fund investee must adhere to the minimum and is closely monitored by the Fund team.</p> <p>If issues are identified, the company will undergo a full ESG due diligence as per the Fund’s E&amp;S Management System. Based on the ESG due diligence, the team will then develop a Corrective Action Plan, which it may potentially support (as needed) through the Fund’s TA Facility.</p>

<p><b>Output Indicator 2.1.3.a.:</b> Number FIP roadmaps jointly developed</p>	<p>All portfolio companies working within the seafood value-chain – the exact # of “relevant” portfolio companies can only be determined once the Fund rolls out its investment pipeline</p>	<p>3 (Meliomar, Agrita and Jam), while LBS joined an existing one.</p>	<p>IS</p>	<p>Contingent on available funding and based on the fisheries data gathered from the activities above, the Fund looks to assist investees in their participation in FIPs and/or community-based and area-based management programs, such as Fish Forever.</p> <p>Status of portfolio company affiliated FIPs:</p> <ol style="list-style-type: none"> <li>1. <b>Meliomar:</b> They initiated their own FIP in 2017 prior to the Fund’s investment. The Fund’s TA project helped to strengthen the FIP by having a first-time observer program on small vessels, recording data on primary, secondary, endangered, threatened, or protected species and bycatch at sea. In FY22, Meliomar completed a Tuna Quality Improvement Project that generated employment for local fishers and increased the quality of tuna supplied to the company. Assistance was also provided to farmers and fisherfolks through technical trainings and by introducing new technologies (i.e., software applications, seaweed dryers, fish tanks).</li> <li>2. <b>Agrita:</b> With the support of the Fund’s Technical Assistance Facility (TAF), Agrita launched their FIP in May 2022. Since then, together with international and local consultants, they have designed data collection procedures, forms, and management system, hired, trained, and placed an enumerator, supported fishers to register their license and vessel, socialized fisher association and provided training on organizational management, and began mapping fishing grounds using vessel tracking device to understand how fishing effort is distributed.</li> <li>3. <b>Laut Biru Seafood:</b> The company joined the Indonesian Pole and Line and Handline Tuna Fisheries Association’s FIP which has recently</li> </ol>
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INDICATORS	PROJECT TARGET	END OF YEAR INDICATOR STATUS	PROGRESS RATING <sup>18</sup>	COMMENTS/JUSTIFICATION
				<p>achieved Marine Stewardship Council certification. The TAF supported LBS with implementing a vessel tracking system that also has a safety button for fishers out at sea.</p> <p>4. <b>Jam Seafood:</b> The Fund’s latest investment in the Philippines is a tuna processor which has been spearheading the first MSC certified fishery in the Philippines together with WWF.</p>
<p><b>Output Indicator 2.1.3.b.:</b> Number and percentage of portfolio investments sourcing seafood from at least one Fishery Improvement Project (FIP)</p>	<p>All portfolio companies working within the seafood value-chain – the exact # of “relevant” portfolio companies can only be determined once the Fund rolls out its investment pipeline</p>	4	IS	<p>Currently, four of the Fund’s portfolio companies source from FIPs or MSC certified fisheries</p>
<p><b>Outcome 2.2:</b> Integrity and functioning of targeted coral reef ecosystems maintained through the implementation of community rights-based management at Fish Forever sites, as incentivized through Meloy Fund investments</p>				

<p><b>Output Indicator 2.2.1:</b> Number of constituents, disaggregated by gender, in coastal communities reached through Pride campaigns over the course of the project at targeted Fish Forever sites</p>	<p>36,000</p>	<p>During the reporting period, social marketing and behavior change campaigns reached an estimated 97,273 people (88,302 in Indonesia and 8,974 people in the Philippines).</p>	<p>IS</p>	<p>In FY22, 1 sub-national social marketing campaign in Indonesia and 11 in the Philippines, and 99 campaigns (39 in Indonesia and 60 in the Philippines) were continued from FY21.</p> <p><b>In the Philippines</b>, campaign teams turned to radio, podcasts, social media, and site visits (when allowed) to move fishers to adopt the core fishing behaviors: to be registered, to record catch, to participate in community-based management, and to fish in the right place, at the right time, with the right gear. The Philippines team also pivoted towards a more inter-local government unit (LGU) approach, tapping alliances, provincial clusters, or national protected area offices to reach wider audiences and mobilize other actors to implement campaign activities. The networks worked together to raise and allocate funds for various activities, such as fisher registration, coastal clean-ups, mangrove replanting, joint policy enforcement, and the adoption of a unified municipal ordinance.</p> <p>The team also launched tactical financial behavior change campaigns with participants from savings club. These campaigns discussed various financial services, such as savings, credit, loans, and insurance that fisher households can access to help them protect and maximize their income from fishing and build their resilience to external shocks.</p> <p><b>In Indonesia</b>, teams used printed materials, such as calendars, mobile apps, photo comics, a Fish Forever Spotify podcast channel, and social media channels to promote messages on the importance of protecting fishing habitats and adopting core fishing behaviors. These strategies were paired with small group discussions and</p>
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INDICATORS	PROJECT TARGET	END OF YEAR INDICATOR STATUS	PROGRESS RATING <sup>18</sup>	COMMENTS/JUSTIFICATION
				<p>quizzes on the street to deliver in-person campaign messages.</p> <p>Rare also organized a journalist trip program where ten local journalists interested in the Fish Forever program visited five MA+R communities to witness the program personally. Rare provided the journalists with factual and transparent information on the MA+R and social incentives to inspire them to join the campaign. One incentive included a workshop with an award-winning journalist of Tempo, the most popular political magazine in the country. At the end of the trip, the journalists published 30 news articles read by more than 36,000 people. One of these articles, published in Mongabay, narrated how the MA+R program has been helping a village in Southeast Sulawesi province address issues ranging from destructive fishing practices and nickel mining to mangrove deforestation. The involvement of media in campaigns helped amplify the number of people reached and shape people's attitudes and behavior towards the environment.</p> <p>Further, fishery management bodies at 16 TURF + reserve areas co-created behavior change campaign activities, which they have integrated into local community festivals and social media community videos (1, 2, 3, 4) to raise awareness of fishing regulations and boundaries.</p>

INDICATORS	PROJECT TARGET	END OF YEAR INDICATOR STATUS	PROGRESS RATING <sup>18</sup>	COMMENTS/JUSTIFICATION
<p><b>Output Indicator 2.2.2:</b> Percentage change in knowledge, attitudes, practices towards responsible fishing at targeted Fish Forever sites</p>	<p>15-20 percent point change from established baseline</p> <p>*baseline figures for each site will need to be determined once the new Fish Forever sites are selected and once it is known where there is overlap with Meloy Fund investments.</p>	<p>50% and 22% in Indonesia. 59% and 43% in Philippines</p> <p>Indonesia: 49.55% compliance improves catch; 21.71% violate at least sometimes;</p> <p>Philippines: 58.78% compliance improves catch; 43.44% violate at least sometimes</p>	<p>IS</p>	<p>As no household survey data was collected in 2021, 2022 surveys were used for this metric.</p> <p>In sites with available data from FY22, on average 50% of community members in Indonesian sites believe that complying with regulations will improve catch and 22% percent of fishers violate no-fishing rules in reserves at least sometimes; while on average 59% of community members in Filipino sites believe that complying with regulations will improve catch and 43% of fishers violate no-fishing rules in reserves at least sometimes.</p>
<p><b>Output Indicator 2.2.3:</b> Number of TURF and no-take zone regulation violations recorded within 3 years of Fish Forever implementation</p>	<p>&lt; the baseline</p> <p>*baseline figures for each site will need to be determined once the new Fish Forever sites are selected and once it is known where there is overlap with Meloy Fund investments.</p>	<p>Perceived compliance with no-take zones was 95% in the Philippines and 82% in Indonesia.</p>	<p>IS</p>	<p>Though All TURF + reserve areas have been designed and some have begun implementation, in many sites enforcement plans are not yet operational enough to provide consistent violation reporting across all sites. This data will be increasingly available as sites continue to increase their functional operations.</p> <p>Based on FY 22 household surveys, community members believed that 95 percent of fishers in Indonesia and 82 percent of fishers in the Philippines complied with no-take zones.</p>

**ANNEX 1:  
Company-Level ESG Scores/Progress**

Agrita		
ESG Performance Score (1: Poor, 2: Good, 3: Excellent, 4: Best in Class)		
<p>Environmental &amp; Fisheries Score: 2.6</p>	<p>Social Score: 2.1</p>	<p>Corporate Governance Score: 2.1</p>
<ul style="list-style-type: none"> <li>• With the launch of the FIP, Agrita has started to collect biological data on octopus for some of its supply chain vendors. This data will contribute to the national stock assessment for octopus.</li> <li>• This resulted in an increase in the company's score for this category.</li> </ul>	<ul style="list-style-type: none"> <li>• Agrita has maintained its existing social policy.</li> <li>• Agrita's overall score for FY2022 remains the same as in FY2021 for this category.</li> </ul>	<ul style="list-style-type: none"> <li>• Agrita maintains most of its existing governance policy.</li> <li>• As part of its FIP implementation, Agrita is in discussions with an NGO to provide a grievance mechanism hotline for its supply chain.</li> <li>• This resulted in an increase in the score for this category.</li> </ul>
Laut Biru Seafood		
ESG Performance Score (1: Poor, 2: Good, 3: Excellent, 4: Best in Class)		
<p>Environmental &amp; Fisheries Score: 2.1</p>	<p>Social Score: 1.8</p>	<p>Corporate Governance Score: 1.8</p>
<ul style="list-style-type: none"> <li>• By joining the existing MSC certification and rolling out its traceability system, LBS is able to better identify and minimize key risks such as Illegal, Unreported, and Unregulated (IUU) fishing.</li> <li>• This resulted in an increase in the score for this category.</li> </ul>	<ul style="list-style-type: none"> <li>• The company has assigned a point person to be responsible for social compliance.</li> <li>• Key staff members have been trained on SMETA (Sedex Members' Ethical Trade Audit) requirements that include labor standards, health and safety, etc.</li> <li>• This resulted in an increase in the score for this category.</li> </ul>	<ul style="list-style-type: none"> <li>• LBS has established strong accounting policies and shares reports with the board weekly. Board meetings are held on a monthly basis.</li> <li>• External advisors have been engaged to help LBS improve its internal controls, including establishing a clear separation between the CFO and CEO roles, creating an internal audit function, and additional board reports to ensure transparency.</li> <li>• This resulted in an increase in the score for this category.</li> </ul>

Koltiva		
ESG Performance Score (1: Poor, 2: Good, 3: Excellent, 4: Best in Class)		
<p><b>Environmental &amp; Fisheries Score: 2.0</b></p>	<p><b>Social Score: 3.0</b></p>	<p><b>Corporate Governance Score: 2.8</b></p>
<ul style="list-style-type: none"> <li>• Koltiva developed a Sustainability Policy in FY2022 that includes a plan to develop an Environmental and Social Management System in FY2023.</li> <li>• The company has appointed roles and responsibilities for key environmental and social issues under a Chief Climate Officer, a member of the Executive team, and assessed the time required to execute the role.</li> <li>• Koltiva is rolling out appropriate ESG awareness training programs through its HR efforts.</li> <li>• Koltiva is aiming for B-Corp certification by 2024.</li> <li>• These efforts resulted in an increase in the score for both categories.</li> </ul>		
<p><b>Froilan</b></p> <p>ESG Performance Score (1: Poor, 2: Good, 3: Excellent, 4: Best in Class)</p>		
<p><b>Environmental &amp; Fisheries Score: 2.0</b></p>	<p><b>Social Score: 2.0</b></p>	<p><b>Corporate Governance Score: 1.8</b></p>
<ul style="list-style-type: none"> <li>• Froilan has maintained its existing environmental and social policy.</li> <li>• Froilan's overall score for FY2022 remains the same as FY2021 for both categories.</li> </ul>		
<ul style="list-style-type: none"> <li>• Froilan has formally engaged external advisors, resulting in improved financial management and internal controls.</li> <li>• The executive team now includes non-family members. Staffing priorities have been identified.</li> <li>• This resulted in an increase in the score for this category.</li> <li>• The next priority is for Froilan to look into succession planning.</li> </ul>		



Jalatech		
ESG Performance Score (1: Poor, 2: Good, 3: Excellent, 4: Best in Class)		
<p><b>Environmental &amp; Fisheries Score: 2.5</b></p> <ul style="list-style-type: none"> <li>Based on its Corrective Action Plan, JALA has developed an Environmental and Social Management System that is aligned with IFC Performance Standards and is appropriate for the risk of its operations.</li> <li>The company hired a designated ESG Manager in FY 2022 who reports directly to the Executive Team, and has developed initial measures, which still need to be implemented and monitored, to mitigate ESG risks.</li> </ul>	<p><b>Social Score: 1.9</b></p> <ul style="list-style-type: none"> <li>JALA's social policy is currently focused on complying with social, health and safety, and labor regulatory requirements.</li> <li>JALA is also working to roll out internal and external grievance mechanisms.</li> </ul>	<p><b>Corporate Governance Score: 2.7</b></p> <ul style="list-style-type: none"> <li>JALA has an active and engaged board comprised of its main shareholders who meet quarterly</li> <li>There is clear division of responsibilities and authorities between management and the board of directors.</li> <li>Each business unit has clear authority, reporting lines, and guidelines.</li> <li>Financial statements are prepared and audited in accordance with international accounting standards.</li> </ul>
Aquarev		
ESG Performance Score (1: Poor, 2: Good, 3: Excellent, 4: Best in Class)		
<p><b>Environmental &amp; Fisheries Score: 1.7</b></p> <ul style="list-style-type: none"> <li>As Aquarev is a new company it does not have many policies in place. However, it has identified broad categories of environmental and sustainability risks and impacts</li> <li>Based on its Correction Action Plan, Aquarev will develop an Environmental and Social Management System aligned with IFC Performance Standards appropriate to the risks of its operations.</li> </ul>	<p><b>Social Score: 1.8</b></p> <ul style="list-style-type: none"> <li>In the initial stage, Aquarev's social policy will primarily focus on complying with social, health and safety, and labor regulatory requirements.</li> </ul>	<p><b>Corporate Governance Score: 1.3</b></p> <ul style="list-style-type: none"> <li>Core functions have been identified although core staff positions are still being filled.</li> <li>Initial strategic plans and budgets have been documented.</li> <li>Aquarev is focused on building a strong stakeholder engagement policy that can be responsive to stakeholders' requests and concerns.</li> </ul>

Agromar		
ESG Performance Score (1: Poor, 2: Good, 3: Excellent, 4: Best in Class)		
<p><b>Environmental &amp; Fisheries Score: 1.8</b></p> <ul style="list-style-type: none"> <li>• Agromar's founder takes an active interest in improving the environmental sustainability of the seaweed it sources. With the launch of the TA project, Agromar will work closely with Rare on this.</li> <li>• This resulted in an increase in the score for this category.</li> </ul>	<p><b>Social Score: 1.7</b></p> <ul style="list-style-type: none"> <li>• Agromar formally engaged external advisors to help ensure that the company is up to date with social, health and safety, and labor regulatory requirements.</li> <li>• This resulted in an increase in the score for this category.</li> </ul>	<p><b>Corporate Governance Score: 1.6</b></p> <ul style="list-style-type: none"> <li>• Agromar formally engaged external advisors, resulting in more timely and accurate financial reporting.</li> <li>• Core staff positions have been filled and staffing priorities identified.</li> <li>• This resulted in an increase in the score for this category.</li> <li>• The next priority is for Agromar to distinguish between family and non-family issues.</li> </ul>
Meliomar		
ESG Performance Score (1: Poor, 2: Good, 3: Excellent, 4: Best in Class)		
<p><b>Environmental &amp; Fisheries Score: 3.2</b></p> <ul style="list-style-type: none"> <li>• Meliomar has maintained its existing ESG policies.</li> <li>• As the Fund has exited the investment, Meliomar's overall score for FY2022 remains the same as FY2021 for all categories.</li> </ul>	<p><b>Social Score: 2.3</b></p>	<p><b>Corporate Governance Score: 2.3</b></p>

