

SUMMIT REPORT: PART ONE

EVENT HIGHLIGHTS

Coral Triangle Initiative Business Summit
Shangri-La Makati, Philippines
January 19-20, 2010

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Summit Background

Called the “Nursery of the Seas”, the Coral Triangle is the most important and diverse marine region in the world, with more species living in this area than anywhere else on earth. It covers all or part of the seas of six countries namely Indonesia, Malaysia, Papua New Guinea, Philippines, Solomon Islands, and Timor-Leste.

The region however is faced with various threats from over-exploitation, environmental degradation, poverty, and global economic recession – all compounded by severe climate change. Thus, the **Coral Triangle Initiative on Coral Reefs, Fisheries, and Food Security (CTI-CFF)** was created, a multilateral partnership program that aims to secure the health of the Coral Triangle Region's natural resources and the millions of livelihoods that depend on it.

In May 2009, the Coral Triangle Initiative on Coral Reefs, Fisheries, and Food Security (CTI-CFF) Summit in Manado, Indonesia resulted to the six heads of state of the Coral Triangle countries – Indonesia, Malaysia, Papua New Guinea, Philippines, Solomon Islands, and Timor-Leste, committing to a set of conservation and development targets across the region through a regional Plan of Action. Delivering on this plan requires, in large part, meaningful engagement from the private sector, whose role in overcoming the threats surrounding the Coral Triangle cannot be overemphasized.

Putting new economic growth on a sustainable path requires courage, innovation, partnerships and, not the least, access to credit, finance and investment. As a way forward to meet this goal, a business summit was conceived to harness green investments in public-private partnerships. The summit was intended to outline business opportunities for sectors that rely on marine resources, provide a platform for financial support for businesses willing to commit to sustainability and green growth, and forge partnerships between stakeholders in the Coral Triangle region.

The World Wide Fund for Nature (WWF) Coral Triangle Initiative Program together with the Republic of the Philippines Department of Agriculture (DA) and Department of Environment and Natural Resources (DENR) hosted the Coral Triangle Initiative Business Summit on 19-20 January 2010 at the Makati Shangrila Hotel in Makati City, Philippines. The summit was called to provide opportunities for financial institutions and investors to explore emerging investment opportunities, and to network and forge partnerships with companies that are dependent on the Coral Triangle's natural resources.

The 2-day Summit was attended by leaders from tuna and live reef fish businesses, airlines and resort owners, as well as government ministers and officials, and non-government organizations. The event resulted into agreements on how industries could contribute to the protection of the Coral Triangle and the 120 million livelihoods that depend on its marine resources.

Summit Outputs

At the end of the 2-day Summit, the hosts of the Summit were pleased to announce the finalization of four (4) public-private sector partnerships, namely:

1. Endorsement by the Philippines Department of Agriculture and PAMPANO

Agriculture Secretary Arthur C. Yap and Mr. Rogelio Amatorio, Jr., President of PAMPANO, a nationwide organization whose membership are composed mostly of marginal fisher folks and their families, signed the endorsement, which refers to the use of circle hooks technology to ensure reduction of by-catch in tuna fishing operations

2. Tripartite agreement among Wooriranch, PAMPANO, and the Philippine Agricultural Development and Commercial Corporation (PADCC).

The Parties agreed to collaborate closely in exchanging information and technology in the following areas to establish the project:

- Technical expertise in all aspects of the project to develop the tuna production and shipment;
- Encouraging interest among qualified private sector companies to participate in the implementation of the project and in producing its requirements; and
- Integration of use of circle hooks technology to comply with good fishing practices and responsible fishing methods.

3. Agreement between Wooriranch and Luen Thai Fishing Venture

The MOU represents the collaboration of both parties for the production of fishery products in the Republic of the Philippines, particularly tuna, for shipment and export to meet the demands of the Korean market.

Both parties agreed to closely exchange information and technology in tuna production and shipment, including the integration of use of circle hooks technology to comply with good fishing practices and responsible fishing methods.

4. Letter of Intent to join the WWF Seafood Savers Program

Three private organizations joined the WWF Seafood Savers, a group for public-private partnership initiated by WWF Indonesia for fish producers, retailers/ buyers and financiers with the objective of producing sustainable seafood products from Indonesia while promoting and implementing responsible fisheries practices. It also aims to help members achieve MSC/ ASC certification. The companies include:

- Bali Seafood International
- Sea Delights
- Pulau Mas

Summit Record Day 1

OPENING SESSION

Day 1 Summit Chair **Vince Perez**, former Energy Secretary and Chief Executive of renewable power producer Alternergy Partners, opened the Summit on 19 January 2010. In his opening remarks, Mr. Perez urged the participants to take action and emphasized the need for partnership with private sector for the sustainable management of resources in the Coral Triangle. He encouraged companies like resorts and hotels operating on the shores of the Coral Triangle to source power from renewable energy.

SESSION 1 – THE CORAL TRIANGLE, ISSUES, RISKS AND SOLUTIONS.

The welcome remarks was followed by the presentation of **Dr. Lida Pet Soede**, Head of WWF Coral Triangle Programme. Dr. Pet-Soede started her presentation with a video on the condition of the marine resources in the Coral Triangle region. The video showed that the ecosystem in the Coral Triangle -- and the fishing industry that depends on it is in danger of collapsing if governments, business firms and communities continue in a “business as usual” manner.

Dr. Pet-Soede emphasized the need for a more responsible way of doing business, especially in the face of the impacts of global warming and climate change. Her presentation underscored the call to protect the area by establishing new partnership between and among the private sector, policymakers, and communities in exploring sustainable business opportunities, particularly in fishing.

According to her, among the specific targets of the Summit is to bring together buyers and producers in the fisheries sectors and encourage them to provide incentives that will promote responsible fisheries, in partnership with coastal communities.

RIBBON CUTTING FOR THE PHOTO EXHIBIT

The first presentation was followed by the ribbon cutting by the **President of the Republic of the Philippines, H.E. Gloria Macapagal-Arroyo**, which marked the opening of the Summit Photo Exhibit set just before the plenary hall. The exhibit showcases the photographic kaleidoscope of internationally renowned wildlife photographers Jurgen Freund and Stella Freund. The exhibit depicted the Freund's expedition as they investigate the connectivity between the wildlife, people and the marine environment of the Coral Triangle.

KEYNOTE STATEMENT BY PRESIDENT GLORIA MACAPAGAL-ARROYO

After the ribbon cutting ceremony, President Arroyo delivered her keynote statement calling on business leaders and policy makers to make their commitment to protect the Coral Triangle and look for ways to support businesses and industries dependent on its abundant marine resources.

President Arroyo stated that business initiatives will further thrive with sound environmental practices and environmental protection coexisting with economic growth and poverty reduction.

The President spoke about on the government's resolve to help address issues that impact on the environment. She announced the Philippines support for the program to introduce the use of circle hooks in long-line fishing operations and train fishermen in sea turtle recovery methods to reduce sea turtles mortality by up to 80%.

In her closing words, President Arroyo said, "It is imperative that we work to protect this shared coastal resource."

SESSION 2 – THE POTENTIAL REWARDS OF GREEN INVESTMENT IN A CLIMATE OF ECONOMIC CHALLENGES AND RECOVERY

This session discussed the potential rewards of green investment and presented the reasons for investors to address business concerns including environment related pressures by going green.

Mr. Andrew Thomas, Managing Director of Ogilvy Public Relations Worldwide took on the topic concerning current business climate, market trends and emerging needs, interest and behavior of the consumers.

From the communications sector's point of view, Mr. Thomas expounded that in the midst of global recession, corporations are the dominant institutions that can facilitate change. He noted that companies that embrace change are well-positioned to reap the benefits for continued growth.

Sustainability for Ogilvy is not only about being green but also about rethinking social realities and finding smarter ways to do simple actions that are meaningful to the lives of the consumers. Mr. Thomas highlighted an international movement labeled Hopenhagen which seeks to drive actions against climate change. The movement's name is derived from the word Copenhagen, where the UN Climate Change conference was held.

On the topic of harnessing business for social and environmental impact, **Mr. Jaime 'Jim' Ayala**, Senior Managing Director of Ayala Corporation explicated the Ayala Corporation's commitment to sustainability which includes the following key components:

- Continuously reducing the environmental footprint/ impact of its operations;
- Innovation in its essential products and services to serve the disadvantaged in a socially and environmentally-friendly manner; and
- Addressing education, microenterprise, environmental and emergency issues through high-impact, self-funding CSR programs.

Mr. Ayala added that the Ayala group adopted a policy for sustainable business by reducing energy and waste footprint as well as by moving beyond compliance towards global standards on environmental and social responsibility.

Mr. Garry Kingshott, Chief Executive Adviser of Cebu Pacific Air shared his company's success story on environmental support and sustainable investment. He talked about the fuel reduction program of Cebu Pacific Air, which he said contributes to the company's more than 100 percent carbon emission reduction and substantially cuts fuel cost for the company.

There are many ways to achieve fuel efficiency, Kingshott said, but the major ones are characterized normally by slower flying speed, flying at higher altitude which reduces drag or resistance (to wind), and excellent maintenance which adjusts aerodynamics in the aircraft and enhances engine, and therefore fuel, efficiency.

Kingshott also explained that the airline business is actually not a carbon dioxide (CO₂) emission intensive sector. It only accounts for roughly two percent emission of all CO₂ emissions and only 12 percent of all CO₂ emission from all transport sources, according to the International Air Transport Association (IATA).

Mr. Kingshott also announced their program to help protect Apo Reef in the Philippines. Called “Bright Skies for Juan”, the initiative allows consumers to donate money with each flight to a WWF climate change adaptation program to protect the Philippines’ largest coral reef.

After the session, lunch was served where the government officials from the CTI member countries were acknowledged.

SESSION 3 - INCENTIVES FOR GREEN AND SUSTAINABLE INVESTMENT

In subsequent panel discussion, the speakers touched on the incentives and measures for green and sustainable investment.

Republic of the Philippines Department of Agriculture Secretary **Arthur C. Yap** presented various investment schemes created to encourage transformation and growth in support of the CTI Framework. He highlighted regionally agreed policies, national initiatives and specific projects which are in the pipeline and currently implemented by the government of the Philippines such as Ecosystem Approach to Management of Fisheries (EAFM), Climate Change adaptation measures, implementation of the Marine Protected Areas and protection of threatened species.

Sec. Yap challenged the CT6 governments to provide the enabling environment for favorable partnerships to prosper within the framework of sustainability. He likewise urged the rest of the participants to come up with a “working model” which businesses can apply to support government efforts to slow the degradation of the Coral Triangle.

On the same session, Principal Climate Change Specialist of the Asian Development Bank, **Mr. David McCauley** brought forward the financial grants and investment options on regional cooperation. He stressed current social, economic and environmental benefits that can be derived from investing in the Coral Triangle. Examples of ADB’s direct support to sustainable resources management were also presented by Mr. McCauley including the following:

- ADB/GEF program;
- Establishment and management of protected areas;
- “Ridge to reef” water resource management; and
- Other climate change related projects.

Similar to others speakers, Mr. Cauley underscored the high stakes for the participation of the private sector in sustainability efforts in the region. In order for ADB to respond to trade-related capacity building needs in the area of environmental management, ADB works towards improving market-based approach to the conservation of marine diversity through

Payment for Ecological Services or PES. Innovative financial instruments for conservation such as PES are increasingly used as tools to implement conservation policies.

President of International Seafood Sustainability Foundation, **Ms. Susan Jackson**, followed next. She shared a success story on how existing environmental support and sustainable investments can be replicated or scaled up.

Ms. Jackson started with her presentation on the abundance of marine resources in the CT region – explaining how they provide food and jobs not only in fishing and seafood industries but also activities associated with travel and tourism. Ms. Jackson continued by cautioning on the limits of the area's carrying capacity. With the ongoing un-checked activities and non-enforcement against extraction of the resources, she warned that the minimal effort exerted at managing resources will eventually lead into severe depletion of marine life in the CT region.

Call for action was the essence of Ms. Jackson's statement emphasizing that collaborative efforts with other stakeholders are necessary to restore the priceless marine resources in the Coral Triangle. Areas for improvement outlined by Ms. Jackson include working with Regional Fisheries Management Organizations; utilization of sound science capable of supporting Maximum Sustainable Yield; eliminating illegal, unregulated and unreported fishing (IUU); providing health and care of ecosystem; collection and exchange of stock data; and facilitating the use of precautionary approach to minimize by-catch.

SESSION 4 – COMMUNITY EMPOWERMENT

A panel discussion proceeded with the theme directed to empowerment of communities towards sustainability.

Mr. Blane Olson, Managing Director of Clearsmoke Technologies of the ANOVA Alliance of Companies illustrated the benefits of seafood sustainability efforts based on expanded partnerships. He underscored the importance of the participation of the local communities in achieving sustainability as he shared a program in Tanzania which carried out activities that meet the Naturland Standards for Sustainable Capture Fishery.

The program encompasses the following:

- Ecological Sustainability which contains DATA system and TRAINING on quality fishing;
- Social Sustainability which includes health/sanitation, safety, and education initiatives for the involved communities;
- Economic Sustainability which covers Fair Trade Practices Training; and
- Fish Handling Improvement and Empowerment principles employed in the empowerment of Indonesian coastal tuna fisheries.

Mr. Olson concluded by stressing on some empowerment principles employed in managing coastal tuna fisheries. Among these are the importance of managing the socio-economic structures of the community, teaching the fisher folks how to manage their own fishery, and making the fisherman just as sustainable (do not starve the fisherman).

Following Mr. Olson on similar line is **Mr. Rodolfo Santos** of VSO Bahaginan. Mr. Santos presented the experience of VSO Bahaginan in supporting the Matarinao Bay Management Council (MBMC) in Eastern Samar, Philippines.

The Matarinao Bay Management Council (MBMC) is an inter-LGU effort covering 4 municipalities that has evolved with the support of NGOs, USAID programs and the local governments. Efforts began in 1995 with resource assessment, followed by coastal plan preparations and coastal law enforcement in 1999; and adoption of a ridge to reef program in 2005. Central to Mr. Santos presentation is the importance of NGOs in strengthening the local community management councils, providing loans for fishermen and farmers, research and other organizational development.

At the start of his presentation, Mr. Santos gave an overview of VSO Bahaginan and discussed the framework governing volunteerism.

Plenary Facilitation

All the sessions in the plenary on the first day were moderated by **Ms. Veronica Pedrosa**, Senior news presenter and correspondent of Al Jazeera English. In the ensuing question and answer segments, participants discussed diverse yet relevant themes such as: how the government can facilitate green investment; of what are the basis in crafting green programs for commercial firms; of how big firms can assist small companies in the conservation efforts; of how small stakeholders can access information; of how airlines like Cebu Pacific can further contribute to the carbon reduction, and on how industries can engage with NGOs.

SYNTHESIS

The plenary sessions in the first day was wrapped up by Summit Chair **Vince Perez** who reviewed the significant points presented by the speakers as well as those raised by the participants.

The Chair re-iterated that while underlying social and ecological threats surround the Coral Triangle, opportunities also abound to those who will pioneer in investing into green commerce and industries as consumers are now becoming environmentally conscious in utilizing resources.

Agreed recommendations were provided, key of which are the following:

- Pursuit of concrete public-private sector partnerships (PPPs) in the Coral Triangle to ensure sustainability of marine resources;
- Establishment and enforcement of a framework for sustainable and green investments;
- Employment of best practices and sustainable methods by the business groups; and
- Active participation of communities and civil society in conservation efforts and programs.

Summit Record Day 2

Mr. Lory Tan, CEO and Vice Chairman of the Board of Trustees of WWF Philippines opened the second day of the Summit as Chair and moderator. After reviewing the outputs of the first day, he presented in the plenary the key tasks and session format for the Summit's second day.

SECTORAL SESSIONS – FISHERIES, AQUATIC RESOURCES, ENERGY, TRAVEL AND TOURISM

Sectoral sessions were held on 20 January 2010. Fisheries; Aquatic Resources; and Energy, Travel and Tourism were the themes of the sectoral sessions being the priority areas in the Coral Triangle. Concurrent sessions were conducted in separate rooms which allowed open discussions among participants pertaining to pressing sectoral issues that require directions and actions. Results from each sectoral session enriched the Summit outputs and formed part of each sector's Joint Communiqué or Joint Statement.

Fisheries

This session was moderated by the Manager of Pacific Fisheries, **Mr. Bill Holden**, and co – facilitated by **Messrs. Keith Symington** and **Jose Ingles**. The panelists in line were **Martin Brugman** of Culimer B.V, **Jerry Knecht** of Northatlantic Seafood and **Frannie Tiu Laurel** of Frabelle Seafood Group of Companies.

After all panelists have delivered and discussed their papers, participants agreed to address the problem of overcapacity and overfishing through a number of measures including, among others, the following:

- Ensuring that fish are not sourced from illegal, unregulated and unreported (IUU) operations;
- Implementing catch and trade documentation schemes to ensure traceability;
- The use of third party certification schemes such as MSC to promote sustainability;
- Reducing by-catch (including juvenile fish) through adopting bycatch appropriate technology and techniques; and
- The promotion of low carbon fish production methods and trade practices.

In their Joint Statement, the group fully acknowledged the vulnerability of the resources they rely on and committed to working with government, civil society and resource owners to ensure the sustainability of the fisheries resources.

Aquatic Resources

Mr. Geoffrey Muldoon of SEAFDEC, moderated this session which was co-facilitated by **Dr. Lida Pet Soede**. The group heard presentations from the moderator himself, Mr. Muldoon, from **Llyod Moskalik** of Oceanethix and from **Bien Subientoro** of PT Bank Negara Indonesia.

The group concurred to find ways in meeting the growing demand for marine resources in a process that reduces pressure on the wide stocks through the adoption of best practice full-cycle mariculture activities across the Coral Triangle region. Participants also agreed to establish open dialogue among traders and other stakeholders not only to facilitate change and stable business environment but also to ensure consensus on the best practice in the

mariculture industry. The move is considered to enhance the economic viability of farms and ancillary industries operating under a best practice regime which can also attract funding from financial institutions.

Energy, Tourism and Travel

Moderated by **Ms. Rili Djohani** of The Nature Conservancy, this session received presentations from **Mr. Benjamin Kahn** of Apex Environmental and **Ms. Patricia Gallardo** of Shangri-la Hotels and Resorts.

The group decided to encourage investments across the CT region and proposed that states provide incentives in the form of tax levies and subsidies to those who will venture into eco investments. The incentives must be promoted and uniformly implemented across the CT countries.

Likewise, the group also recommended that governments should be encouraged to strengthen national legislation and compliance, and where necessary, must enact new laws to sustainably manage marine habitats within their exclusive economic zone.

On the area of energy, it was urged that organizations involved in offshore oil and gas together with the states where they operate must adopt international best practices to minimize impacts of their operations on marine ecosystems. Organizations in the industry must be engaged at the early stage of their operations, if not before its commencement.

NETWORKING SESSION

After the break-out sessions, participants convened at the plenary hall where moderators from each sectoral group reported about their respective discussions as well as their agreed Sector Statement. Proceeding the formal presentation and short discussion, networking activities among the participants was held.

The goal of the networking session was to explore opportunities for participants to collaborate with each other in building and sustaining partnerships crucial to the health and development of the Coral Triangle. Aside from facilitating joint endeavors for green and sustainable investments, the exercise also created a venue among participants to work together on policy initiative and programs advocacies as well as to share and exchange information and model practices.

Relevant funding institutions such as ADB, IFC/World Bank, S AID Asia and other government agencies like Philippine Export Processing Zone (PEZA) and Philippines Board of Investment (BOI) were also present to provide consultation services for participants with queries about funding and investments.

CLOSING CEREMONIES

The Closing Ceremonies highlighted the outputs of the Summit. The activities during the session include:

- Ceremonial signing
- Acknowledgment session
- Reporting of Summit outputs
- Closing remarks

After the 2-day summit, and prior to that, months of pre-summit coordination and negotiation, four (4) public-private partnership (PPP) agreements were signed during the Closing Ceremonies. Those who were involved in the signing are as follows:

1. Philippine Department of Agriculture and PAMPANO
2. PAMPANO, Wooriranch, and Philippine Agricultural Development and Commercial Corporation
3. Wooriranch and Luen Thai Fishing Venture
4. WWF Indonesia and three private organizations: Bali Seafood International, Sea Delights, and Pulau Mas

The ceremonial signing reflected the significant collaborations between and among the government, private sector, and non-government organizations to address the challenge of responsibly managing the resources in the Coral Triangle.

Companies with exemplary leadership roles in promoting green initiatives within the CT region were recognized. The companies commended were the following:

1. ANOVA Seafood International
2. Bank Negara Indonesia
3. D and L Seafoods
4. Frabelle Fishing Corporations
5. TSP Marine Corporation
6. Socksargen Fishing Federation and Allied Industries (SFFAI)
7. Culimer B.V.
8. Cebu Pacific Air

Head of the government delegations from the CT6 member countries were also acknowledged for carrying out the tasks relative to the promotion of sustainability in the Coral Triangle

Mr. Lory Tan presented the major outputs and recommendations culled during the Summit. The following are some of the key suggestions in addressing the challenges in the various sectors operating in the Coral Triangle:

- Working with CT6 government, civil society, and resource owners to ensure sustainability of marine resources (creating enabling policy, developing incentive scheme, attracting new investments, assessing and monitoring);
- Translating outcomes of business investments and private CSR programs to benefits for communities relying in marine resources;
- Continuation of communication and networking with Coral triangle stakeholders and advocates; and
- Building on the results of the CTI Business Summit through conduct of follow-through activities.

The two-day event was capped by the closing remarks of **Secretary Eleazar P. Quinto**, from the Republic of the Philippines Department of Environment and Natural Resources. Secretary Quinto commended the participants and organizers for committing to sustainable business partnerships which would contribute to the protection of the Coral Triangle and the 120 million livelihoods that depend on its marine resources.

In his concluding words, Secretary Quinto stressed that green businesses have “potential high returns at minimal risks”. He expressed optimism that the public-private partnership

recently forged by businesses and policy leaders in the Summit will pave the way for the continued protection, management and sustainability of the resources in the Coral Triangle.

Annexes

- I. Signed Public-Private Partnership Agreements
 - a. Endorsement by DA and PAMPANO
 - b. MOU among Wooriranch, PAMPANO, and PADCC
 - c. MOU between Wooriranch and Luen Thai Fishing Venture
 - d. Letter of Intent to Join the WWF Seafood Savers Program
- II. Joint Statements/ Sector Communique
 - a. Fisheries Sector
 - b. Aquatic Resources Sector
 - c. Energy, Travel and Tourism Sector
- III. Speeches
 - a. Keynote Statement of President Gloria Macapagal-Arroyo
 - b. Closing remarks of Environment Secretary Eleazar P. Quinto
- IV. Speakers Presentation
 - a. Dr. Lida Pet Soede
 - b. Mr. Andrew Thomas
 - c. Mr. Jim Ayala
 - d. Secretary Arthur C. Yap
 - e. Mr. David McCauley
 - f. Ms. Susan Jackson
 - g. Mr. Blane Olson
 - h. Mr. Rodolfo Santos
- V. Sectoral Session Presentation
 - a. Fisheries
 - i. Martin Brugman
 - ii. Jerry Knecht
 - b. Aquatic Resources
 - i. Lloyd Moskalik
 - ii. Geoffrey Muldoon
 - iii. Bien Subiantoro
 - c. Energy, Travel and Tourism
 - i. Patricia Gallardo