



# 2021 ANNUAL IMPACT REPORT

January – December 2021



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# WELCOME

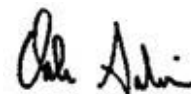
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The Meloy Fund was created to demonstrate a new paradigm for impact investing in a previously neglected sector – the near-shore parts of the oceans that houses the majority of marine biodiversity and supports millions of jobs for coastal communities. We invest in enterprises to achieve triple-bottom-line results, that is, financial, social, and environmental gains derived by adopting ESG-forward, responsible business practices. This report provides an update on the Fund’s 2021 impact results, and contains detailed examples of how we work hand-in-hand with our investees – and other community, NGO, and government partners – to realize this vision.

Coastal fisheries, and the supply chains linked to them, are often disaggregated, inefficient, and sub-optimally managed. The Meloy Fund, in combination with our Technical Assistance Facility, sets out to address these deficiencies by connecting disparate dots and reforming supply chains, creating value that can be shared among fishers, businesses, and investors.

We’re proud to present this most recent Annual Impact Report, to explain our evolving approach and the progress our investment portfolio has made in adopting responsible practices, and moving the needle towards sustainability for coastal fisheries and aquaculture.

While there is much work to do, we are pleased to see meaningful results both in the water and on the balance sheets of our portfolio companies. We appreciate your interest and support, and will provide further updates as we work together to improve coastal ecosystems on behalf of people and nature.



**Dale Galvin**  
**Fund Manager**  
**CEO, Deliberate Capital**



# ABOUT THE MELOY FUND

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Coastal fisheries are in crisis. Thirty-four percent of coastal fish stocks are considered overfished or in collapse. The situation is particularly dire in the developing tropics where near-shore ecosystems provide 50% of the fish caught and over 90% of total fishing sector employment, providing food security and sustaining livelihoods for climate-vulnerable coastal communities.

The Meloy Fund for sustainable community fisheries is the first impact fund focused solely on supporting enterprises that participate in the coastal economies of the developing tropics.



Sponsored by Rare and managed by Deliberate Capital, the Fund was established to direct private capital to fishing and seafood-related small and medium-sized enterprises (SMEs) in coastal communities to support their growth and incentivize the adoption of sustainable practices and operations. The Fund invests to help these SMEs become responsible businesses that comply with environmental, social, and governance (ESG) practices, generate triple-bottom-line results, and serve as catalysts for increasing sustainable fisheries management.

The Fund estimates that in its target geographies of Indonesia and the Philippines alone, **managing coastal fisheries sustainably can create upwards of \$4 billion of value, benefitting over four million fishers and improving over 20 million hectares of coastal habitat.**



**4.3 million**  
small scale fishermen



**2.7 million**  
tons of fish



**21 million**  
hectares of critical  
marine habitat



**\$4 billion**  
latent value in small  
scale fisheries

# THE MELOY FUND'S PRIMARY OBJECTIVES ARE TO:

**Transform businesses:** Support SMEs that impact coastal ecosystems, including those involved in wild-caught seafood, mariculture, and aquaculture supply chains, in an effort to modernize their operations, improve their ESG characteristics, help them expand into new markets, and implement value-added processes that reduce costs and/or improve revenues for local fishers.



**Transform supply chains:** Ensure that supply chains support a pathway to coastal natural resource sustainability, including enabling technologies (fintech, agtech, traceability, etc.), cold chain infrastructure, green (ocean-friendly) materials and waste management, and more sustainable inputs (e.g., feed and gear).



**Transform sectors:** Pursue sector-building investments such as market platforms, creative financing to reduce indebtedness and increase equity for fishers, certification and labeling schemes, climate-smart adaptations, and more.





# The Fund achieves its objectives by investing in three sub-sectors impacting coastal ecosystems:

**1 Wild caught species** that are most valuable for coastal communities;



**2 Mariculture** that can serve as a complementary or substitute income for fishers;

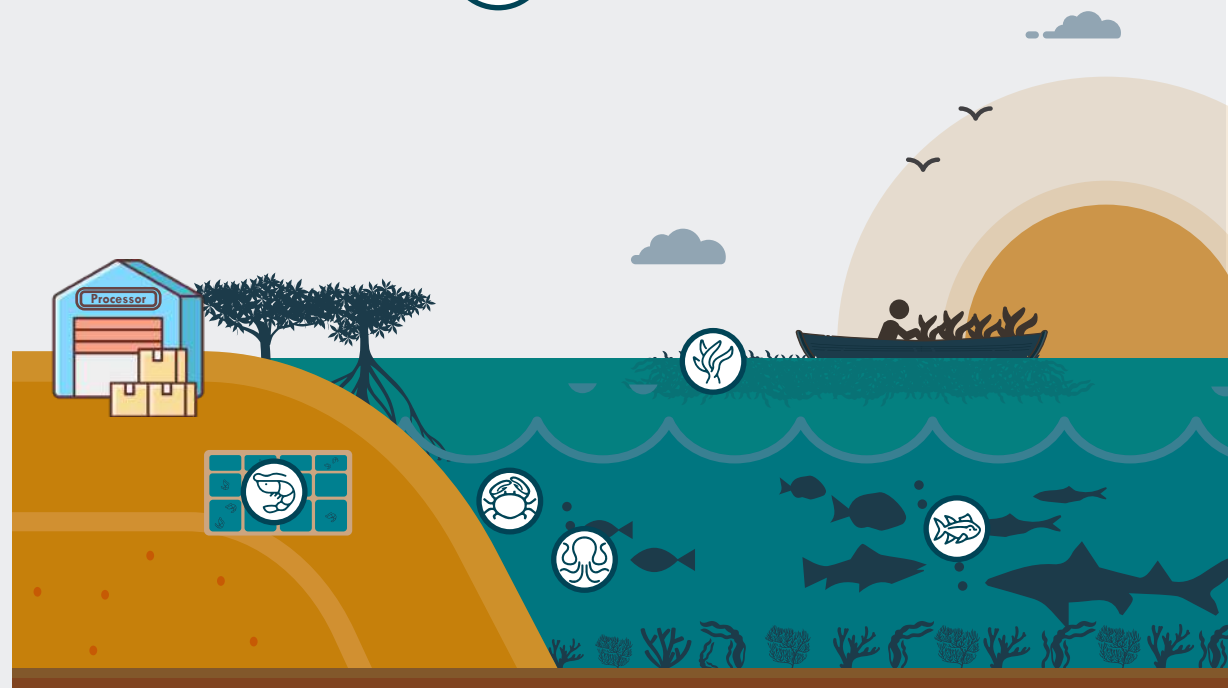


**3 Aquaculture** that can be improved to reduce environmental degradation and protect threatened mangroves.



The Meloy Fund pursues investments in businesses willing to engage responsibly in relevant supply chains or otherwise support a transition to sustainability. Portfolio companies range from seafood processors to aquaculture farms, and include those providing enabling technologies. Investments have the potential to:

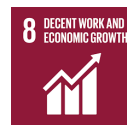
- Improve supply chain economics such that coastal communities may benefit, including increasing household income;
- Provide incentives to reduce fishing pressure or otherwise hasten the transition to sustainable ecosystem or fishery management.



The Meloy Fund primary impact metrics:



Number of household members positively impacted.  
Aggregate annual purchases from fishers/farmers.



Jobs created or supported (permanent and temporary).



Hectares of seascape are under improved management.

# IMPACT IN NUMBERS

## Portfolio Companies



## Impacts Achieved To Date



**853** jobs  
(permanent and temporary).



**USD 17.2 M**  
aggregate annual purchases  
from fishers/farmers.

**61,153**  
household members  
positively impacted.



**732,244** hectares  
of seascape are under  
improved management.



# IMPACT APPROACH

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## From Minimizing Risks...

The Meloy Fund applies the IFC's Performance Standards to categorize and identify ESG risks in the due diligence process, as well as the areas that need improvement in order to achieve the Fund's key impact goals. This process results in a Corrective Action Plan for each investee.



### Performance Standards



## ...to Maximizing Positive Impact

Based on each Corrective Action Plan, the Fund co-develops Technical Assistance (TA) projects with its investees. As part of that process, which includes collaboration with other key stakeholders, the Fund better understands the challenges its investees face.

Technical assistance projects are funded through the Fund's Technical Assistance Facility, which provides grants and in-kind support additional to any equity or debt investment. The Technical Assistance Facility focuses on adding value in two major categories:



Photo Credit: Tom Epperson

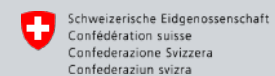
### Business Improvement Services:

Focused on improving investees' financial management, operational efficiencies, corporate governance, and strategic planning, including meeting international food quality standards.

### Fisheries Technical Assistance:

Focused on improving fishers' livelihoods, leading to sustainable fisheries management. Includes fisher engagement and loyalty programs, supporting existing or development of new Fishery Improvement Projects (FIP) where none exists, health and safety training, quality improvement initiatives, and more.

The Fund's TA Facility is supported by:







# OUR COVID-19 RESPONSE

**Government restrictions and localized lockdowns due to the COVID-19 pandemic had a significant impact on operations for the Fund's investees, and initial shutdowns caused global demand for seafood to plummet. A steep decline in orders led seafood processors and exporters to reduce the amount of seafood they purchased from small-scale fishers. The pandemic complicated logistics and increased costs, and facilities strained to operate safely. Many small-scale fishers lost their main source of income.**

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**The Meloy Fund adopted a comprehensive response to the pandemic to support the Fund's portfolio and the coastal communities engaged in our investees' supply chains. Initiatives focused on:**

### **#1: Ensuring companies' on-going financial viability**

Providing continued liquidity to our portfolio companies and other small businesses in need has contributed both impact and financial returns to the Fund. For our portfolio, the Fund offered forbearance on loan payments as needed, and extended loan tenors to reduce cash flow pressures. Through our purpose-built Rapid Response Loan Program, we provided supply chain financing to ensure that purchasing of raw materials from local fishers and farmers could resume, even as trade terms from multinational corporations worsened.

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### **#2: Encouraging companies to provide ongoing employment and support to employees**

We initiated Health & Safety trainings to support strict COVID-19 outbreak mitigation efforts, helping our investees operate safely.

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### **#3: Assisting small-scale fishers that supply our companies**

Via our Technical Assistance Facility, approximately 1,000 fishers engaged with our portfolio companies received a fisher aid relief kit of food and health and safety gear (see next page), benefitting more than 5,000 community members and enabling some level of fishing to resume safely.



**Through our efforts, the following relief supplies were provided to fishers and their communities:**



49,110 Packets of noodles  
52,500 Kg of rice  
900 Kg of sugar  
1,500 Liters of oil  
2,760 Cans of corned beef  
19,320 Cans of sardine  
13,800 Sachets of coffee

6,440 Pieces of face masks  
3,000 Bars of antibacterial soaps  
300 Buckets for handwashing  
3 Sprayers  
632 Liters of disinfectant





# IMPACT IN ACTION

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This section provides insights into the Fund's transformative investments, and how effective deployment of the Technical Assistance Facility is creating change at the local level.







**WILD CAUGHT**



## About the company

**Meliomar Inc.** is a sustainable seafood processing company in the Philippines that sources yellowfin tuna caught by artisanal small-scale fishers using handlines, and processes the catch in Manila.

## Why The Meloy Fund invested

Meliomar sources its tuna from artisanal tuna single-hook handline fisheries. These fisheries comprise of 6,000 – 8,000 vessels that support 50,000 – 80,000 households.

Meliomar's primary product is marketed through its Artesmar brand, which recognizes two distinctive aspects of many artisanal small-scale fisheries: its high catch selectivity and reliance on low impact capture gear.

Through Artesmar, Meliomar provides a way for small-scale fishers to receive market recognition and incentives through a Fishery Improvement Project (FIP) initiated by Meliomar's parent company, as a pathway towards potential Marine Stewardship Council certification.

## Goal of the investment

The Fund financed a loan for Meliomar to build an IT-based traceability system, upgrade its processing facility and logistics, and increase its working capital to ensure cash on delivery for local fishers. The investment helps to fulfill Artesmar's brand promise to professionally manage seafood supply chains based on traceability, consistent quality, food safety and transparency.

## Technical Assistance Facility highlights

While the Fund's loan helped Meliomar to improve traceability and cashflow, challenges remained that were addressed through funding from the TA Facility.

### The Challenge

Meliomar uses a selective purchasing model, buying only high-grade tuna at a higher-than-average price to encourage fishers to increase the percentage of high-quality tuna in their catch. However, fishers are accustomed to selling most or all of their tuna at a common price to a single supplier, and catching high-quality tuna requires a higher investment per trip, which many vessel owners or buyers are not willing, or cannot afford, to finance.

### The Solution

- The Fund's TA facility supported Meliomar in training 600 fishers to improve post-harvest practices leading to a higher quality catch;
- Meliomar then pre-financed fishing trips for seven vessels, covering food, fuel, ice, and allowances for the fishers. This allowed Meliomar to buy the entire catch while still providing quality-based incentive pricing.

Providing pre-financing reduced interest costs and fisher indebtedness. When combined with Meliomar's incentive pricing, the project:



**Increased revenues for fishers by 12% to 130% per vessel;**



**Improved the percentage of high-grade tuna caught from 18% to 46%, thereby reducing waste and over-fishing.**

This model gave Meliomar better access to a traceable, sustainably sourced, higher-quality supply at a lower price than they would typically pay (even with its incentive model).

At the same time, this TA project also supports the implementation of the FIP by enabling a first-time observer program on small vessels to gather data on primary, secondary, endangered, threatened, or protected (ETP) species and bycatch at sea.



# IMPACT

Meliomar sources from:

**2,526 fishers, benefitting  
12,630 household members**

In all sites from which tuna sourced, Meliomar:

- Conduct safety-at-sea workshops and provide safety-at-sea gear to the most cooperative fishers;
- Conduct workshops on tuna quality improvement protocols;
- Ensure that tuna grading is clear for both fishers and traders to prevent traders from exploiting fishers.

**111,000 hectares of seascape are  
under improved management**

Meliomar's Fishery Improvement Project (FIP) focuses on:

- Educating fishers and traders on their role in eliminating illegal, unreported, and unregulated (IUU) fishing to ensure sustainable resources for all;
- Registering and licensing vessels;
- Implementing a catch documentation scheme;
- Establishing consistent data gathering to develop resource access rights and support informed fishery management decisions.

# FROM OUR PARTNERS



**Oscar Almaden,**  
Chief Procurement Officer

“The objective of this TA project is to change the mindset of fishers and traders from ‘**Quantity is Money**’ to ‘**Quality is Money**’.

Although the pandemic made it difficult for us to optimize our pricing incentives, I am still very proud to say that after one year, this project greatly improved the way fish catch is handled, not only by the captains and fishers of the participating fishing vessels but by all fishers that we have conducted meaningful workshops with.”



**Ricky Ramintas,**  
Captain of Fishing Vessel

“My fellow captains, fishers and I are happy with the tuna quality improvement project as it gives us a big advantage compared to other captains - from the allowance, ice, high price and incentive. As a result, the grade of the fish is good.”



## WILD CAUGHT



### About the company

PT Agrita Best Seafood, an octopus processing company based in Indonesia, was founded in 2010 by a husband-and-wife team, Anita Njoo and Nikos Vlachos.

### Why The Meloy Fund invested

As one of the few processing companies that specializes in octopus, Agrita is well known for its quality. From the beginning, Agrita has known that having a close relationship with its fishers was critical to its success. It offers pricing differentiated by size (including not accepting octopus below a minimum size) and quality to properly incentivize fishers.

### Goal of the investment

Prior to the Meloy Fund’s investment in 2018, Agrita sourced octopus from approximately 1,000 small-scale fishers and processed the catch in a rented facility.

The Fund financed a loan for Agrita to build a new, professionally-managed, processing facility and increase working capital, allowing the company to source from more smallholder fishers. With its own processing facility, Agrita can comply with international standards, meet buyers’ requirements, and diversify its market.



*“The potential for octopus fisheries is very large in the ENT province. The octopus commodity turned out to be superior but received less attention. For this reason, it is important now to pay attention to responsible management”*

-  
Head of Capture Fisheries,  
Marine and Fisheries Department, ENT Province

### Technical Assistance Facility highlights

Alongside the Fund’s loan, the TA Facility supported Agrita’s sustainability journey in many ways:

- **2019**
  - Achieved HACCP certification
- **2020**
  - Distributed relief kits comprising of food staples to 300 fishers when the company could not source from those fishers.
  - With HACCP certification, Agrita was able to obtain U.S. FDA approval to export to the U.S. The Meloy Fund introduced Agrita to a U.S.-based seafood importer and the company has been exporting octopus to the U.S. regularly.
- **2021**
  - The U.S. importer requested sustainably sourced octopus and the TA Facility is supporting Agrita to initiate a FIP with key local stakeholders in East Nusa Tenggara (ENT) province, Agrita’s primary sourcing location. The FIP aims to address the most pressing management needs for this regional octopus fishery, which currently lacks data, is unregulated and does not provide regular reporting.
  - In November 2021, the first multi-stakeholder gathering was held in ENT with Agrita, the provincial and district local government, local NGOs, academia, fishers, and buyers to discuss the vision, workplan, and joint activities for the FIP.







# IMPACT

Agrita sources from:

**1,500 fishers, benefiting 6,000 household members**

Agrita offers a comprehensive fisher engagement program including:

- Incentive pricing based on quality and size, which goes into a savings fund for fishers;
- Training fishers on how best to pack and handle octopus;
- Supporting fishers with vessel licensing and applications for subsidized diesel;
- A lower price for ice.

**252,000 hectares of seascape are now under improved management**

The octopus FIP in ENT will focus on:

- Collecting data to inform the impact of the catch on primary, secondary and ETP species, as well as on the habitat, to support regional octopus fisheries management;
- Helping fishers to adopt best practices to increase octopus quality and fishers' income;
- Collaborating with other NGOs active in Indonesian octopus fisheries to move towards a national FIP, where data collected can contribute to a national assessment to inform harvest strategy and control rules.

# FROM OUR PARTNERS



**Anita Njoo,**  
CEO of Agrita Best Seafood

"The Meloy Fund's investment helped us realize our dream of having our own processing facility.

During COVID-19, with the Fund's support, we were able to provide food supplies to our fishers, and the fishers are starting to feel it - we're the only company that did not abandon them during the pandemic. Now that the market is reopening, many traders are coming to Flores. Even though others may pay more, the fishers still come to Agrita because, as they say, 'I remember eating the rice that you gave me.'

We also reinforce the message that sustainability is very important. The bigger the octopus, the more money we can all get."



**Wandu,**  
Fish buyer

"What I think about when selling octopus is not just the price. The times when it's difficult and when it's easy - that's what I think about.

Last night, someone offered to buy my octopus. It's simple for me. I just asked him, "When I was having trouble yesterday and in previous years, where were you?" He couldn't answer.

So that's what I think about. Price is a secondary issue. We need to remember who was there for us. That's why I only sell to Agrita. I've never sold to other places."



## Why The Meloy Fund invested

Koltiva recognizes that there is no sustainability for smallholder farmers without product traceability to the field. Koltiva's competitive advantage is a combination of proprietary technologies (Software as a Service, fintech) and "boots on the ground" services where Koltiva's field agents provide supplier training and farmer coaching, digital advisory services, and knowledge sharing. Koltiva uniquely services both farmers and multinationals to create more sustainable and transparent supply chains to address the triple challenge of increasing smallholder farmers' income, enhancing environmental protections, and improving trade transparency.

While Koltiva initially focused on the agriculture sector, it recently completed trials in the seaweed market for both Cargill and Mars and is keen to expand into the aquaculture sector. The Fund views this as a unique opportunity to use proven technologies for land-based commodities to improve coastal communities' livelihoods and promote environmental sustainability in Indonesia and the Philippines.

## Goal of the investment

The Meloy Fund's investment will allow Koltiva to:

- Grow its seaweed product lines and expand into other coastal aquaculture segments to improve farmers' livelihoods;
- Increase the company's ability to expand its solutions to include digital finance features that help farmers and fishers access capital through eLoans, eMoney, and ePayment, greatly improving their liquidity.

## Technical Assistance Facility highlights

Koltiva's marine-based product SeaweedTrace is relatively new, and the TA Facility has significant opportunities to support the company in strengthening the environmental and social impacts of using SeaweedTrace. From Koltiva's experience, traceability alone may not offer enough incentive for ongoing use by seaweed traders, processors and their suppliers unless buyers require sustainability and traceability data.

The proposed TA project focuses on providing additional benefits to various players along the supply chain when they continue to use Koltiva's SeaweedTrace's End-to-End Platform. This project will target 880 seaweed farmers in Indonesia and the Philippines with the following objectives:

- a) Increase farmer's income by at least 10%, verified through traceable sales volumes, farm gate prices, and downstream profit analyses;
- b) Promote environmental sustainability by training farmers on improved siting of seaweed farms and reduced plastic pollution. Another goal is to show that seaweed farming can be a viable alternative livelihood for fishers by increasing income and reducing risks associated with seaweed farming. This will reduce fishing pressure if managed within a Marine Protected Area.

These efforts are closely tied to the quality requirements of seaweed traders and processors and are designed to create ongoing relationships and provide reciprocal benefits across different parts of the supply chain from the adoption of sustainable seaweed farming practices.

## MARICULTURE



## About the company

**PT Koltiva** is an integrated agriculture/aquaculture technology company that uses proprietary technologies and services to enhance global supply chain traceability, inclusiveness, and sustainability.

Established in 2013, Koltiva's solutions are now used by multinational companies and suppliers, including 330,000 farmers in 26 countries, for agriculture commodities such as cocoa, coffee, rubber, palm, etc.





# IMPACT

**5,810 seaweed farmers are using Koltiva's solutions, benefiting 23,240 household members**

FarmCloud, Koltiva's mobile application, provides farmers with access to farm inputs and connects them with traders and collectors in real-time to access price and quality information or arrange pick-ups of products. Koltiva is releasing new features that will further help farmers to:

- Better plan their seaweed production and improve agriculture practices;
- Receive and make cashless payments, including payments for key inputs like seedlings.

**16,139 hectares of seascape are under improved management**

The process of cultivating seaweed does not require freshwater or arable land, and generally does not use chemicals. Furthermore, seaweed aquaculture has the potential to remove excessive nutrient inputs in coastal waters and harbors more fish and invertebrates.

# FROM OUR PARTNERS



**Manfred Borer,**  
CEO of Koltiva

“The Meloy Fund shares our vision of making supply chains more inclusive, to go beyond traceability and certification and ultimately to improve fisher and farmers’ livelihoods and provide customers with enhanced transparency on the sustainability of the products they purchase.”



## Why The Meloy Fund invested

Agromar sources high-quality seaweed from over 1,200 small-scale farmers, and has been working with most of them for more than seven years. Agromar has strong relationship with its suppliers and has helped to establish several cooperatives that provide technical and financial assistance to seaweed farmers.

## Goal of the investment

Agromar received financing from the Meloy Fund through RRLP, the Fund's direct response to the pandemic that provided short-term loans to SMEs so that they could resume business operations, continue to employ their staff, and make key purchases from local fishers and aquaculture farmers.

To serve its existing purchase orders and increase its output, Agromar needed working capital to fund the gap between the time seaweed was purchased from farmers to the time it collected from its customers. The RRLP allowed Agromar to continuously source raw materials and provide income to seaweed farmers during the pandemic.

## Technical Assistance Facility highlights

The pandemic affected seaweed farmers in several ways. Enforcement of community quarantines posed challenges for logistics, public transport, and production, among others. However, farmers continue to grow seaweed, as it is their main source of earning a living.

To improve the resilience of the seaweed farmers and support business continuity for Agromar, the Fund, in partnership with the University of Philippines Los Banos (UPLB), provided TA support to Kasayangan Nursery Seaweed Enterprise (KNSE), the farmer association that supplies Agromar, in the form of a solar-powered seaweed dryer that ensures better quality and thus higher prices for seaweed farmers. KNSE provided the labor to construct the dryer based on a design by UPLB. This was followed by training by UPLB on how to operate the dryer, maintenance tips and safety measures.

The Philippines' Department of Science and Technology analyzed data from initial tests of the dryer, showing positive results in terms of yield and decreased drying time. The dryer's benefits are expected to increase further during the rainy season when proper drying of seaweed is more difficult.



## MARICULTURE



## About the company

**Agromar Enterprises** is a seaweed trading company based in Zamboanga, Philippines. Since the 1980s, Agromar has worked with seaweed farmers to cultivate high-quality seaweed that meets international standards.







# IMPACT

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**Agromar sources from 1,455 fishers, benefitting 7,275 household members.**

**6,693 hectares of seascape are under improved management.**

# FROM OUR PARTNERS

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**Soraida Omar,**  
CEO of Agromar Enterprise

“During the COVID-19 pandemic, the Meloy Fund helped us to bridge our receivables gap, so our network of suppliers is growing. The Fund also provided us with training to enhance safety protocols in our work area. Our supplier benefited from a seaweed solar drying facility financed by the Meloy Fund to reduce drying time and improve quality and price for farmers. Despite the pandemic, Meloy Fund allowed us to grow and employ more fisherfolks in our community.”



## AQUACULTURE



## About the company

**Jalatech Pte. Ltd.** (Jala) is a shrimp farming and trading technology company that provides data-driven management solutions to help transform the shrimp aquaculture business in Indonesia into a more sustainable industry.

## Why The Meloy Fund invested

While Indonesia's government aims to increase the value of its shrimp exports by 250% by 2024, 800,000 hectares of mangroves in Indonesia have already been lost to shrimp aquaculture over the last 30 years.

To reach the government's 2024 target without increasing the land burden requires a sustainable intensification of shrimp farming. That means (a) increasing productivity per hectare of existing shrimp ponds, (b) minimizing the percentage of feed comprised of wild-caught fish, (c) ensuring zero deforestation of mangrove ecosystems, and (d) properly treating effluent to reduce ocean pollution.

The Fund sees Jala as key to achieving these goals by helping aquaculture producers to monitor pond conditions and make optimal farm management decisions using Jala's hardware and software that offer:

- Accurately measured water quality for shrimp ponds;
- A platform with up-to-date shrimp growth information, harvest predictions, financial management and disease alerts;
- A marketplace that directly connects shrimp farmers with processing companies, allowing the farmers to become more competitive in the supply chain.

## Goal of the investment

The Meloy Fund's investment, along with other investors such as Mirova and Real Tech Fund, will bolster Jala's trading business by allowing the development of a separate marketplace platform and traceability technologies which will facilitate entry into the premium shrimp market segment. The additional capital will also allow Jala to enhance its farm management technology by integrating other hardware devices into its farm management platform and to develop automated predictive analytics and insights.

## Potential Technical Assistance projects

The Fund is in early discussions to provide TA support to Jala in the following areas:

- Supporting farms co-managed by Jala to obtain Aquaculture Stewardship Council (ASC) certification;
- Improving effluent management, from site selection based on existing effluent management infrastructure and environmental carrying capacity assessments, to regular monitoring through Jala's Shrimp Lab;
- Minimizing any potential impact on existing mangrove ecosystems and/or maximize any potential for restoration of those ecosystems.





# IMPACT

**306 shrimp farmers actively use Jala's solutions, benefitting 1,224 household members.**

A survey of users and non-users of Jala showed 27% higher productivity by Jala's users.

**70 hectares of shrimp pond are under improved management.**

A survey of Jala users versus non-users showed a 5% higher survival rate for shrimp and 7% lower feed conversion ratio for Jala users.

# FROM OUR PARTNERS



**Liris Maduningtyas,**  
Co-founder and CEO Jala

“We are delighted to receive this new funding, which will be instrumental in helping us achieve our goals of developing new ways to improve the industry and its impact on our society.”



# KEY LEARNINGS & TAKEAWAYS



The combination of growing demand for seafood, harmful fishing practices, and a lack of management has led to a crisis for coastal ecosystems and communities, threatening food security, local livelihoods, and coral reef health.



Seafood supply chains are long and complex; many businesses within them are unaware of their role in ensuring sustainable ecosystems, upon which the long-term success of their enterprise depends.



The good news is that behaving responsibly is not just the right thing to do – it's a business imperative for those involved in the wild-caught seafood or aquaculture sectors. More and more, governments, multi-national corporations, and consumers are demanding sustainable seafood.



For those willing to make the transition, the Meloy Fund is there. We identify the right businesses in which to invest along the supply chain, include sustainability criteria as an integral part of the investment terms, and bring relevant technical assistance and partners to ensure that change in the oceans happens where it matters most -- in coastal communities and ecosystems.



In just a few years, the Meloy Fund is leading the way in demonstrating how investment funding and technical assistance can be creatively and catalytically deployed to generate a unique combination of financial benefits and social and environmental impact. Key features of our interventions include:

- Structuring investment capital to encourage companies to grow responsibly;
- Supporting investees to build strong environmental and social management and monitoring systems;
- Connecting companies with buyers that can support long-term sustainability and as a result are willing to engage in a long-term relationship;
- Collecting fishery data that can inform and promote sustainable harvest and co-management strategies in conjunction with governments and local NGOs;
- Establishing clear guidelines and incentives that extend to the first mile fishers, specifying catch regulations, demonstrating benefits, and reducing or eliminating predatory lending between traders and fishers.

Results of the above provide the enabling conditions that best support our portfolio companies, as well as the fishers and farmers from which they source materials, to generate a competitive financial return while accelerating the transition towards sustainability on behalf of coastal communities and ecosystems.