

**REPORT OF THE SIXTH MEETING OF THE
CRFM/CARICOM FISHERIES AND
AQUACULTURE PRIORITY COMMODITY
WORKING GROUP (FISHCOM WG)**

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Report of the Sixth Meeting of the CRFM/CARICOM Fisheries and Aquaculture Priority Commodity Working Group (FISHCOM WG)

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Belize, 2020

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ACRONYMS AND ABBREVIATIONS

ACP	African, Caribbean and Pacific states
AFNC	Agriculture Food and Nutrition Cluster
CABA	Caribbean Agri-Business Association
CAF	Development Bank of Latin America
CaFAN	Caribbean Farmers Network
CAFHSA	Caribbean Agricultural Health and Food Safety Agency
CARICOM	Caribbean Community
CARDI	Caribbean Agricultural Development Institute
CARISEC	CARICOM Secretariat
CCARMF	CARICOM COVID-19 Agri-Food Risk Management Framework
CCRIF	Caribbean Catastrophe Risk Insurance Facility
CDB	Caribbean Development Bank
CC4FISH	Climate Change Adaptation of the Eastern Caribbean Fisheries Sector Project
CFF	Caribbean Fisheries Forum
CFTDI	Caribbean Fisheries Training Institute
CLME+	Catalysing implementation of the Strategic Action Programme for the sustainable management of shared Living Marine Resources in the Caribbean and North Brazil Shelf Large Marine Ecosystems
CNFO	Caribbean Network of Fisherfolk Organizations
COTED	Council for Trade and Economic Development
CRFM	Caribbean Regional Fisheries Mechanism
EAF	Ecosystem Approach to Fisheries
EDF	European Development Fund
EEZ	Exclusive Economic Zone
FAO	Food and Agriculture Organization of the United Nations
FFO	Fisherfolk Organization
FIP	Fisheries Improvement Project
FISHCOM WG	CRFM/CARICOM Fisheries and Aquaculture Priority Commodity Working Group
Fish4ACP	Intra ACP Blue Growth Program for sustainable fisheries and aquaculture value chains
GEF	Global Environment Facility
IICA	Inter-American Institute for Cooperation on Agriculture
LCL	Less than Container Load
MC	Ministerial Council of the CRFM
MOU	Memorandum of Understanding
MPA	Marine Protected Area
MSC	Marine Stewardship Council
MSP	Marine Spatial Planning
OACPS	Organization of African, Caribbean and Pacific states
OSPESCA	Central America Fisheries and Aquaculture Organization (Organización del Sector Pesquero y Acuícola del Istmo Centroamericano)
PPP	Public Private Partnership
ProDoc	Project Document
R&D	Research and Development
RMTA	Resource Mobilisation and Technical Assistance Unit (CARICOM)
SFA	Southern Fisherman Association
SPS	Sanitary and Phyto-sanitary
SWOT	Strengths, Weaknesses, Opportunities and Threats

UNDP

UWI

WECAFC

WGA

United Nations Development Programme

University of the West Indies

Western Central Atlantic Fishery Commission

Working Group on Sustainable Aquaculture

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1. CALL TO ORDER AND PRAYER

The meeting was called to order at 9:39 a.m. by Barrymore Felicien, Permanent Secretary (Ag.), Department of Agriculture, Fisheries, Natural Resources and Co-operatives in the Ministry of Agriculture, Fisheries, Physical Planning, Natural Resources and Co-operatives, Saint Lucia, who served as Chairperson for the Meeting. At the Chairperson's request S. Singh-Renton led the Meeting in an opening prayer.

The Chairperson welcomed all to the Meeting and noted that the expected outputs of this Sixth Meeting were to review and adopt the report of the fifth meeting; review the progress of key commodity development activities by regional agencies; the report of the Sixth Meeting; and the 2020 FISHCOM WG report to CARICOM/COTED. With regard reporting to COTED, the Chairperson reminded of the need for the WG to bear in mind the mandate given by COTED and to align its efforts with the overarching goals of reducing the region's food import bill, encouraging sustainable livelihoods, and ensuring food safety and food security. The Chairperson pointed to the need for the FISHCOM WG to be cohesive, committed and focused in this environment of COVID. He added that the mode of work had changed but the priorities remained the same and urged the WG to remain committed and focused and to continue the work it had started.

2. REGISTRATION OF PARTICIPANTS

The Chairperson invited participants to introduce themselves. The list of the Meeting's participants follows. Participants' full contact data are provided in Appendix 1.

1. Barrymore Felicien (Permanent Secretary, Ministry Responsible for Fisheries, Saint Lucia);
2. Vaughn Serieux (Aquaculturist, Department of Fisheries Saint Lucia)¹
3. Jennifer Cruickshank-Howard (Chief Fisheries Officer, Fisheries Division, St. Vincent & the Grenadines)
4. Allister Glean (IICA);
5. Vassel Stewart (CABA);
6. Vernel Nicholls (CNFO);
7. Adrian LaRoda (CNFO);
8. Denzil Roberts (Fisheries Department, Guyana) - Observer;
9. Petronila Polius (Fisheries Department, Saint Lucia) – Observer;
10. Monique Calderon (Fisheries Department, Saint Lucia) – Observer;
11. Anand Chotkan (Fisheries Department, Suriname) – Observer;
12. Deepak Budhoo (Fisheries Department, Suriname) - Observer;
13. Elizabeth Mohammed (Fisheries Division, Trinidad & Tobago) – Observer;
14. Susan Singh-Renton (CRFM Secretariat);
15. Peter A. Murray (CRFM Secretariat);
16. Pamela Gibson (CRFM Secretariat) – Rapporteur.

3. ADOPTION OF AGENDA

The Chairperson drew the Meeting's attention to the draft agenda and enquired if there were any modifications. No changes were proposed. A motion for the adoption of the agenda was moved by CABA (V. Stewart) and seconded by CNFO (A. LaRoda). The agenda is given at Appendix 2.

¹ Vaughn Serieux participated in the meeting on behalf of Mrs. Sarita Williams-Peter, Chair of the Caribbean Fisheries Forum

4. REGISTRATION OF WORKING DOCUMENTS

The Chairperson advised that there were eight working documents for the Meeting numbered 06/04 to 06/11. The Meeting Information Note, Meeting Agenda and the Terms of Reference for the Working Group were the other documents, bringing the total to eleven.

5. REPORT OF FIFTH MEETING

S. Singh-Renton presented this item. She said that a first draft of the report had been circulated to the meeting participants and revised based on the feedback received. The revised draft report was re-circulated in preparation for this Meeting and no further comments had been received. S. Singh-Renton then referred to the relevant working document (FISHCOM 06/04) and gave a summary of the report.

The Fifth FISHCOM WG Meeting took place on 23 April 2020. The meeting reviewed and adopted the report of the fourth meeting and reviewed progress on the draft project proposal, which had been submitted to CARISEC. The Research and Business Clusters were discussed and the meeting reviewed the rationale for the establishment of these clusters and noted the slow progress made on proposed activities. The report submitted to COTED was considered and it was noted that all the recommendations advanced were accepted by COTED. The fifth meeting acknowledged that work on the national level priority commodity development initiatives had not advanced as expected. CABA and UWI (St. Augustine) had pledged to provide business planning support to these initiatives, however, there were delays in getting the necessary MOUs in place, which were important in order to protect the entities involved in terms of ownership and use of the data and to ensure quality control. Both CABA and UWI remained committed to providing assistance to the commodity development initiatives. Linkages with the other CARICOM Thematic Groups was discussed and the fifth meeting recommended that the FISHCOM WG work with CABA (Herbs and Spices Priority Commodity Group) and IICA (Business Development Thematic Group) inter-sessionally to develop this collaboration effort. In terms of the Research and Business Clusters, the fifth meeting noted that the Iceland partners had certain criteria for collaboration and highlighted the need for options for engaging with other tertiary-level institutions to be explored. The fifth meeting also considered progress on the revision of the model SPS legislation submitted to CARISEC and was informed that work in this regard was ongoing. No update on the FISHCOM WG proposal submitted to CARISEC was available at the time of the fifth meeting.

In terms of CRFM initiatives in relation to commodity development, the fifth meeting received reports on activities of the Working Group on Aquaculture (WGA) and on the aquaculture work plan, as well as on the SPS follow-up and Blue Economy projects being developed. Essentially, the meeting was apprised on the background, rationale, objectives, and expected activities and outputs of these initiatives. With regard to aquaculture, there was some discussion about the need to understand past experiences, successes as well as failures, so as to make informed recommendations going forward. There was also a recommendation for CRFM to consider establishment of a commercial research and development sector, as this would help CRFM to facilitate change in a more effective way through closer connection with private sector entity(ies).

Additionally, the fifth meeting received updates on two FAO projects in the region. The Fish4ACP Project was a five-year, 40 million EUR programme, being implemented across ACP countries. For the Caribbean region, two value chains, one in the Dominican Republic and the other in Guyana, were to be supported. The FAO update provided information on the rationale, background and expected activities and outputs of these initiatives. The fifth meeting acknowledged that Fish4ACP was an important initiative contributing to commodity development and that the monitoring and evaluation activities should ensure reporting in a way that the region's governments could readily appreciate the value of the progress reported, i.e., demonstrate development of real value-added products and new opportunities of market and trade. The second FAO-led

project was part of their fisheries improvement initiative and dealt specifically with the tuna value chain in Grenada. The initiative was focused not so much on increasing capitalization and production in the fishery, but rather making improvements in the value chain that would make it environmentally, economically and socially sustainable.

The improvements would be managed through a public private partnership (PPP) arrangement for greater sustainability. Mention was made of possible collaboration with partners in Iceland, but it was noted that they were unable to work with private sector, however information on the initiative could still be shared with the Iceland partners, as they could possibly be involved in scale-up activities.

Conclusions and recommendations coming out of the fifth meeting included: CRFM Secretariat was to follow-up with CARISEC for an update on the project proposal. A recommendation to consider reorienting approaches to aquaculture development with the focus on supporting investments in SME partnership(s) between the public and private sectors, and in collaboration with financial/credit institutions, had also been taken on-board. The recommendations regarding supporting the SPS and the Blue Economy projects have been taken to the CRFM Ministerial Council, and will also be taken forward to CARICOM. It was also recommended that collaborative work between CRFM, CABA and IICA should continue and that the WG should keep under review the progress of the initiatives presented at the fifth meeting.

Discussions

The Meeting was advised that in relation to development of the national priority commodity initiatives, there had been a recent meeting between CABA and CFTDI (Paul Gabbadon). A follow-up meeting was planned for mid-October, after presentation of the Trinidad and Tobago national budget, which will give the organization (CFTDI) a better sense of its financial resources. The October meeting was expected to follow-up on discussions related to different aspects of commercializing areas of their R&D efforts, particularly in relation to production of fisheries products such as smoked fish, patties and sausages, and to explore what business model might work best in a public/private sector arrangement. It was suggested that the FISHCOM WG be kept updated on these discussions. This was agreed.

Preparation of a generic MOU that could be used to formalize arrangements with tertiary-level academic institutions had been recommended, and a query was raised as to whether the generic MOU had been drafted. It was explained that the generic MOU had not been drafted. As CARISEC, in reviewing the value chain project proposal had indicated that the university-linked capacity building component should be removed and submitted as a separate proposal to CARISEC; as such, it was expected that the generic MOU could be addressed during the development of the new proposal.

A spelling error (typo) on page 15 “lioning” should read “loining” was pointed out.

Conclusions/ Recommendations:

1. The WG adopted the Report of the Fifth Meeting of the FISHCOM WG as presented.
2. The FISHCOM WG is to be kept updated on the discussions between CABA and CFTDI regarding priority commodity development.

6. FISHCOM WG WORK PLAN AND PROGRESS REPORT

S. Singh-Renton presented items 6(a) and 6(b) a. and b.

(a) FISHCOM WG 2020 Work Plan submitted to AFNC

In the inter-sessional period, the Agriculture Food and Nutrition Cluster (AFNC), the umbrella body to which the FISHCOM WG reported, requested that all working groups submit a Work Plan for the calendar

year. The FISHCOM WG Work Plan for 2020 was submitted to the AFNC. Most of the work plan activities will be led by CRFM and FAO. The first item in the work plan was the project proposal for value chain and value network development, which should hopefully be approved by CARICOM and submitted to donors for consideration by the end of 2020. A number of country endorsements may be required, depending on the donors. The second activity was networking with sister groups under the AFNC. These networking efforts began in the inter-sessional period, with CRFM's (S. Singh-Renton) participation in meetings of the Business Development Thematic Group. The Secretariat has also been liaising with the Herbs and Spices Commodity Group, represented at this Meeting by V. Stewart, who was slated to give a presentation on investment profiles to the Meeting. Under the Blue Economy initiative, it was expected to have the official project document completed and the project governance and implementing structures agreed upon and established by the end of the year. For SPS II activities, which were follow-on activities building on a number of products from SPS I (concluded in 2017), it was expected by the end of 2020 that a number of consultant services should have been procured and the project would be in full implementation phase. For the aquaculture activity coordination, by the end of the year the survey report on the status of implementation of the work plan should be finalized. In relation to the FAO initiatives, for the Fish4ACP value chain development project in Guyana, it was expected that by the end of 2020 the value chain mapping exercise would be complete and a detailed activity plan for upgrading the value chain would be available. In the case of the Grenada tuna value chain, the baseline industry assessment report should be available by the end of 2020, as well as the action plan.

S. Singh-Renton advised the Meeting that if there were any suggestions/recommendations for updating/ revising the work plan, these could still be considered and an updated work plan re-submitted to the AFNC.

Discussion

A query was raised regarding the extent to which the recommendations coming out of SPS I had influenced the work plan for SPS-II. It was agreed that this query would be addressed by P.A. Murray when he presented the update on the SPS project.

(b) Report on progress regarding:

a. SPS Model Fisheries Legislation review by CARICOM Secretariat

Since the fifth meeting, the CRFM Secretariat had received the revised model legislation from CARISEC. Four documents - three pieces of model legislation and explanatory annotations for guiding drafters - had been submitted to CARISEC. CARISEC consolidated the three pieces of legislation into two pieces and in rationalizing this action, explained that the model fisheries legislation had been linked to other model bills that had not been formally approved at the time. Those model bills have since undergone revisions prior to being approved, thus making the Fisheries Model Bills outdated. The legal experts noted that it was not good legal practice to rely on draft bills. The legal experts also contended that they did not understand one piece of the legislation, as it was structured more as an MOU, rather than a bill. Of the two revised pieces of legislation, one was a stand-alone document, while the other was linked to the overall Animal Health and Food Safety Bill. CARISEC has indicated that the CRFM should have its technical experts review the two revised pieces of legislation to validate that the technical content has not been compromised as a result of the changes. This situation has created some difficulty for the Secretariat, as the four documents submitted to CARISEC had been reviewed, finalized and approved by the various organs of CRFM following extensive stakeholder consultations in which CARISEC legal experts had also been involved. The FISHCOM WG was being asked to make a specific recommendation to the CRFM Secretariat on how to address this matter going forward.

Discussion

It was suggested that comprehensive stakeholder consultations would be required to review and approve the revised model legislation, particularly given the linkage to the Animal Health and Food Safety Bill. It was pointed out that different legal drafters had different styles, and the changes may not be as extensive as they

appeared, but were rather a matter of stylistics. The foregoing query and explanation were noted and it was reiterated that extensive stakeholder consultations had taken place and the relevant technical content to be included in the model legislation was documented in the various reports of these stakeholder consultations. In light of this, and to avoid a next round of stakeholder consultations that would delay approval of the model legislation, it was recommended that a small working group comprised of a sub-set of stakeholders could be tasked with reviewing the revised legislation against the technical recommendations documented in the reports of the stakeholder consultations, to determine that technical intent had not been compromised as a result of the changes. This proposal was supported and it was further suggested that a technical working group with country subject matter technical experts working with CARICOM Legal Experts and CRFM Secretariat should review the two pieces of legislation to ascertain whether original intent had been compromised. It was noted that it was necessary to engage with legal experts to give clarity on legal changes and interpretation and this would also allow for amendments to be made during the review process, which would mitigate against further unnecessary delays. The recommendation to establish a small working group to review the revised legislation was accepted.

b. FISHCOM WG Project Proposal

Following the fifth meeting, the CARICOM RMTA Unit completed their review and provided specific recommendations for revising the proposal. One of these recommendations was, given the emergence of the COVID-19 pandemic, to update the proposal to include the directive of the new *CARICOM COVID-19 Agri-Food Risk Management Framework (CCARMF)*; and to incorporate the consideration of COVID-19 issues. The opportunity was also taken to build risk resilience in general, and this was reflected in the revised project title; *Improved Information, Planning and Capacity for Optimized Development and Risk Resilience of the Value Chain and Value Network for the Marine Capture and Aquaculture Industries in CARICOM States*. Additional text that addressed the CARISEC recommendations was incorporated into various sections of the proposal.

In the Background–Policies and Directives, text regarding the emergence of the COVID-19 pandemic as well as the strategic guiding document of the *Agri-Food Risk Management Framework* was included. Linkages were also made to the Caribbean Community Common Fisheries Policy, the CARICOM Agricultural Policy and the Regional Food and Nutrition Security Policy in the section. A directive from the Caribbean Fisheries Forum (CFF) regarding new risks related to the COVID-19 pandemic was also included. In the section CRFM’s comparative advantage and relevant complementary initiatives it was indicated that in 2020 CRFM had undertaken a COVID-19 survey and had contributed to the CCARMF, so that fisheries issues were fully incorporated into the Framework. The Rationale was reworded to ensure inclusion of reference to risk resilience, with emphasis on social, economic and environmental resilience. The Overall objective was revised to include special reference to lessons learned in coping with the COVID-19 pandemic in helping to build resilience. Other risks, such as hurricanes, that caused disruptions to sector performance were also included. The Purpose dealt with improving the human and institutional knowledge base, and included industry analyses and economic valuations. The section was revised to include a SWOT analysis and lessons learned from the COVID-19 pandemic. The Strategic Plan, preparation of which was included in the Terms of Reference for the FISHCOM WG, should include risk resilience in the strategy.

With regards to Capacity building, CARISEC recommended that the doctoral programs be removed from the project proposal and considered for a separate project proposal, as these could take three or more years to complete and there could be a conflict with timing. Two doctoral programs and two short-term training programs had been included in the proposal, however, as a result of the removal of the doctoral programs, the number of short-term training programs was increased from two to three. In revising this section, the opportunity was taken to incorporate a recent directive from the CRFM Ministerial Council, i.e., consideration of optimizing gender equity and equality and dealing with youth and decent work considerations. The training programs will involve various stakeholder (technical, management and planning) categories. In terms of the Results, five (5) national strategies and activity implementation plans

to complement the regional strategy and activity implementation plan have been added in keeping with CARICOM's recommendation. Another result was the training program, which included training in industry analysis and economic valuation, and value chain and value network management. However, in keeping with CARICOM's advice, these training programs have been updated to include emphasis on improved risk resilience, trade-off analysis, multi-objective decision-making and management of public private partnerships. The proposal with tracked changes, for ease of identification of revisions, could be made available to interested participants.

The revised proposal was submitted to CARISEC on 18 August 2020. It was reviewed and approved by the RTMA and should be forwarded to the Executive Management Committee for approval. No update had been received as to whether the proposal had been submitted to the Executive Management Committee. The Secretariat will continue to liaise with CARISEC to have the proposal submitted to a donor before the end of 2020.

Discussion

There was no discussion on this agenda item.

(c) Report from CRFM on:

P. A. Murray presented items 6 (c) a., b., and c.

a. Working Group on Aquaculture

The Working Group on Aquaculture (WGA) in 2015 developed a 5-year work plan; implementation was reviewed in 2019 and the consensus was that little progress had been made, thus, the commencement period was adjusted to PY 2019/20. The updated work plan was endorsed by the 17th CFF and approved by the CRFM Ministerial Council for implementation from April 2019. A study on the status of Member States' implementation of the work plan was carried out between the end of February and mid-July 2020. The survey sought to capture all that countries were doing on aquaculture, both government-led and non-government-led activities, including identifying all activities that were supported by donors, etc. Eleven of the seventeen CRFM Member States participated in the survey.

The survey results indicated that some strengthening of governance frameworks or capacity building(-related) activity had been carried out/initiated. However, relatively little had been done to strengthen data management and knowledge sharing systems for aquaculture. While some work was done with regard to market support, almost nothing had taken place to improve access to credit; neither was this seen as being a priority worth addressing. Where countries have addressed the issue of disaster risk management, it was not specific to the aquaculture sub-sector, but to Agriculture as a whole. The study report reiterated what was previously submitted to FISHCOM WG: that consideration may need to be given to viewing aquaculture more as a business enterprise, with the focus on business development in a manner similar to agriculture; and the current weakness in the enabling environment must be remedied if aquaculture was to fulfil what was considered to be its potential role.

The survey findings were taken to the 14th Meeting of the CRFM Ministerial Council (MC). The Council discussed the issue, accepted that there were several challenges, and noted it required investment, as well as the policy, legal and regulatory frameworks, capacity building, the identification of the species with potential and ensuring good supplies of brood stocks, setting up good health systems and addressing constraints, such as high input costs, feed and land availability, cost of credit, water systems, and the technical expertise required to conduct the operations in a systematic and proper manner. The MC also noted other critical elements: extension support, research and development, skills training (including at the basic farm level), addressing climate change and disaster risks, including problems that may arise due to flooding. Following extensive discussion, the MC made the following recommendations: agreed that economic models for varying scales and types of aquaculture operations should be promoted among

Member States; tasked the WGA to work along with Member States to investigate the potential across the spectrum, and to facilitate access to relevant models for both large and small scale operations that could guide policy-makers and investors; and mandated the CRFM Secretariat to provide necessary support to empower small-scale fishers to better harness the potential for sustainable aquaculture, particularly in the smaller island states.

Discussion

There was no discussion on this presentation.

b. SPS follow-up project

This SPS follow-up project (11th EDF SPS) was intended to implement the recommendations of the 10th EDF SPS project regarding strengthening of laboratories. Protocols and guidelines relating to Good Fish and Fishery Product Hygiene Practices developed under the previous project will be implemented in selected enterprises which were seeking access to international markets. Technical activities guided and implemented by CRFM in collaboration with IICA included: develop implementation to strengthen regional coordination framework for the fisheries sector; build food safety capacity for the fisheries sector; and provide technical assistance to improve laboratory testing capacity for the fisheries sector. The project officially commenced on 01 February 2020 and had a 6-month Pre-Implementation Phase (February – July 2020), during which several planning actions (technical and administrative) were undertaken. The fisheries component was valued at approximately 300,000 euros and had the following three sub-components: 1. Review of existing stakeholder linkages to identify their roles for moving forward with SPS measures in the fisheries and aquaculture sector and, taking on board legislative and standards instruments, develop a road map; 2. Build food safety capacity for the fisheries sector to counter limitations to increasing the trade in fish and fishery products; and 3. Technical assistance provided to improve laboratory testing capacity for the fisheries sector; and, studies to document best practices. Sub-component 2 will be piloted in two countries, as funding did not permit the involvement of all Member States, and the lessons learned will be shared with all Member States. Criteria for country selection will be developed as part of the process. Work had commenced on sub-components 1 and 2, while work on sub-component 3 was expected to commence in 2021. An inception meeting for the overall project was held and the Year 1 work plan for the fisheries component was approved. Calls for Expressions of Interest were sent out for consultants to carry out the first two sub-components. Bids (3 for sub-component 1 & 4 for sub-component 2) had been received and were being evaluated. The MC was apprised of the initiative at its 14th Meeting and the Council urged Member States to provide every support to ensure the successful implementation of this project. The MC also emphasized the importance of the required complementary support at the national level for establishing and promulgating the standards, guidelines and regulations developed under the 10th EDF SPS project, and called on CARISEC to complete the preparation of the model legislation, standards, guidelines and regulations developed under the 10th EDF SPS project and submit them for approval by the relevant CARICOM Organs.

Discussion

It was noted that work on sub-component 3 (improving laboratory testing capacity) was expected to commence in 2021, and a query was raised as to whether there was any pre-planning work ongoing in identification of laboratories. It was explained that the road map developed under sub-component 1 and the technical capacity building work under sub-component 2 would provide the basis for developing criteria for selection of 1 or 2 laboratories to receive assistance. Funding for sub-component 3 was very limited, hence it was intended to identify key areas where small incremental assistance could be given that could have big effects. It was further queried if the assistance was for both public and private laboratories. It was confirmed that both public and private would be addressed as appropriate.

Reference was made to the MC's directive for Member States to provide every support to ensure the successful implementation of the project, and it was suggested that attention be given to including fisherfolk in project implementation, particularly fisherfolk who had a good knowledge of SPS and who could help to promote it to the sector. It was indicated that working with all level of stakeholders was intended and this would be also be reflected in the directives to the consultants.

c. GEF Blue Growth project

The project objective was to promote blue economy development in the CLME+ through marine spatial planning and marine protected areas (MPAs), ecosystem approach to fisheries (EAF), and sustainable seafood value chains. The project countries included: Barbados, Belize, Guyana, Jamaica, Saint Lucia, and Panama. However, the last CFF Meeting had requested that consideration be given to involving more countries. The project had been designed with focus countries, with the intent that lessons learned would be shared with other Member States, however, efforts would be made to involve as many Member States as possible. Development Bank of Latin America (CAF) was the lead implementing agency; FAO the co-implementing agency and CRFM the executing agency. The project was still being developed; there were three indicative technical components: (i) implementing cross-sectoral Marine Spatial Planning, (ii) inclusive sustainable fisheries value chains; and (iii) regional coordination, project management and knowledge management. The project will be supported by a fourth project component focused on project monitoring and evaluation, regional and national capacity development, and knowledge dissemination and experience. GEF will provide USD 6.2 million in grant funding, with USD 40.1 million in in-kind contributions expected.

A project preparation grant of US\$218,000 was given for the development of the project document (ProDoc). The ProDoc was to be submitted to the GEF in November 2020, but due to the impacts of COVID-19, this deadline has been extended to March 2021. The partners were still aiming to meet the November 2020 deadline. There was urgent need for CRFM to accelerate efforts to strengthen sustainability and to bolster economic and social benefits emanating from the marine resources. The impacts of COVID-19 have underscored the need to move more aggressively towards mobilizing and securing inflows of resources. There was need for the region to take advantage of all the opportunities arising from advancements in MSP and the strengthening of value chains to boost the region's export capacity, garner greater earnings for fishers and foreign exchange for Member States.

During the project's conception, all Member States were viewed as potential participating countries but some fell out because they were unable to get their endorsement letters in by the established GEF deadline. In July, two virtual consultations were held to inform preparation of the ProDoc. The 18th Meeting of the CFF also considered progress to date and proposed actions to the CRFM Ministerial Council. The MC noted that the partners still intended to submit the ProDoc at the earliest possible opportunity, notwithstanding the GEF extended deadline. The MC also noted that the work plan for preparation of the ProDoc required extensive multi-stakeholder consultations at the national and regional levels (and will involve fishers), and review and analysis of regional and national policies, legislation, institutional arrangements and capacities for fisheries and marine resource management and sustainable use in the public and private sectors and the NGO communities. The MC called upon the Participating States to work with the CRFM Secretariat and the consultants to gather the necessary baseline information to prepare the ProDoc for submission. Preparation of the ProDoc was progressing apace and has taken on board another recommendation from the MC, which was endorsed by COTED, i.e., ensuring that gender issues and youth and decent work considerations were part of the project development. A sub-contractor was working on this. The Council also requested the CRFM and CARICOM Secretariats to work towards the development of a common agenda, as well as the development of additional joint initiatives and projects. The MC tasked the CRFM Secretariat to seek funding to extend the activities of the project to other CRFM Member States; and agreed also that the exclusion of many CRFM Member States from receiving direct benefits through development aid, including Overseas Territories and other Member States deemed to be in a higher income

bracket, should be addressed as a priority, particularly given the adverse economic impacts countries have been experiencing due to the COVID-19 pandemic.

Discussion

Reference was made to the statement, ‘the Council also requested the CRFM and CARICOM Secretariats to work towards the development of a common agenda, as well as the development of additional joint initiatives and projects’ and a query was raised as to whether the statement referred to other aspects of the blue economy or just fisheries. It was explained that the Blue Economy concept was an integrated one, however, contextually CRFM’s interventions, given its mandate, would be those that related to and came out of the fisheries sector.

It was reiterated that the blue economy was not just fisheries and there was a possibility that in implementing the recommendation as worded, CRFM could work too much in a silo. Fisheries was not the only sector looking at blue growth, hence, although the recommendation spoke to CRFM and CARICOM Secretariats working together, there was need for the two Secretariats to facilitate broader inter-sectoral coordination so that fisheries were seamlessly incorporated into all agendas addressing blue growth matters. Opportunities should be sought to work with other sectors such as tourism, energy and shipping, to determine areas of common interest for further collaboration.

The preceding suggestion regarding linking with other projects and sectors targeting the blue economy was supported and it was noted that such collaboration will help to ensure effective implementation and avoid duplication of effort. The Meeting noted the need to work collaboratively and collectively.

(d) Report from FAO on:

S. Singh-Renton presented item 6(d) a. and b., as the FAO representatives (Y. Diei Ouadi and I. Monnereau) were unable to participate in the meeting.

a. Fish4ACP project

Fish4ACP was being implemented by FAO and sought to enhance the productivity and competitiveness of ten fisheries and aquaculture value chains in 10 Organisation of African, Caribbean and Pacific States (OACPS) member countries, making sure that economic improvements go hand in hand with environmental sustainability and social inclusiveness. It will pay special attention to small and medium-sized businesses, because of their potential to deliver economic and social benefits, particularly those for women and youth. The seabob value chain in Guyana was one of the 10 value chains (one per OACP country) competitively selected from over seventy-five proposals for programme implementation. The first year of the programme was devoted to conducting value chain analyses and the development of value chain upgrading strategies. These upgrading strategies will be implemented in years 2-5 of the programme.

Achievements since the last FISHCOM WG meeting included: (i) the National coordinator was selected (Mr. Mikhail Amsterdam), and this marked the actual operational inception of the project in Guyana, with the Stakeholders mapping being the first activity; (ii) a virtual “Meet and Greet” event, where the programme was introduced, followed by discussions on the overall challenges and opportunities of the seabob value chain was organized in May 2020; and (iii) a training over a course of 4 days (1-4 September) was held when the Fish4ACP partner institute, the University of West Indies (Trinidad & Tobago) was contracted. This training session, titled ‘Fish4ACP Partner Training Evaluation’ and involving 19 participants (9 women and 10 men), was to familiarize the national stakeholders with the methodology, which was based on a rigorous standard approach for value chain analysis and development in the capture fisheries and aquaculture sub-sectors.

Discussion

Reference was made to the training, which involved 19 participants and a query was raised regarding who were these ‘stakeholders’. By way of response, it was indicated that the report of the training session was still being prepared and at the time of this Meeting Dr. Diei Ouadi did not have all the details. The need for more information in this regard was noted. It was further stated that CRFM, as well as UWI, CABA and CFTDI were in attendance at a workshop in 2019 when the value chains for the Caribbean region were being considered and their inputs sought in helping with the selection. Given this level of involvement, FAO should include these organizations in the activities as they occurred in the region. It was important for the countries to perhaps remind FAO to include the regional organizations, as it was difficult for CRFM and the FISHCOM WG to be fully informed of this initiative, unless they were included in the activities in some way, even if it was just sharing paperwork regarding the various activities. It was suggested that a recommendation to this effect could be considered by this meeting.

There was some support for the suggestion that such a recommendation could be put forward, however, the mechanism through which this level of regional involvement could be achieved was queried. It was pointed out that how the recommendation would be implemented required further discussion and could not be elaborated in this meeting, but the recommendation could be made. Following some further discussions regarding the efficacy of including regional partners, all of whom brought different strengths to the table, in these various initiatives, while noting that all agencies, including donors, had their own drivers and imperatives that determined their modes of operations, it was suggested that perhaps this concern needs to be expressed at the highest diplomatic levels. The Meeting was also reminded of the commitment to collaborate in fisheries conservation and management as set out in the formal agreement among FAO/WECAFC/CRFM/OSPESCA. This implied some level of cross discussion and cooperation, especially in cases of overlapping mandates and limited funding. Based on the foregoing discussions, it was recommended that FAO should include the other regional partners, including CRFM, in the discussions regarding the activities under the Fish4ACP Project initiatives.

b. Grenada initiative on enabling impact investments and trade improvements for fisheries

The Fisheries Improvement Project (FIP) for the Grenada EEZ pelagic longline, troll and dropline Atlantic Ocean yellowfin and bigeye fishery has seen various significant developments over the past 6 months. The company GNEXTT, a Public Private Partnership (PPP), has been established to execute and run the project in Grenada. GNEXTT consisted of the private sector party, two fisherfolk organizations (Gouyave and Grenville) and the Government of Grenada. Within the next 2-3 months, development of the loining facility in Gouyave will start. This activity has been delayed due to COVID and as the main FFO (SFA) in the PPP pulled out at the last minute and now a new loining facility will have to be built in Gouyave rather than building on to the existing SFA processing facility. The Marine Stewardship Council (MSC) pre-assessment was conducted under the FAO CC4FISH Project and was currently being edited for publication (within 6 weeks). The assessment acted as a guide to, and measurement of, fisheries improvements that needed to occur to reach MSC certification of the fishery. While MSC might not be the end goal, the MSC’s 28 indicators act as a good, auditable reference point for increasing the sustainable production of the tuna resources in the region. Based on the pre-assessment, a FIP workplan has been developed and approved by all parties. FAO was working with Oneskip and the Government to improve vessel registry and fisheries data collection to support the project (and overall fisheries management) under CC4FISH; this process was initiated prior to April but has seen delays in implementation after April due to COVID-19 impacts. FAO expected these activities to be finalized before January 2021. FAO was currently assessing which activities under the FIP workplan can be funded to further support the FIP in Grenada. At this stage, FAO-CC4FISH had no extra funds available for implementation, and so FAO was working with Oneskip on prioritizing the activities for which FAO will need to seek funding also, as some extra funds have now been sourced by Oneskip.

Discussions

It was remarked that this was an excellent initiative, however, it would be good to understand why the main fisherfolk organization in Grenada pulled out of the arrangement. It was again noted that apart from the brief updates presented at the FISHCOM WG meetings, no other information, for example the improvement plan, was shared with CRFM. The Secretariat will seek to get FAO's perspective on the withdrawal of the FFO, as well as to reach out to persons in Grenada, as in moving forward it was important to understand the situation.

Conclusions/Recommendations

1. In relation to the SPS model legislation, the WG recommended that a small working group with country subject matter technical experts working with CARICOM Legal Experts and CRFM Secretariat should review the two pieces of legislation to ascertain whether original technical intent had been compromised.
2. Regarding the Blue Growth project, the WG recommended that the CRFM and CARICOM Secretariats should facilitate broader inter-sectoral coordination so that fisheries matters were seamlessly incorporated into all agendas addressing blue growth matters; and opportunities should be sought to work with other sectors such as tourism, energy, and shipping to determine areas of common interest for further collaboration, which will help to ensure effective implementation and avoid duplication of effort.
3. The WG recommended that FAO should include the other regional partners, including CRFM, in the discussions regarding the activities under the FISH4ACP Project initiatives.
4. Regarding the tuna value chain initiative in Grenada and the withdrawal of the main fisherfolk organization from the project, it was agreed that the CRFM Secretariat will seek to get FAO's perspective on the situation, as well as to reach out to persons in Grenada.

7. COLLABORATION WITH SELECTED TECHNICAL GROUPS

(a) Development of a food business investment profile

For this agenda item, V. Stewart gave a PowerPoint presentation titled, *Typical Content of Bankable Investment Proposals*. By way of introduction, he indicated that the intent of the presentation was to share the Herbs and Spices Priority Commodity Group's approach to preparing these types of proposals. The approach sought to identify the technical and financial aspects of the business proposal in enough detail, depth, and robustness such that potential investors and/or lenders could make confident decisions to lend or invest, giving particular attention to the risk component especially in the case of debt financing. The presentation followed the template used for development of two investment proposals prepared for moringa and turmeric as part of the work of the Herbs and Spices Priority Commodity Group, supported by IICA. In terms of content, the presentation included information on: (1) Introduction and background; (2) The Market; (3) Competition; (4) Primary production; (5) Processing operation; (6) Research and development; (7) Financing; (8) Economic, social and environmental impacts; (9) SWOT analysis; (10) Strategy; and (11) Financial projections. The PowerPoint and a narrative of the presentation are given in Appendix 3.

Discussion

It was remarked that business expertise was not abundant, if at all available in Fisheries Departments and a query was raised regarding which other government department(s) could provide business advice and assistance to the Fisheries Department, if the Fisheries Department wished to enter into a PPP arrangement with a private sector entity. It was explained that a business proposal required both technical and financial information and it was expected that the technical information should reside in the fisheries departments. Technical information could also be accessed in the public domain, through internet searches, etc. With regard to the financial information, development banks were usually a good source of financial information as well as business ventures involved in processing activities. The marketing divisions in Ministries of

Agriculture, where these existed, were also good repositories of historical financial data. It was noted that, more than the information, the challenge might be in identifying someone with the competence to actually prepare the proposal. This challenge could be addressed through the use of consultants or in some instances the planning unit within the Ministry of Agriculture or in other ministries may be able to provide this type of assistance.

A query regarding CABA's status (private or public sector) was raised and it was indicated that CABA was a not-for-profit private sector organization, however, much of its work was driven by public sector mandate, e.g., CABA led the Herbs and Spices Priority Commodity Group. It was noted that given CABA's status (private sector ownership) and considering that it often collaborated with government, in a sense a PPP arrangement existed, and it was queried what were government's inputs into and expectations of this arrangement. Using the example of the Herbs and Spices Priority Commodity Group, it was explained that CABA was expected to develop the plan for the sub-sector; work with private sector partners to identify opportunities and challenges the private sector may face in exploiting these opportunities, and also to identify how government can assist in removing these barriers. CABA's work was supported through grant funding or through the provision of consultancy services. The information generated from some of the work undertaken by CABA was made available to government for use in planning. In conducting its work, CABA also required data from governments, usually trade data and some production data. Additionally, CABA worked in policy development and advocacy and tried to influence government's policies in terms of how they impacted on firms e.g. advocating for government to provide funding for extension services to the food processing sector; putting forward proposals in relation to water management as one of the biggest challenges at the primary production level was the inadequacy of water for irrigation; and advocating for the establishment of a fund to provide the capacity to develop the investment profiles and make them available to the private sector.

It was remarked that although assistance was provided at the governmental level to stakeholders in the agricultural sector, particularly agri-processors, in the preparation of business plans as part of loan applications for submission to financial institutions, these loans for agriculture were often not approved, perhaps due in part to insufficient data to provide the information required. It was pointed out that the problem of banks not approving agricultural loans was often due to the issue of risk, particularly market risk. While issues such as drought, floods, pests, diseases, etc., which affected production were important considerations, it was often the level of confidence in the security of the market for the product and the likelihood of getting the projected price that influenced banks' decisions most. There was need in the region to consider how to improve the structure of the market in terms of contract production and contract buy-in along the value chain which could give banks and private investors the confidence that the supplier had a secure market.

(b) Update – Business Development Thematic Group

A. Glean presented this item. The Business Development Thematic Group, led by IICA, was one of four thematic groups established by COTED to address the various constraints impacting on agriculture in the region. The other thematic groups were Agriculture, Health and Food Safety Systems Thematic Group led by CAFHSA; Disaster Risk Mitigation, Climate Change and Natural Resources Management Thematic Group led by FAO; and the Research and Human Resources Development Thematic Group led by CARDI and co-chaired by UWI. The thematic groups functioned as coordinating bodies; they served to coordinate the work being undertaken by various entities involved in regional agricultural development. These thematic groups lacked a budget and specific financing and were primarily led by the work of a few entities.

The Business Development Thematic Group worked to address four major constraints impacting agriculture, namely; transportation, marketing, organization of the private sector, and finance. The Group encountered greatest difficulty in addressing matters related to finance and has asked the CDB to lead on addressing this issue. There was an ongoing initiative in Dominica, led by IICA and funded by the UNDP

that sought to address financing for stakeholders, particularly for vulnerable groups, such as women in agribusiness development, with the expectation that the success expected from the Dominica initiative could be replicated across the region. Also, in terms of financing and general investment, investment profiles for moringa and turmeric had been developed by the Herbs and Spices Commodity Group and funded by IICA, aimed at encouraging investment in agriculture. The Group has also been working with CCRIF over the past two years to promote CCRIF initiatives regarding the purchase of agricultural insurance for stakeholders and had presented these findings to the COTED.

In terms of organization of the private sector, CABA had been charged with the responsibility of trying to mobilize the agri-business stakeholders across the region. IICA was committed to supporting this level of engagement, so that CABA was more integrated with the manufacturers' associations in Trinidad and Tobago, Guyana and Jamaica, thus providing a better nexus between the micro-type players and agricultural producers with the larger manufacturers across the region with the aim of addressing import substitution and getting small producers more integrated in the wider value chain. There has been a disconnect between the farmers' groups across the region and a splintering of the CaFAN movement. The Business Development Thematic Group, in collaboration with the AFNC, has sought to address this by providing a platform for the splintered groups to collaborate and engage in meaningful dialogue. IICA, with funding from FAO, has led a number of interventions aimed at building capacity among producer groups to practice good governance. Such a capacity building initiative involving six countries: Trinidad and Tobago, Guyana, Grenada, St. Vincent and the Grenadines, The Bahamas and Dominica, was currently ongoing. The initiative also sought to assist these countries to market their products in markets across the region. In terms of the products, the focus was on honey, roots and tubers, herbs and spices, sweet corn and vegetables. Fish was not a commodity traditionally focused on, but this could perhaps be addressed going forward.

With regards to marketing, the organizations involved in the Business Development Thematic Group had indicated budgetary constraints as a result of the pandemic. Hence, the work plan for the rest of the year included coordination of a meeting of market intelligence agencies in the region. It was recognized that some of these market intelligence agencies were weak and required capacity building. The meeting will therefore provide the space to share success stories, identify strengths and weaknesses and prepare a holistic development programme for the region. This activity was slated for late October/early November 2020.

In terms of transportation, a study was done in 2016 titled, *Business Facilitation Mechanisms*, which looked at transportation and removal of non-tariff barriers to trade. One recommendation regarding transportation was in relation to the importance of focusing on LCL (less than container load) shipping as a means of promoting intra-regional trade in fresh produce. However, this service was under-utilized and to some extent required enhancement across the region. The Group has been engaging with LCL players, both users and providers, to determine what were the issues involved and to encourage private sector investment in LCL services, as well as encourage utilization of this service by producers. Ports in Trinidad, Saint Lucia and Barbados currently offered LCL services. The Group was looking at ways to get investment to expand these services and to enhance uptake by the producers. A meeting of the LCL players was proposed for the first week of November 2020. The other issue affecting transportation related to port charges. It had been identified that port charges seriously impacted on the ability of carriers and producers to promote intra-regional trade. Also, many of the port facilities required refurbishing and new equipment. A proposal was being developed for submission to the Heads calling for investment in these port facilities as well as for a policy decision on removal of some of the charges. It was acknowledged that, while some governments relied on these port charges for revenue, they were hindering intra-regional trade and import substitution, and a Cost-Benefit Analysis was needed to determine the more important focus.

Discussion

The Business Development Thematic Group was commended on the work it was doing, notwithstanding the lack of a budget, and a request was made for the Group to share some of its reports with the FISHCOM

WG, if possible. The contributions to the Meeting made by both the Business Development Thematic Group and the Herbs and Spices Priority Commodity Group were acknowledged and it was suggested that there should be continued collaboration with these Groups, including provision of updates at future FISHCOM WG meetings. There was agreement on this suggestion. The IICA representative undertook to share the reports of three business facilitation studies with the FISHCOM WG.

Conclusions/ Recommendations:

1. The FISHCOM WG agreed that there should be continued collaboration with the Business Development Thematic Group and the Herbs and Spices Priority Commodity Group, including provision of updates at future FISHCOM WG meetings.
2. The IICA representative will share the reports of three business facilitation studies with the FISHCOM WG.

8. DATE OF NEXT MEETING AND ADJOURNMENT

It was suggested that the next FISHCOM WG meeting be tentatively set for 21 January 2021. There was general agreement with this suggestion.

S. Singh-Renton indicated that an annual report for submission to AFNC and CARICOM should be prepared. The CRFM Secretariat will draft the report and it will be circulated to FISHCOM WG members for their inputs prior to submission to the AFNC and CARICOM.

S. Singh-Renton thanked the Permanent Secretary, Mr. Felicien, for taking time out to chair the meeting. She also thanked the participants for their time and attention.

In closing the meeting, the Chairman thanked all for their participation and wished all a good day.

The meeting adjourned at 1:18 p.m.

APPENDIX 1: LIST OF MEETING PARTICIPANTS

Name & Designation	Address	Email Contact
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APPENDIX 2: AGENDA

Sixth Meeting of CRFM/CARICOM Fisheries and Aquaculture Priority Commodity Working Group (FISHCOM WG) 24 September 2020 (0930 – 1300h, Eastern Caribbean Time)

DRAFT ANNOTATED AGENDA

ITEM 1	Call to order and prayer <i>The Chairperson will call the meeting to order, and a prayer will be offered.</i>	0930 - 0940
ITEM 2	Registration of Participants <i>The Chairperson will confirm the persons in attendance and invite them to introduce themselves.</i>	
ITEM 3	Adoption of Agenda <i>The Chairperson will seek feedback to inform adoption of the Meeting Agenda.</i>	
ITEM 4	Registration of working documents <i>The meeting will register its working documents.</i>	0940 - 0945
ITEM 5	Report of Fifth Meeting <i>The Chairperson will facilitate review and adoption of report, as well as discussion of any matters arising.</i>	0945 - 1000
ITEM 6	FISHCOM WG Work Plan and Progress Report <i>The Chairperson will facilitate review and discussion of the FISHCOM WG Work Plan and Progress Report for 2020, as well as of any required amendments for the way forward. In particular, updates will be provided on the following:</i> <ul style="list-style-type: none"> (a) FISHCOM WG 2020 Work Plan submitted to AFNC (b) Report on progress regarding: <ul style="list-style-type: none"> a. SPS Model Fisheries Legislation review by CARICOM Secretariat b. FISHCOM WG Project proposal on improved information base and usage capacity for optimized development and risk resilience of the value chain and value network for the marine capture fish and aquaculture industries of CARICOM States. (c) Report from CRFM on: <ul style="list-style-type: none"> a. Working Group on Aquaculture; b. SPS follow-up project; c. GEF Blue Growth project. (d) Report from FAO on: <ul style="list-style-type: none"> a. FISH4ACP project; b. Grenada initiative on enabling impact investments and trade improvements for fisheries 	1000-1130
ITEM 7	Collaboration with selected CARICOM technical groups <i>The Chairperson will facilitate delivery of a presentation on development of a food business investment profile, which is intended to build capacity of WG members in this subject, and its application to our commodity development work</i> <i>The Chairperson will facilitate provision of updates on the activities of the Business Development Thematic Group, and consider options for further joint collaboration.</i>	1130 - 1250
ITEM 8	Date of next meeting and adjournment <i>The Chairperson will invite the Group to agree on the date of its next meeting. This will be followed by adjournment</i>	1250 – 1300

TYPICAL CONTENT OF BANKABLE INVESTMENT PROPOSALS

Vassel Stewart-CABA

The Content of the Investment Proposal

1. INTRODUCTION/BACKGROUND

1.1 Who

1.2 Why

1.3 History

The Content of the Investment Proposal

2. THE MARKET

2.1 The Nature and Driver of the Demand

2.1.1 The Nature and Driver of CARICOM Demand ----

2.1.2 Nature and Driver of the International Demand

e.g who, how, when

e.g health, safety, convenience, cost, policies, legislations etc.

2.2 The Size and Growth Potential of the Market

2.2.1 CARICOM Market Size and Growth Potential

2.2.2 International Market Size and growth Potential

2.3 Market Segments

2.3.1 CARICOM Market Segments -

2.3.2 International Market segments

e.g types of use, demographics, income etc.

The Content of the Investment Proposal

2.4 Market Entry Requirements

2.4.1 CARICOM Market Entry Requirements

2.4.1.1 Tariff Barriers –taxes & duties

2.4.1.2 Non -Tariff Barriers –food safety, quality, transportation

2.4.2 International Market Entry Requirements

2.4.2.1 Health & Safety Requirements --OSHA

2.4.2.2 Social Requirements –labour, working environment

2.4.2.3 Commercial Requirements – payment, quality, schedule

The Content of the Investment Proposal

2.5 Distribution

2.6 Price

2.7 Promotion

3. COMPETITION

3.1 Competition in CARICOM - Policies & strategies.

3.2 Competition in International Markets -Policies & strategies.

Price competitiveness, Intensity of competition, ease of entry into and exit, availability of substitutes, bargaining strength of suppliers and buyers, technical support, incentives.

The Content of the Investment Proposal

4. PRIMARY PRODUCTION

4.1 Establishment of Strategic Management Systems.

4.1.1 Good Agricultural Practices

4.2.1 Integrated Pest Management System

4.3.1 Traceability System

4.4.1 Food Safety Systems

The Content of the Investment Proposal

4.2 Primary Production Unit Operations

1. Land clearing
2. Soil testing
3. Land Preparation
4. Planting
5. Fertilization
6. Irrigation
7. Weed Control
8. Pest & Disease
9. Field Sanitation
10. Harvesting

The Content of the Investment Proposal

5. PROCESSING OPERATION

5.1 Unit operations

Procurement, receival, temporary storage, selection & grading, cleaning, size reduction , mixing, preserving, packaging, storage.

5.2 Machinery & Equipment Requirements

Type & capacity, operational complexity and risk and cost.

5.3 Physical Infra-structure

Design and cost.

The Content of the Investment Proposal

6. RESEARCH & DEVELOPMENT

- 6.1 Market research
- 6.2 Primary production research
- 6.3 Value-added research

7. FINANCING

- 7.1 Type- equity/ debt/grants
- 7.2 Time & Interest Rate

8. ECONOMIC SOCIAL AND ENVIRONMENTAL IMPACT Jobs, taxes, foreign exchange, health impact, environmental esthetics.

The Content of the Investment Proposal

9. SWOT ANALYSIS

9.1 Strengths –financial, human resources, technologies, uniqueness, reputation etc

9.2 Weaknesses -- as above but negative relative to industry norms

9.3 Opportunities ---growth segment, new regulation, unserved segment, new services, transport services.

9.4 Threats -----competition, regulations, natural disasters, services withdrawals etc .

The Content of the Investment Proposal

10. STRATEGY

10.1 Vision, Mission, Guiding Principles ~~–IF FOR A SPECIFIC FIRM~~

10.2 Products

10.3 Marketing Strategy

10.4 Primary production Strategy

10.5 Value-added /Processing Strategy

10.6 Human Resource & Organizational Strategy

10.7 Financing Strategy

10.8 Economic, social, and environmental impact

10.9 Risks/Threats Mitigation

The Content of the Investment Proposal

11. FINANCIAL PROJECTIONS

11.1 Determination of Unit cost of production

11.2 Monthly 2-5-year-Sales Volume projections

11.3 Monthly 25-year Cost of Sales Projections

11.4 Monthly 25-year CapitaCost Projections

11.5 Monthly 25-year Fixed Cost Projections

11.6 Monthly 25- yearOperating Cost Projections

11.7 Annul 5year Income Statement Projections

11.8 Annual 5year Cash Flow Projections

11.9 Monthly Cash flow ProjectionsYear 1-2

11. 10 Balance Sheet

11.11 Sensitivity Analysis

Narrative of Presentation by Mr. Vassel Stewart, President, CABA

Typical Content of Bankable Investment Proposals

Typical Content of Bankable Investment Proposals - The intent is to share with this Group the Herbs and Spices Priority Commodity Group's approach to preparing these types of proposals, which is not much different from a feasibility study. It seeks to identify the technical and financial aspects of the business proposal in enough detail, depth, and robustness that potential investors or lenders can have the confidence that the proposal covers essential elements such that they can make confident decisions to lend or invest, particularly focused on the risk factors, especially where it is a debt financing strategy. The banks in particular are very conscious and concerned about the project primarily as it relates to the risk component. The terminology of bankable investment proposal is simply to convey that the banks want to look at certain aspects of a project with heavy emphasis on the risks involved. The presentation follows the template used for conducting two such proposals prepared for moringa and turmeric as part of the work of the Herbs and Spices Priority Commodity Group, supported by IICA.

Background

We start by looking at the background of the project. Starting with "Who" – what entity, is it a business entity or an institution? Who are the promoters of the proposal? And more importantly, why are they involved. Then also to get some background on their involvement in the project up to time of preparation of the proposal. What they have done; what would have been the successes and failures, to give an initial perspective of who is coming to the table with the proposal.

The Market

The Nature and Driver of the Demand

The first aspect of any business proposal/feasibility study/strategic plan, or in this case investment proposal is to understand the market, as everything, as we all agree, has to be market driven. We first want to focus on the nature and driver of the demand. In our case, we tend to look at it regionally, including our domestic market. The project could be such that one could be just focusing on the domestic market, but this was highly unusual unless it was a small project. One would want to look at the CARICOM and international scene. In terms of the nature of the demand, what we want to understand is who you are targeting, how the product/service is being utilized, when is it being utilized and what are the factors that affect its utilization. For example, in the case of moringa, we looked at the fact that even though it was a relatively new commercial herb, there was a wide range of uses from food, to medicine, to feed, and these were things that determined the nature of the drivers. It could also be impacted by issues of health, safety, convenience (what is it that the consumer was looking for), cost (maybe cost in that particular industry or commodity value chain was such that it was driving investment into the sector or if it is a specific company, that may have developed technologies that allow them to be cost competitive), and what policies and legislation are in place that may be propelling demand; in our case, for example, the need for increased focus on health. We find in Trinidad, and perhaps across the region, the move to put in place new legislation to reduce input of sugar that could begin to drive demand for products with low levels of sugar or no added sugar.

The Size and Growth Potential of the Market

Secondly, one would want to look at the size and growth potential of the markets. We do so by looking at the CARICOM and the international market. We tend to separate the CARICOM market from the international market because CARICOM would present us with certain advantages, particularly as it relates to the common external tariff, which gives us a level of protection that we would not necessarily enjoy in the international market. And, to some extent, we would have the opportunity to influence policies, not just in terms of tariff, but also some of the non-tariff issues that may become relevant if it is an industry of national or regional importance. The factors that may impact our regional market can be significantly different from those that impact the international market. In terms of the growth, this kind of information

could normally be sourced from international databases. A good source of that kind of information is ITC, which provides fairly detailed information on market size, growth, change in demand. One can use this data, not only to determine general demand, but can drill down to the level of individual commodity and individual market to see how growth rates and size of market have changed; see which countries may be growing and the ones where market demand have declined.

Market segments

One would also want to look at market segments. Within the market, you may want to target a specific segment, especially if it is a wide or large market. For moringa, for example, you have food, health, feed, bio-fuel, inputs into agricultural input ingredients – so a fairly wide market. Therefore, depending on the nature of the bankable investment profile, you would need to drill down to look at specific market segments, both regionally and internationally. You may want to segment the market on the basis of use, or by demographic classification such as age, income; there was a number of variables that would help to better segment the market.

Market entry requirements

As we know, there are increasing issues relating to our ability to access markets. The tariff barriers have come down largely in most markets, save for the regional market where there are no significant tariff barriers; there may be one or two countries with specific customs charges or excise taxes, but largely there was not a significant problem with tariff barriers regionally. In many of the markets we target, e.g., European or North American markets the same applies because of the trade agreements in place. There are however, increasing non-tariff barriers especially as it relates to food safety and food quality issues. Also, in the current pandemic situation there are increasing challenges with transportation, both air and sea transportation; so, when you look at markets you may wish to target these are key considerations. The EU made a bit more of the issue of the health and safety requirements in the international market; they were similar issues in the regional market but not as onerous, or difficult to meet, although that was changing as we seek to adopt more international standards in the region. Social requirements, also an important aspect; the issue of labour relations at the workplace, working environment, etc., are becoming more relevant in international markets and are important factors in accessing certain market segments, e.g., fair trade market. Many have to contend with the commercial requirements, which were more specific to the buyer. There may be particular payment terms; quality requirements that go beyond national or international standards; and, specific delivery schedules; how regularly they would purchase. Some of the cases may be such that you are unable to supply, as they may want fortnightly deliveries or weekly deliveries that your transportation connections may not allow for. All these factors could impact market entry.

You also have to look of other marketing issues; the distribution factors, what were the distribution channels in place, what challenges may be associated with them. For example, in recent discussions with a potential buyer in Central America one thing that was very evident was that once you get into a distributor relationship, the legal commitments and the national requirements - their legal framework - makes it very difficult for you to extricate yourself even if your distributor is not performing to agreed standards, or the level of commitment in terms of promotion for example was not taking place. One needs to understand what are the capabilities that exist; what are the legal frameworks in the place for distribution.

Price is always a critical factor because most times we are competing on this major element. We therefore need to understand the pricing structure in the particular industry; whether growth or declining, what stage of development the market may be at and what pricing practices now exist. Promotion was another critical area. We now know that in the promotional market place the strategies that are in use are now quite different from what they might have been ten years ago, giving the prominence, and the impact and the pervasiveness of social media platforms. So, understanding those and looking at them from a perspective of cost, access, and regulations is also a critical factor.

Competition

Perhaps one of the most critical areas in doing any feasibility assessment is the question of competition. Again, we do so by looking at regional and international competition separately. For issues of price competitiveness, usually the number one issue, one would want to look at intensity of competition in the industry; how many players are in the industry; is it a very competitive industry; do you have a situation of low levels of competition; is the competition such that they have support outside of commercial practices, you may have situations where companies enjoy certain protection based on political connections. So, one needs to understand how intense and the nature of the competition.

Ease of entry into and exit from markets - It may be easy to get into a market, e.g., had recent discussions with someone getting into the juice industry and pointed out the fact that the industry is growing and was fairly easy to enter as the technology is not that high; if you can organize the raw material supply, you can get into this market relatively easily. There was another company involved in doing gluten-free products; that was a little more challenging; as you have to have a better technical understanding of the industry; the cost of machinery, etc. Look at how easy it is to enter and then how easy it is to exit. If you get into an industry, for example where the machinery is very specialized, and it does not work and you want to exit, you may have challenges in doing so because there may not be many takers for the machinery. This is one issue, for example a bank may look at in terms of evaluating risks. What is the level of competition in terms of substitutes? How likely is it that your particular product can be substituted by another brand or a similar product providing similar outcomes for the consumer; and therefore, how secure your investment is likely to be compared to one in which you perhaps have some degree of uniqueness. The bargaining strength of suppliers and buyers; what is the relationship there? If you have a large number of buyers as against a basic model that require you to sell to one or two large buyers and if there are any disruptions to that, how it impacts on the company or the investment you are proposing. Is there technical support to the industry? The point was made recently about the challenges that the agri-processors faced regionally, in that, unlike the agriculture sector, at the primary production level there are extension officers that provide technical support to farmers; when you get into value adding you don't have that kind of support. There is no set of food technologists out there providing SMEs or even medium-sized firms with technical support in meeting e.g., HACCP requirements; providing advice if you want to reduce sugar or salt content, how you can still preserve your products, etc. You would need to look at whether those are things that are available.

Incentives – what incentives are available from the public sector for support; there may be incentives relating to taxes, may relate to government providing loans with low interest, there may be grants that are available; all factors that impact the quality and risks associated with investment.

Primary Production

In our case, because we are involved in the agriculture sector, we also have to look at the primary production end. In the case of fisheries, looking at an aquaculture project as against a marine-based one which may be just harvesting as against actual production. At the production level, we normally start by looking at the broad aspects of it - the strategic management systems that surrounds the particular industry. Issues of good agricultural practices; more and more we have to look at the issues of integrated pest management as the market drivers are now requiring lower and lower and in some cases the non-use of inorganic chemicals and part of the response to that is the greater use of integrated pest management strategies. Traceability was now becoming a pre-requisite for some markets. (e.g., cruise ship lines are may be looking to move some of their operations out of Miami and possibly locate them at the starting point in the Caribbean and the need for supplies from the region. And the first question placed on the table was the issue of traceability if you are going to supply that particular market). The request now is also for these traceability systems to be block chained based, which has a somewhat higher level of technological requirements. Food safety systems are a given, even within the domestic markets, particularly with the international branding entities such as the fast-food service sector, companies like McDonalds and KFC and supermarket chains. These are issues one would want to look at in developing a bankable proposal.

Issues of land preparation at the primary level, soil testing, the cost of land preparation, planting; in other words, a production protocol that goes into a particular product. When we look at moringa or at turmeric these were all details that had to be included in the proposal so that when the bank or investor looked at the proposal, they could have the confidence that these critical factors are well addressed in the technical aspects of the feasibility.

Processing operation

Unit operation - We move now to the processing component because in most cases the investment proposal goes beyond the primary and seek to look at the value added where market opportunities are much greater. More and more these investment profiles go beyond the primary levels. In the past we focused heavily, for example, on exporting cocoa or coffee or bananas, and the focus was on exporting these as raw materials. Therefore, your investment profile or bankable investment proposal would tend to be confined at that level. More and more now the investment goes beyond that to secondary and even tertiary value addition that requires understanding of operations - procurement, receipt, storage, selection & grading, cleaning, size reduction, mixing, preserving, packaging and storage; all critical technical information that one would need to have and define in such a way that the persons assessing the proposal can feel confident that there is detailed understanding. Most often, especially if it is a large project, the technical aspects would be analyzed by a specialist, who would look at these things in detail to ensure that the proposal takes into consideration critical factors especially as it relates to costing the project.

Machinery & Equipment - This would be attendant based on the unit operations understanding, type of machine (e.g., a friend bought some machine from China and the quality of the steel was such, as they were close to the sea, that within 6-months the machine started to rust; the impact of sea blast on the steel was not taken into consideration; perhaps the machine could have been coated to prevent this), operational complexity (you purchase machines and your operation is in a location that does not have 3 phase or 440 current and you are unable to use the machines). All these are risk factors and cost factors that have to be included in the analysis, development and assessment of the proposal.

Physical infrastructure - The design and layout and product flow are all critical factors in meeting the international quality standards. The HACCP requirements, e.g., require a particular flow; you come in at one end and exit at the another, where you locate various parts of the operations - where are your bathrooms, kitchen, etc. All these have to be carefully considered in the design and in the costing.

Research and Development

In the current environment, if you are involved in any growth industry there must be some consideration for research and development, whether at the market level or the primary production stage or the value addition stage. In our case, particularly at the primary level where the yields in our varieties are not always up to international standards, the project should at the very least address, even superficially, this known element that investors and the banks or any potential source of financing would want to see covered in the bankable proposal.

Financing

Financing, one could argue, may be the most critical aspect. What type of financing you're seeking - is it debt; debt and equity; grant funding; what might be the mix of these. What is the timeline; are you seeking long-term loans or short-term loans; what kind of interest rate is in the current industry, what is the practice, what is available. All this has to be detailed so that there is an understanding that the financing issue is well addressed.

Economic, Social and Environmental Impacts

Of course, you cannot leave out the economic, social and environmental impacts. In many cases, especially as it relates to the environmental aspects, it is mandatory because there may be legal obligations that the

project must meet. For example, I am involved in one now where the project has been delayed because the requirement for one of the public entities that has to provide a certificate has not done so for months, which has led to cost overruns in the particular project. These are issues that relate to risk and the investor/lender would want to see that these things are taken into consideration. If the entity will impact jobs significantly; create significant source of taxes for the government; foreign exchange earnings; how it might impact on health and on the environment, not just in terms of environmental degradation but it may be just in terms of environmental aesthetics. All of these are important aspects that need to be included in the proposal.

SWOT Analysis

Having looked at the internal and external situation, you would then be able to do a SWOT (Strengths, Weaknesses, Opportunity, Threats) analysis. What are the strengths of the particular entity; if it is a new company that is usually cause of concern because you are operating on assumption rather than facts; the issue of financial strength, what is the level of human resources, experience, technical know-how, and technology. If you have any patented technology that gives you a unique product or process, especially if it's one that has protection from the law in terms of giving you time to develop that technology and to keep others out. Having a patent is normally a very strong component of the plan; companies and financiers will look upon that very favorably. What unique aspect of your product or process may be applied, reputation in the marketplace, you have a strong brand, or a new company without a brand and questionable capacity to really create that market reputation. Similarly, in terms of weaknesses you would look at the same sort of issues: where are you relative to other competitors; relative to industry norms; do you have specific areas of weakness, and if so, how extensive are they, can they be addressed in the short-term, and what may be the cost associated with that. Opportunities you would derive from looking at the external scenario; how strong is your growth, in which market segment the growth is taking place, what are the competitive forces in that market segment, are there new regulations that would create opportunities. For example, countries are now making it mandatory that you cannot sell soft drinks (soda) in schools; this creates new opportunity for persons in the fresh juice market that are using fruits that are naturally sweet. There may be market segments that are not properly served, so there may be new opportunities for services; you may have transportation challenges, or new transportation services that create opportunities. Of course, there is the area of threats - investors and lenders would want to look at what are the threats in the marketplace from competition; from regulations, can government change regulations in such a way that what today appears to be an attractive market may tomorrow be a disappearing market; what are natural disaster risks, in our case significant issue relating to hurricanes, which makes investment in agriculture in the western Caribbean high risk business; there may be withdrawal of a service that you are accustomed to or which exist in the sector. These are all critical issues which must be included and discussed in some length.

Strategy

Having completed the SWOT analysis, you want to look at what is your strategy. If it is an existing entity or a particular firm as against an industry. In our case, we did a broad analysis for the industry which any one could use. The document does not speak to any specific vision or mission or guiding principles as these would normally apply to specific firms. It does however speak to what the products are, having looked at the marketplace, e.g., in the case of moringa, we recommend to focus initially on food and next on feed; so that it outlines the types of food products, marketing strategy, target market, market segment and pricing strategy, given that this is a new market in which the price, in this case, was very diverse, e.g., one could buy moringa at US\$2 per pound if it was coming from Haiti or may be \$15-20 per pound if it was from Jamaica. So, your marketing strategy, pricing, distribution, promotion, all would be driven by your analysis that would have taken place before. The SWOT analysis would allow you to have a better idea as to what your strategy should be. What primary production strategy - can you go with small farmers, especially if you are looking at a particular market segment; a fair-trade market segment may mean you would have to work with small farmers as that is how that market is structured; that's the basis of its demand. Or do you want to go for large scale production using high level technologies - drones, automated production, irrigation systems that are remotely controlled - so you have to look at all of those in terms of the market you are

targeting and the scale and scope of the project; what type of value addition; human resource capacity, and for many investors this aspect of human resource becomes extremely important. They would want to know, especially if it is a highly technical investment, about the key personnel, who would require keyman insurance in the event the person becomes incapacitated, dies or becomes unavailable to the project, what are the risks involved with that. So human resource is an extremely important factor. How is the organization going to be structured; is it a flat one or a very hierarchal type of organization and the implications for that in terms of cost and in terms of its ability to be nimble and to respond quickly to market changes. Financing strategy; how much of your finance is going to come from debt, how much from equity, what the mix may be; is it an entity that can go to an international organization like GEF, for example, and get significant level of grant financing? The social and economic issues, how is the entity or the investment likely to impact on these; and, perhaps the most critical from an investor's perspective, how do you propose to treat with the risks that are inherent in the investment; what are the risk mitigation strategies that are identified and detailed in the document.

Financial Projections

Then we come to what, can be argued as the most critical aspect, although this is derived from the work done before, the financial projections. Usually starts by identifying the cost per unit of the particular product or particular service. If you are doing the production yourself, what is the cost of production or if you are buying from farmers, what would be a reasonable price to contract with farmers for; what are your processing cost, labour cost, packaging, and so on, so that you have a detailed unit cost of production. Usually, you do your projections in terms of volume sales, say for 2-5 years, but could be done for three months if it is a short-term crop, or for six months or a year. It could be that you may be required to do it for eight years for a long-term tree crop like coconut or soursop, you would need to convince the investor(s), when the crop is not yet in full production how you would survive during that period of no sales. In the case of agriculture, if it is a long term-crop, it is usually suggested to inter-crop with short crops or there may be other aspects of the company from which revenue will be derived to carry it through that period.

Most of the projections are for 2-5 years period; whether it be cost of sales; what kind of capital cost will be involved in the investment. It may be that the capital cost requirement is overtime, that you may have some commitments in age zero (start-up stage), but along the period you may have to keep making increase investment to be consistent with targeted volumes - so you need to have a capital cost projection. Five years may be a long period unless it is a long-term investment; usually you make those capital investments in year one. What would be your fixed cost, operational cost in terms of human resources, operating costs related to overheads such as electricity, or you may have specific energy cost, which in the case of Trinidad may be relatively low, but in other countries may be very high; all of those are issues that have to be taken into consideration. You must have an income statement projecting what your income is likely to be. More importantly, a cash flow projection, which would allow you to be able to derive what are the critical parameters that an investor look for - what is the profitability, what is the internal rate of return (IRR) on the project, what is the payback period - all of that you derive from the cash flow, and usually you want to be at least 5 years so that they can see where the project will go overtime. In some cases, if it is a long-term investment it may be for a longer period, it could ten years; or if it is a short-term investment perhaps three years/two years; if it is a vegetable crop, for example where your crop cycle is very short, you could see your return investment within a two-year cycle, for example. You need to do a monthly cash flow usually for one to two years, so that you can see during that early stage if the company is likely to run out of money, and if so, what are the arrangements to ensure that your lending or your injection of equity matches that period. You must have a balance sheet, so that they could see how strong the company is in terms of its financial assets, what the liabilities look like, long-term versus short-term and so on. And then at the end, you need to do a sensitivity analysis that speaks to a number of what ifs. You have made these projections based on some level of assumptions; what if the assumptions that you make are not realized. So, you make an assumption about what the price may be, what if the price decreases by 10% or by 20% or if the price increases by 20%, how more attractive would the investment be. What if the supplies you are projecting to

get from farmers are less than you project and instead of having 10 tons a week, you are down to 3 or 4 tons, how does that impact on the project's likelihood of survival or how likely is that to impact on the investment. The sensitivity analysis is a key part. You may want to vary price; you may want to vary supplies and look at how those variables will impact the project.

So, in a nutshell, this will provide the kind of information that would typically be included in a bankable investment proposal. The areas of emphasis may vary depending on the type of investment, but generally these are what an investor or banker or lending entity would want to see in order for them to come to the table and feel some degree of confidence and a level of comfort that the quality of the proposal is up to standard.

The CRFM is an inter-governmental organization whose mission is to “Promote and facilitate the responsible utilization of the region’s fisheries and other aquatic resources for the economic and social benefits of the current and future population of the region”. The CRFM consists of three bodies – the Ministerial Council, the Caribbean Fisheries Forum and the CRFM Secretariat.

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