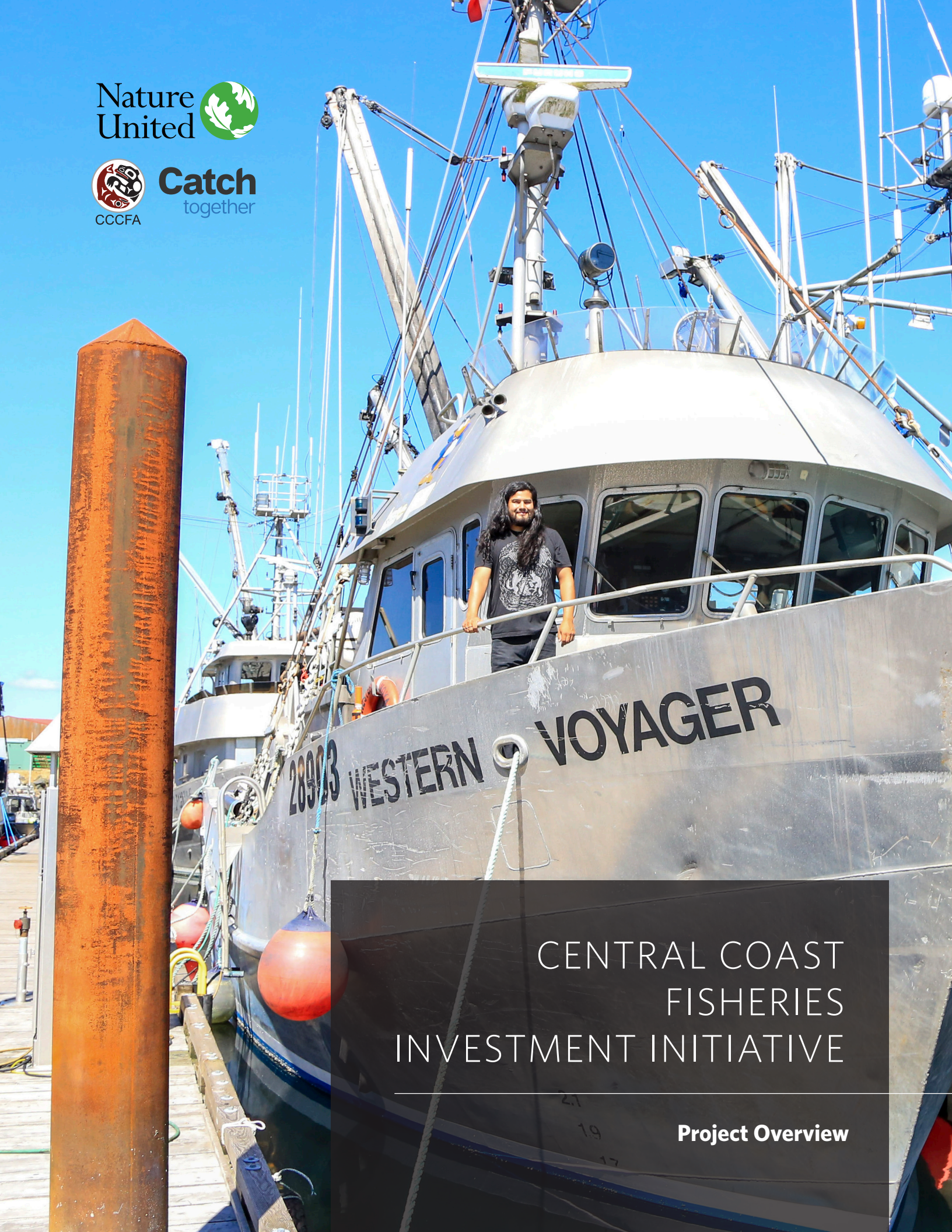


Nature  
United 



**Catch**  
together



CENTRAL COAST  
FISHERIES  
INVESTMENT INITIATIVE

**Project Overview**



# PROJECT SUMMARY

In late 2016, the Central Coast Commercial Fisheries Association (CCCFA), a fisheries enterprise owned by the Kitasoo/Xai'Xais, Heiltsuk, Nuxalk, and Wuikinuxv First Nations, approached Nature United to support CCCFA's efforts to acquire fishing licenses and quota. CCCFA's goal was to leverage programs like PICFI and their existing asset portfolio to raise more capital and invest in local commercial harvesting capacity to generate sustained economic, socio-cultural, and ecological benefits for Central Coast First Nation communities.

Wanting to see more fisheries assets and management responsibility in the hands of local and Indigenous communities and eager to test various impact investment approaches to accelerate this, Nature United responded positively to the invitation to work collaboratively with CCCFA on this initiative.

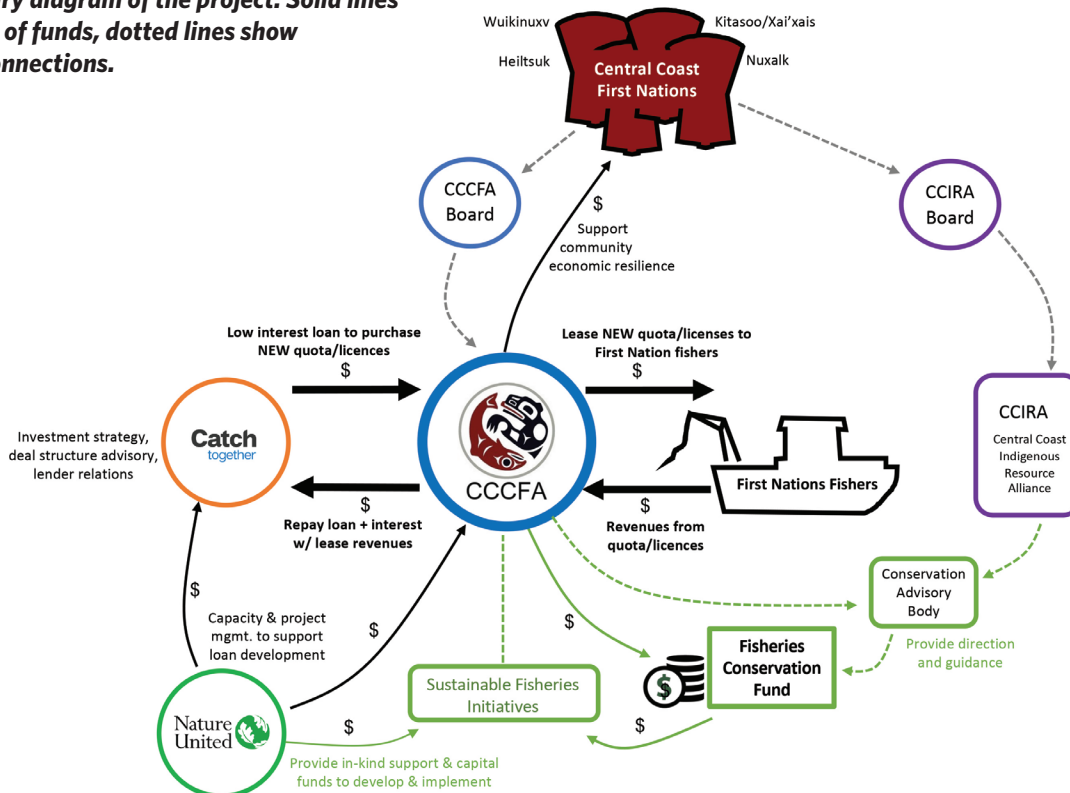
Over the next five years, CCCFA and Nature United worked together, bringing in Catch Together, a fisheries-focused impact investing platform, to design and structure a debt-financed deal. While debt financing would have been very difficult for the CCCFA to secure working with conventional lenders, Catch Together was able to bring \$1.8 million USD (~\$2.3 million CAD) to the table by attracting values-driven investors and using a creative debt security model that also recognized cash flow from a larger portfolio of quota and licenses owned and

leased by CCCFA First Nations. The goal of the deal was to help CCCFA finance the purchase of approximately 835,000 pounds of mixed quota and licenses (valued at \$3.3 million CAD) targeting halibut, sablefish, dogfish and prawn to be leased to Central Coast First Nation fishers.

Final deal terms were signed in the summer of 2022, and since that time, the CCCFA has been working to acquire new quota and licenses and draw down the loan.

Integrated with the deal terms is an innovative new conservation financing mechanism. A new Fisheries Conservation Fund will be set up and will be funded by fishing revenues tied to new debt-financed assets. The fund will focus on initiatives to advance sustainable fisheries and will be directed by a Conservation Advisory Body with members from the CCCFA and the Central Coast Indigenous Resource Alliance (CCIRA). This fund was an innovation that evolved as CCCFA worked with Nature United and Catch Together to design triple bottom line outcomes into the deal. Creating the fund made sense to the CCCFA, who have a commitment to managing all their fisheries assets in alignment with the stewardship principles and directions outlined in the Marine Use Plans generated by the Central Coast Nations.

**Figure 1. Summary diagram of the project. Solid lines show movement of funds, dotted lines show non-monitory connections.**



## PROJECT PARTNERS

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CCCFA initiated this project with the goal of increasing their commercial fisheries asset holdings. They sought out a values-aligned partner in Nature United and, later, Catch Together, to support and accelerate their ability to acquire new quota and licenses. As the initiator and primary beneficiary of the project, CCCFA played a critical role in defining the project vision, driving the project forward, conducting required due diligence and risk assessment, and managing required decision-making, legal and administrative components. They brought important local market and community knowledge to inform and shape the project scale, asset acquisition strategy and Conservation Fund. CCCFA is the borrower and asset purchaser.

Core team leads at CCCFA: Don Allan, Rich Chapple. Project support included Jane Posner, the CCCFA board members, and Kevin Simmonet (Simmonet Law).

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Nature United was a committed partner in this project from the beginning, acting as a collaborator, convenor, connector and advocate to advance it. Nature United also played an important role in project management and coordination, providing in-kind technical, fundraising, investment and conservation capacity and expertise, and funding for Ecotrust Canada and Catch Together to advise CCCFA on asset mix, acquisition and finance.

Core team members at Nature United: ?ikaatius (Tyson Atleo) and Jenn Burt.

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Catch Together is a US non-profit program established in 2017 with the goal of building a network of community permit banks. They develop resources, provide strategic support to communities, and help bring capital to finance quota and license purchases. Catch Together helped CCCFA develop an investment and asset acquisition strategy, develop the deal structure, and bring in an impact lender.

Core team members at Catch Together: Paul Parker and Erica Boyce. Project support included Kelly Wachowicz, Luke Sawitsky, BC lawyer Chuck Blanaru (Heath Law LLP).

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## PROJECT RESULTS

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Once the loan is fully drawn down and new assets are purchased and leased, the CCCFA will have further diversified and capitalized their fisheries portfolio, increased commercial fishing revenues, increased community participation in fisheries, provided training opportunities for community members, connected livelihoods and community well-being to sustainable fisheries, and invested in initiatives to strengthen fisheries management and decision-making. Financed assets from this deal are projected to support up to 75 new fishing and on shore jobs and 40 more indirect and induced jobs along the value chain. A portion of debt-servicing payments over the loan term will be directed to the Fisheries Conservation Fund for priority sustainable fisheries initiatives.

Until more time passes, we can't know what this deal will deliver in terms of lasting community or conservation benefits or if it can be scaled into something even more transformative for CCCFA or other fishing communities in British Columbia and Canada. However, we have at minimum achieved 'proof of concept' for how debt-based financing can support triple-bottom line commercial fisheries outcomes in B.C.. We have also generated a strong foundation for collaborative partnerships and learning.



## PROJECT INSIGHTS

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This project provided many opportunities for learning and will continue to do so as assets are acquired, operationalized, and further leveraged. Key insights gained to date and summarized below will help to inform other investment initiatives in this space.

- Community leadership is critical. CCCFA's vision, commitment, experience and capacity kept the partners at the table even when significant challenges and unforeseen delays presented themselves and ensured the final deal was structured to meet their needs.
- Sustained partner commitment and dedicated capacity is essential. Developing, structuring, and financing impact deals can take significant time and effort and puts real demands on project partners. Partners must be prepared to dedicate the time, people and resources needed to work effectively together and sustain momentum and maintain scheduling.
- Attracting and securing investor interest requires project readiness. This includes a detailed investment strategy, supporting commercial documentation, and strong decision-making processes. Catch Together was able to maintain investor interest through project delays, however improved readiness would have made this smoother.
- Financing can feel like a heavy lift the first time an organization does it. Future deals can be made easier with the benefit of experience, clarified decision-making processes, templated resources and other needed documentation on file to work from.
- It is advisable to consider how debt finance offers meaningful additive or complementary value to other existing programs or initiatives (e.g. Reconciliation Agreements, PICFI, grants). Although the Central Coast First Nations are signatories to the Fisheries Resources Reconciliation Agreement (FRRA), this deal was seen as an complementary opportunity.
- It is advisable to seek approaches to better secure fisheries asset purchases prior to finance deal close to facilitate efficient draw down of committed capital. Due to changing market conditions, the CCCFA struggled to find assets to purchase once the deal closed. Overall, having discussions about purchasing strategies and capital draw down is advisable, as it may be necessary to be flexible in situations where licenses/quota markets are constantly fluctuating. Timing to "buy-in" to the market is very important in order to optimize price (value) and species-specific fishing opportunities.
- The regulatory environment in Canada has made First Nations and community ownership and transfer of fishing licenses extremely complicated. There is a real need for policy and regulatory change to better support community-led fisheries and community held quota/licenses.
- This deal successfully provided a proof-of-concept example of debt as a viable impact investment tool. It demonstrates that community fishing enterprises can include debt finance as a viable strategy to grow and diversify assets, rebuild participation in local fisheries, and diversify funding for fisheries conservation initiatives.
- This deal provided a proof-of-concept example of how community fishing enterprises can deliver new funding for conservation outcomes, knowledge, and capacity. There is a need to further explore the scale of finance at which a Conservation Fund can be practically implemented to have measurable conservation impact.



Nature United is the Canadian affiliate of The Nature Conservancy, the world's largest conservation organization, which is working to make a lasting difference around the world in more than 70 countries.