



**INVESTMENT FIRM ENCOURAGE CAPITAL RELEASES BLUEPRINTS FOR PRIVATE CAPITAL TO
HELP RESTORE CHILE'S FISHING ECONOMY**

***Financial Strategies Show Path for Investors, NGOs and Others to Pioneer More Sustainable
Fisheries in Chile***

***Blueprints Informed by Collaboration with Oceans Conservation Groups,
Oceana and Rare***

***Supported by Bloomberg Philanthropies Vibrant Oceans Initiative and
The Rockefeller Foundation***

(October 1, 2015) – NEW YORK – Encourage Capital, an asset management firm specializing in profitable and strategic investments to solve critical social and environmental challenges, today announced the release of the “Investing for Sustainable Global Fisheries” report and the first of a suite of investment blueprints designed to serve as models for investments in fishery recovery. Over \$50 billion a year is lost due to poor fisheries management, impacting the food and income source of billions of people around the world and depleting the world’s oceans.

The blueprints were created as part of the Bloomberg Philanthropies [Vibrant Oceans](#) initiative, which aims to address this economic and ecological issue, with additional support from The Rockefeller Foundation. They will be available free of charge to non-profits, investors and others interested in impact investing and available for download at investinvibrantocceans.org.

This is the first philanthropic effort to bring together investment specialists and marine conservation experts to integrate a private capital financing strategy into fisheries reform efforts targeting both industrial and small-scale fisheries.

The report includes a series of strategies to help direct private capital to improve the management of small- and large-scale fishers in solving the issue of overfishing. The “Investing for Sustainable Global Fisheries” report is the first comprehensive research to outline how we can change the way fish are caught worldwide through investment decisions. For example, the report illustrates how strategic investments can minimize the impact of over-fishing by:

- Partnering with fishers, communities and governments, to protect marine areas and fish sustainably;
- Setting science-based limits on the size and amount of fish taken out of the water; and



- Facilitating the use of new and existing technologies like satellite images to monitor protected areas along with simple solutions like providing freezers to reduce the number of fish discarded on their way from local fisheries to the market.

The full suite of blueprints will focus on Brazil, the Philippines and Chile, which collectively supply nearly eight percent of the world's seafood, and will be released during the fall of 2015.

The blueprints released today focus on Chile to coincide with the second global conference on the health of the world's oceans in Valparaiso, Chile on October 5-6. The conference, [Our Ocean](#), will bring together more than 400 leaders from government, academia, and civil society who are committed to protecting the ocean, including Secretary of State of the United States John Kerry, who spearheaded the first conference in 2014. Last year's conference created more than \$800 million in partnerships and initiatives to develop and pursue new economic opportunities for industries, including fisheries, and countries around the world. The state of global fisheries is a key topic at the conference.

Lack of proper management has led to overfishing, or taking more fish than can be naturally replaced. With strong management, however, science has shown that fish populations rebound. Sustainable management of fish stocks has the potential to restore ecosystems and increase global fish catch by an estimated 20%, expanding total protein supply and supporting global food security.

"Encourage Capital's investment blueprints represent the first-ever effort to allocate philanthropic resources to drive private capital into reforming fisheries management," said Jason Scott, a Co-Managing Partner of Encourage Capital. "These Blueprints show that there is an opportunity for a broad range of fishery stakeholders -- including entrepreneurs, investors, NGOs, philanthropies, the seafood industry, and other sustainable fisheries advocates -- to invest in real projects and opportunities on the ground to generate potentially commercial financial returns while at the same time achieving critical environmental and social impact goals."

An Innovative Supply Chain Management Strategy for Chile:

The blueprints released today present impact investing strategies that support the improvement of fisheries management and increase in fish stocks, as well as innovative fishery supply-chain management in Chile.

In Chile, the individual fisheries were evaluated for the interest of fishers in transitioning to sustainable practices and impact investment potential. Encourage Capital explored both small-scale and industrial fisheries that cover a variety of species types and that are of interest to potential commercial partners.

- **Blueprint I: The Mariscos Strategy** is a \$7 million impact investment strategy in seven small-scale fisheries along the Chilean coastline to protect against overfishing, habitat destruction, and stock depletion through implementation of near-shore fishery management improvements and the creation of more direct commercialization channels for artisanal seafood products. The strategy would capture higher value for the products, generate financial and impact returns, and reward fishers for maintaining sustainable fishing practices on an ongoing basis.
- **Blueprint II: The Merluza Strategy** is a \$17.5 million impact investment strategy to restore the distressed common hake fishery in Chile through the implementation of comprehensive management improvements across the fishery; acquisition of a certain amount of the total fishing rights in the fishery; and the creation of a new processing and distribution business incorporating hake and jumbo squid products. This strategy is focused on restoring the hake stock to 75% of its biomass at maximum sustainable yield from an estimated 27% currently, while increasing hake meals-to-market by 136 million portions annually and generating additional revenues for fishers across 12 fishing communities.

Encourage Capital spent two years developing the investment blueprints in close collaboration with Oceana, the largest international advocacy organization focused solely on ocean conservation, and Rare, a pioneering conservation organization empowering local communities to shift from being resource users to environmental stewards.

"Oceans are one of our greatest resources, but also one of our most endangered. Millions of people depend on them for food and income, especially in the developing world, which means that oceanic health affects human health in profound ways," said Michael R. Bloomberg. Bloomberg Philanthropies is committed to finding measurable ways to protect and preserve oceanic life for future generations, and these Investment Blueprints will benefit both ocean-based economies and maritime conservation efforts."

"In a world where humanity's greatest challenges are increasingly complex and difficult to solve—like the health of our oceans—it has become clear that the resources of philanthropy and government alone are no longer enough. Private markets hold an estimated \$210 trillion that impact investing can unlock for public good," said Judith Rodin, president of The Rockefeller Foundation. "These innovative investment blueprints from Encourage give fishers themselves an ownership stake, an extra incentive to adopt sustainable practices, and helps to achieve The Rockefeller Foundation's goal of revaluing ecosystems and building more inclusive economies that benefit even the poorest and most vulnerable people."

"Fisheries management is a complex business. Thankfully we had great partners in Oceana and Rare, who helped us work with and understand a variety of involved stakeholders, from artisanal fishers to governments," said Ricardo Bayon, Partner and Co-founder at Encourage Capital. "They also helped us understand how this business is in desperate need of change. After all, if any other business were losing around 5% of its revenues (\$50 billion loss on \$900



billion revenues) due to bad management, there would be a strong incentive to change that management structure. It is high time we changed the way we manage the world's fisheries."

About Bloomberg Philanthropies:

Bloomberg Philanthropies' mission is to ensure better, longer lives for the greatest number of people. The organization focuses on five key areas for creating lasting change: Public Health, Environment, Education, Government Innovation and the Arts. Bloomberg Philanthropies encompasses all of Michael R. Bloomberg's charitable activities, including his foundation and his personal giving. In 2014, Bloomberg Philanthropies distributed \$462 million. For more information, please visit bloomberg.org or follow us on [Facebook](#), [Instagram](#) and [Twitter @BloombergDotOrg](#).

About The Rockefeller Foundation

For more than 100 years, The Rockefeller Foundation's mission has been to promote the well-being of humanity throughout the world. Today, The Rockefeller Foundation pursues this mission through dual goals: advancing inclusive economies that expand opportunities for more broadly shared prosperity, and building resilience by helping people, communities and institutions prepare for, withstand, and emerge stronger from acute shocks and chronic stresses. To achieve these goals, The Rockefeller Foundation works at the intersection of four focus areas – advance health, revalue ecosystems, secure livelihoods, and transform cities – to address the root causes of emerging challenges and create systemic change. Together with partners and grantees, The Rockefeller Foundation strives to catalyze and scale transformative innovations, create unlikely partnerships that span sectors, and take risks others cannot – or will not. To learn more, please visit www.rockefellerfoundation.org.

About Encourage Capital

Encourage Capital is an asset management firm specializing in profitable and strategic investments to solve critical social and environmental problems. Encourage Capital was formed by the merger of Wolfensohn Fund Management and EKO Asset Management. A unique partnership of disciplined investors and creative problem-solvers, the new firm is already working with major asset owners to deploy investment capital to solve problems like the global ecosystem decline, climate change, and bringing financial services to the world's poor. Visit Encourage Capital on the web at www.encouragecapital.com. Encourage Partner Kelly Wachowicz is the lead author of this report. Trip O'Shea and Alex Markham are its principal authors.

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