GLOBAL SEAFOOD MARKETS STRATEGY 2017-2022

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the David & Lucile Packard Foundation

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INTRODUCTION

Ocean Strategic Framework

In March 2016, the Packard Foundation Board approved a new Ocean Strategic Framework to serve as a blueprint for the Foundation's ocean conservation strategies and grantmaking for the next 15 years. The Framework describes a set of priorities in which philanthropy, civil society, business, and government partners work to develop and enhance the enabling conditions and policies for sound marine resource management in countries with globally significant marine biodiversity that together account for the majority of global seafood production (Chile, China, Indonesia, Japan, Mexico, and the United States). Within this Framework, the Global Seafood Markets Strategy – strengthening global market demand for sustainable seafood and reducing the trade of Illegal, Unregulated, and Unreported (IUU) seafood – will reinforce and extend the work in focus countries.

In our focus countries, the Foundation will help build capacity and leadership across civil society and within government to strengthen their ability to create durable institutions and reforms for the long-term sustainability of their ocean and coastal resources. In addition, we will equip our partners with a growing body of knowledge – at a scale and in a form that is relevant to their decisions – about the impacts of climate change and ocean acidification so that they can proactively support the ability of coastal and marine ecosystems to withstand pressures over time while providing growing benefits to human communities.

Ocean Strategic Framework Outcomes	Global Strategies	Focus Countries
Majority of global seafood from countries and regions with sound fisheries and aquaculture management Regionally and globally recognized targets for marine biodiversity protection achieved	Global Seafood Markets Marine Birds Illegal, Unregulated, and Unreported Seafood Climate Change and Ocean Acidification	Chile China Indonesia Mexico Japan United States

Global Seafood Markets Strategy

The Framework reinforces the importance of the global seafood market as a key driver for the transition toward more sustainable and responsible seafood production globally and within our six focus countries. The Foundation initially adopted the Global Seafood Markets Strategy in 2006; this document is the third iteration of the Strategy and describes a set of outcomes and strategic initiatives for the next five years (2017-2022).

The Strategy is designed to accelerate progress toward the 15-year goals of the Ocean Strategic Framework:

1. More than half of global seafood will come from countries and regions with sound fisheries management policies and regulations in place (an increase from today's 20 percent).

2. More than half of seafood sourced from the most damaging forms of marine aquaculture will come from countries with responsible aquaculture management policies and regulations in place (an increase from today's roughly 35 percent).
3. Within our focal counties, regionally and globally recognized targets for marine biodiversity protection will be achieved or exceeded.

The goal of the Global Seafood Markets Strategy is that 40 percent of global fisheries are sustainable or on a path to sustainability by 2022.

The Strategy will also promote and support systems necessary to cultivate and signal market demand for responsible aquaculture as well as encourage market-based tools to reform aquaculture practices.

The Strategy includes an updated theory of change and strategic initiatives to reflect key shifts in the field and the Foundation's current approach during the past five years. Notable additions in the 2017-2022 Strategy include a focus on human rights and labor issues, supply chain transparency, responsible aquaculture, and efforts to curb IUU fishing. The Strategy also includes greater detail about strategic coordination across the Global Seafood Markets Strategy and the Foundation's Ocean focus country strategies.

2011-2016 CONTEXT

The Packard Foundation has been supporting work to transform seafood markets since 1998. We began this refresh with a review of progress made during the prior five-year Strategy (2011-2016). We examined gains made, challenges identified, and lessons learned to inform how to evolve our approach and adjust priorities. In this section, we synthesized key reflections from the past half-decade of experiences into a handful of reflections for each key initiative.

North American Retail Market Demand for Sustainability

Today approximately 95 percent of major North American retailer purchasing power and 80 percent of the institutional food service market in the United States have made sustainable seafood commitments. Since 2010, at least 12 additional major retailers made commitments. The Conservation Alliance for Seafood Solutions – a collaborative community of NGOs that help businesses implement their sustainable seafood commitments – has supported this success.

A 2014 review of existing retailer commitments confirmed that the commitments could be stronger (e.g., with measurable, time-bound objectives), clearer, and more comparable, as well as include additional targets around other important issues like traceability and human rights. In addition, businesses have been reluctant to engage on policy issues, and there is a sense that after a decade of intense focus on seafood sustainability some businesses may be shifting focus to address sustainability priorities beyond seafood.

In the updated Strategy, we will focus on deepening retail commitments, formalizing food service commitments, increasing accountability for progress toward meeting commitments, and continuing to build leadership and collective action within the sustainable seafood movement.

Sustainability Standards

One significant change in perspective during the past five years is viewing certification and ratings programs as a suite of complementary tools rather than individual approaches. The Marine Stewardship Council (MSC) now certifies approximately 11 percent of global wild-caught seafood. The Monterey Bay Aquarium's Seafood Watch program assesses 90 percent of the wild and farmed seafood sold in the United States. There is still much more work to do in developing and implementing scalable strategies to get a higher proportion of lower-performing fisheries on a path toward sustainability.

In the updated Strategy, we will support a collaboration of leading certification and ratings programs working to expand the pathway to sustainability for all fisheries and aquaculture production and encourage the adoption of human rights and labor criteria in sustainability standards. We will also support efforts to reduce IUU fishing, increase supply chain transparency, and leverage expertise within certification and ratings organizations to promote policy reform.

Fishery and Aquaculture Improvement Projects

A fishery improvement project (FIP) is a model of addressing challenges in a fishery that specifically uses the power of the private sector as a primary lever for change. The number of FIPs has grown steadily for nearly a decade, to 103 by the end of 2015. Nine FIPs have transitioned fisheries into MSC certification and more than a dozen others have reported changes on the water. A majority of FIPs report changes in policy or fishing practice.

We have learned that the pace of improvement for fisheries management – especially in the developing world – is slower than expected. The progress of FIPs in the developing world has been slow and incremental, with much work focused initially on basic data gathering and awareness raising. In addition, there is a need for greater transparency and accountability for FIP progress across the board.

In the updated Strategy, we will focus on supporting FIPs to make measurable progress in developing world fisheries and exploring how we can best support aquaculture improvement projects in focus countries.

Exploratory Areas

Our 2011-2016 Strategy included three areas for exploration:

- **Japan.** After nearly three years of learning and exploration in Japan, we developed a separate strategy to further incentivize global fishery sustainability by building a market for sustainable seafood in Japan, using that market to help improve national fishery management, and encouraging Japan to get involved in key international policy issues.

- **China.** The investigation into opportunities in China led to the development of a separate program to accelerate capacity and leadership development that aims to build the foundation for future engagement on sustainable fisheries and aquaculture production in China.

- **Sustainable Finance.** We have supported efforts to link supply chain companies with private finance. However, we are skeptical that our comparatively small contributions to this field will create incentives for improved fisheries management. The Foundation's Indonesia Marine Strategy, the Walton Family Foundation, and the Gordon and Betty Moore Foundation will continue to invest in conservation finance.

THEORY OF CHANGE

The premise of the Strategy is that demand for sustainability among the largest seafood importing markets – specifically Northern Europe, North America, and Japan – can help catalyze improvements in seafood production and fisheries and aquaculture management policies across the globe. Many of the tools and approaches deployed today were created in the context of fisheries in the developed world. Therefore, as we expand our Strategy to focus more explicitly in the developing world, we will face different challenges and circumstances that will likely alter the time it takes to achieve similar impact and may influence the assumptions that underpin our theory of change.

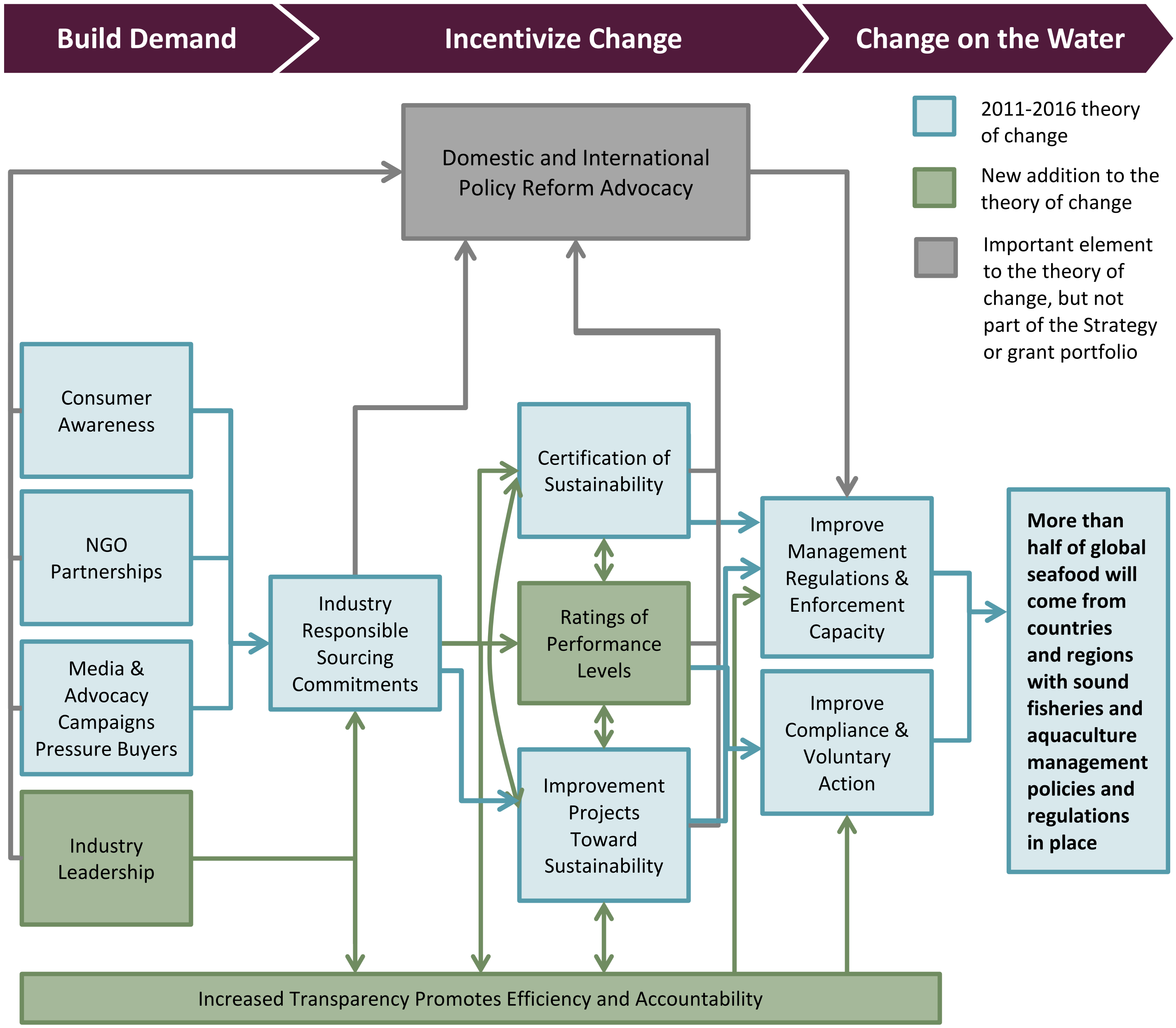
Our approach includes the following assumptions:

- NGOs can effectively influence market behaviors by engaging major corporate buyers to activate demand for sustainable seafood products.
- Major buyers can compel their suppliers to provide sustainable products and, in turn, those suppliers are able to exert some influence over production practices to meet the sustainability requirements of their buyers.
- The combined leverage of the seafood industry and producers can positively influence the governance and management systems that largely dictate the environmental footprint of the industry by shifting toward sustainable production practices.
- Education, public awareness, and persistent demand for sustainable seafood are fundamental to maintaining business engagement. Consumers are a difficult group for philanthropy to engage *en masse*, but we must maintain sufficient engagement so that major buyers feel accountable to their customers.
- Progressive buyers at the top of the supply chain, such as retailers, can catalyze the initial sustainability demand, but change relies on the middle and production end of the supply chain channeling that activity down to the water.
- Market-mediated pressure for fisheries reform is most effective when systems for management and enforcement are in place.
- In countries where these systems are weak or absent, their development is often a prerequisite for further fisheries management improvements.
- Information and transparency are critical components across the system; persistent challenges exist in both, which limit the reach and durability of existing efforts.

The following assumptions are yet largely unproven; we anticipate reconciling these assumptions during the course of this strategy:

- Producers realize more financial reward for sustainable practices by having the promise of premium export market demand (and the risk of loss of market share), which leads to investors and banks being more willing to provide capacity-building capital. This allows for scaling of responsible operations and increased profits since producers can sell more product both domestically and internationally.
- A combination of leverage from global seafood trade and domestic markets for sustainability can encourage improvement in fisheries and aquaculture more broadly than strictly from global seafood trade.
- Linking supply chain influence with fisheries can create pressure on governments to improve or strengthen laws and regulations.

The table below illustrates the key elements in our theory of change.



Build Demand

Seafood businesses' **responsible sourcing commitments** are an essential building block of our Strategy. These commitments aggregate demand for sustainable and responsible seafood and represent opportunities for leveraged supply chain engagement. To date, the majority of major retailers and institutional food service companies in North America and Europe have made public commitments to sustainability and are in the process of implementing these policies. We continue to support this trend through a variety of approaches including coordinated **NGO partnerships**, buyer tools, campaigns, and other supply chain support. Leading industry members recognize their own economic interest in supporting the adoption of these commitments. Cultivating and empowering **industry leadership** to champion sustainable seafood reinforces and validates our messages from within and is essential for durable demand.

In tandem, growing **consumer awareness** and **NGO and media advocacy campaigns** have significantly accelerated demand for sustainable seafood and continue to play an important role in highlighting the need for responsible seafood products, supply chain transparency, and verification of compliance with international laws.

Incentivize Change

To translate demand for sustainable seafood into change on the water, the Strategy has invested heavily in a handful of tools that play this bridging role. A central feature of the theory of change is the adoption of independent, science-based, and globally recognized sustainability standards for fisheries and aquaculture. These standards establish a bar for defining sustainability and provide the assurance that buyers seek regarding their products. Sustainability standards can be applied to fishery and aquaculture production in multiple ways, including certification, ratings, and efforts to measure the progress of improvement projects.

Certification, ratings, and improvement projects provide complementary and necessary incentives for seafood production and management systems to improve. Consumer and retailer demand for certified and eco-labelled products creates an incentive for fisheries to improve, and this in turn leads to pressure to improve national and international management. Improvement projects can drive fisheries and aquaculture operations to perform better to a point that their sustainability can be verified through certification. Ratings systems identify well-performing and poorly performing categories or regions of fisheries and aquaculture, provide a guide to retailers on this performance, and incentivize fisheries and aquaculture to improve to a level that can be verified through certification.

Increasing transparency throughout the global seafood supply chain will drive greater accountability and efficiency and will support other efforts in our theory of change to be more effective.

Change on the Water

Our ultimate goal is to improve fisheries and aquaculture production and management. To achieve our desired outcomes and the goals identified in the Ocean Strategic Framework, we must **improve compliance** with existing regulations. Where they do not exist, **management regulations and enforcement capacity** must be established to facilitate improved fisheries governance, and private actors need to be incentivized to **voluntarily act** to improve their performance and actively support management reforms.

While the most direct influence of this Strategy is on the fisheries and aquaculture operations from which the majority of globally traded seafood is sourced, the impact of market-based approaches extends beyond the seafood directly influenced by buyers. In many cases, reforms that are made to ensure access to the U.S. or European markets for a portion of a specific fishery apply to the entire fishery or extend to incorporate fisheries management reform at a national level. This Strategy can also help establish norms for fisheries management that can eventually influence the behavior of fishery managers, producers, and businesses globally.

Policy change is often a necessary element for fisheries reform. We believe that the private sector can influence the reform process. We also recognize that in many cases additional influence and effort are necessary for success. For many of the geographies in which we work, **policy reform advocacy** will play a critical role in creating sustainable fisheries and responsible aquaculture production. Although directly supporting this advocacy work falls outside the scope of the Strategy, we will endeavor to better coordinate our work with policy reform efforts, particularly within the Foundation's focus countries.

2017-2022 STRATEGY

The primary focus of the Strategy is on fisheries and aquaculture operations that can be influenced by North American, Northern European, and Japanese market demand for sustainable seafood. These markets collectively import nearly 45 percent of internationally traded seafood by value.[1]

The Strategy aims to use this market influence in combination with certification, ratings, improvement programs, and domestic policy and management reforms to achieve our **goal of 40 percent of total global landings certified or on a path to sustainability by 2022.**

Strategic Initiative 1: Maintain North American major buyers' responsible seafood sourcing momentum and catalyze the responsible seafood sourcing movement in Japan.

Outcomes
By 2022, 90 percent of North American retailer commitments will include traceability and an expanded scope of products within the commitment (e.g., fresh, frozen, shelf stable, proprietary, and national brands).
By 2022, the retail sector will have increased alignment, transparency, and accountability within their sourcing commitments.
By 2022, 75 percent of North American food service companies will have made publically documented commitments to sourcing sustainable seafood.
By 2020, a common platform that promotes greater transparency for companies with commitments will be in place and widely adopted.
By 2019, at least one precompetitive platform exists that facilitates and results in collective action to address a key issue in sustainable seafood and fisheries.
By 2022, at least two leadership development programs exist to support public and private sector sustainable seafood leadership.
By 2025, at least four of the five largest retailers in Japan (by market share) have made basic public commitments to sourcing sustainable seafood.
By 2020, the Japanese Olympic Committee has committed to and implemented a procurement policy that ensures all seafood at Olympic functions is certified by MSC, ASC, or Blue Seafood Guide.

A. Consolidating gains in North America

Deepen retail commitments. During the past decade, the Strategy supported the successful engagement of a majority of the North American retail sector. Ninety-two percent[2] of the largest U.S. and Canadian retailers have partnered with NGOs and made commitments to participate in sustainable seafood initiatives. The retail sector's seafood commitments are providing the motivation for many demand-driven conservation interventions including improvement projects, certifications, and ratings. Our focus during this next phase will be to deepen commitments through efforts such as promoting traceability, expanding the products included within company commitments, and consolidating gains within the retail sector. We will do this by prioritizing greater alignment, transparency, and accountability from existing partners and the steps necessary to fulfill business commitments which may include consumer outreach and awareness.

[1] Source: CEA (2015)
[2] Calculated as a percentage of total consumable food sales of the top 25 North American retail companies. Source: CEA (2015) "Progress toward Sustainable Seafood – By the Numbers: 2015 Edition," p. 47.

Formalize food service commitments. While the retail sector is an important catalyst for change, in North America it represents less than half of total seafood purchasing power. The food service industry – including restaurants, hotels, and institutional food service – sells nearly 60 percent of all seafood in the United States[3] and has an outsized influence on the market for aquaculture. The sustainable seafood community has renewed its focus on engaging this sector and is now coordinating a range of strategies including precompetitive roundtables to engage food service providers to develop industry norms for responsible sourcing and to identify fishery and aquaculture leverage through global hotels chains.

As we work to strengthen corporate commitments from retailers and develop commitments from food service providers, we will assess the need to maintain necessary supporting elements, which may require a periodic resurgence of general media work, public awareness and outreach campaigns, and corporate campaigns. Our goal is to maintain a balance between recognizing and rewarding strong corporate action and motivating ongoing industry progress.

Develop a platform for business accountability. Given the volume of commitments to sustainability, it will be increasingly important to ensure that buyers demonstrate the successful implementation of their commitments. While many retailers already publish their progress independently, a common platform that promotes greater transparency for companies with sustainable seafood commitments is an important evolution toward increased major buyer accountability. Though the community has not determined which common platform to adopt, several transparency models exist that could be adapted for seafood.

Grow NGO and private sector leadership. The sustainable seafood movement relies on engaged corporate leadership to be successful, and we are committed to fostering that leadership. Private sector leadership in sustainable seafood is subject to frequent turnover. Quite often, NGOs hold institutional knowledge on behalf of their corporate partners and serve as the only resource for incoming sustainability directors or CSR managers. Therefore, we see significant value in developing leadership capacity across the sustainable seafood community. We will continue to explore potential models to build private sector leadership in sustainable seafood through the creation and expansion of specific leadership development programs as well as through multistakeholder sustainable seafood movement strategy discussions, site visits, and other opportunities. In 2014, the Foundation supported the creation of the Conservation Alliance for Seafood Solutions' Leadership Fellowship, which annually mentors a cohort of next-generation leaders from NGOs. The Foundation intends to support this initiative in the future and will continue to explore opportunities to support existing leaders within their ongoing roles in the community.

Support business and NGO collaborations. For many years, the Conservation Alliance was the primary platform for sustainable seafood NGO collaboration and collective action. However, in the past few years NGOs, businesses, the seafood industry, and governments are increasingly coming together in precompetitive roundtables. Current examples include the NGO Tuna Group, the Global Seafood Ratings Alliance, the Certification and Ratings Collaboration, the Food Service Roundtable, and Seafood Business for Ocean Stewardship, to name a few. These efforts are leading to important agreements and areas of alignment, which we believe are critical to the next phase of work. We will continue to support and monitor the effectiveness and efficiency of these efforts.

[3] Presentation by Changing Tastes on Sept. 16, 2015 at the Packard Foundation. Source: Research commissioned by the Monterey Bay Aquarium's Seafood Watch program in 2015.

B. Catalyzing the Japanese sustainable seafood market

The Ocean Strategic Framework identified Japan as a new focus country with a 10-year goal of engaging Japan in efforts to create sustainably managed fisheries in Japan and globally. The Japan Seafood Markets & Fisheries Strategy includes three linked areas of work:

1. Build a sustainable seafood market in Japan by focusing on major buyers and seafood traders, and supporting the NGO systems necessary to create a sustainable seafood movement.
2. Use that movement to help address Japan's domestic fishery management, in particular looking to encourage more effective processes for setting total allowable catch, the implementation of individual quota programs, and possibly the revitalization of the cooperative system.
3. Engage with Japan on key international policy issues, including introducing an IUU policy and implementing stronger trade controls around key species such as eel and tuna.

For additional detail on our Japan Strategy, please see the Japan Seafood Market & Fisheries Strategy.

Strategic Initiative 2: Sustainability programs are designed to meet the needs of current and emerging markets, as well as the wide range of fisheries seeking access to markets that demand sustainability.

Outcomes
By 2022, all seafood sold in the United States and Canada is traceable back to the vessel or farm.
By 2018, the Certification and Ratings Collaboration will provide coordinated guidance on the spectrum of fishery and aquaculture performance.
By 2022, the volume of seafood from sustainable fisheries and responsible farms will double (to 40 percent).
By 2020, sustainability standard organizations will provide human rights and labor issue guidance to the seafood industry.
By 2022, North American major buyers will integrate anti-IUU provisions into commitments (see Deepen Retail Commitment and Formalize Food Service Commitments outcomes).
By 2020, at least two sustainability standard organizations will have begun working directly with governments and fisheries managers to improve fishery governance in at least five fisheries.

Certification and ratings programs create a pathway and incentives for all fisheries to improve toward sustainability. Sustainability standards – including the Marine Stewardship Council, Monterey Bay Aquarium's Seafood Watch, and Sustainable Fisheries Partnership's (SFP) FishSource – have helped to define sustainable seafood for the seafood industry and governments alike. Despite significant progress in certifying and assessing increasing proportions of seafood entering the U.S. and U.K. markets during the past five years, the landscape of sustainability standards is at an important inflection point. With many of the world's well-managed fisheries now certified, the remaining fisheries – nearly 80 percent – have a much longer path to sustainability. Fishery improvement projects are supporting some fisheries in making incremental progress toward certification but coordination with certification and ratings programs has been inconsistent. And the recent coverage of major human rights and labor issues within the seafood industry highlights the need for sustainability standards to extend beyond the environmental indicators that are the focus of most wild fishery standards.

In response to these dynamics, the leading fishery and aquaculture standard organizations (Aquaculture Stewardship Council, Fair Trade USA, Marine Stewardship Council, Monterey Bay Aquarium's Seafood Watch, and Sustainable Fisheries Partnership) are working as the Certification and Ratings Collaboration to define a common spectrum of environmental and social performance for fisheries and aquaculture production. The performance framework will outline a clear pathway for improvement and reward producers for increasingly better performance along that spectrum. This process will also better define the roles individual organizations play in generating improvement and stimulating consumer and retailer demand for sustainable seafood. We believe a coordinated strategy across these certification and ratings organizations will minimize marketplace confusion and better position them to support current and emerging sustainability markets.

We are also interested in increasing small-scale and data-limited fishery accessibility to certification and ratings programs through improved understanding of the applicability of existing tools, adapting approaches as needed, and supporting the integration of data-limited fishery assessment methodologies into existing tools.

Increase engagement in human rights and labor issues in the seafood industry. High-profile exposés, like the ones published by The Guardian and The New York Times, brought to light a pattern of human rights and labor abuses in global seafood supply chains. This media attention in concert with growing demand for greater transparency in seafood production has redirected much of major-buyer, and therefore some of the conservation community's, attention toward tools and strategies for better understanding and addressing human rights and labor issues within the seafood industry. In response, the sustainable seafood and human rights and labor communities have begun building alliances to better address the problem. These alliances are creating pilot programs, technologies, and working groups to tackle the integration that will be needed to make progress on both the environmental and human rights aspects of the industry.

We will focus on two areas where we believe we can make an impact: 1) evolving the sustainable seafood movement toward inclusion of social and labor criteria within the definition of seafood sustainability; and 2) the development and effective implementation of tools, strategies, and policies that dually support ending human rights and labor abuses and illegal fishing globally. Specifically, we will:

- Develop relationships within the funding community to strengthen strategies in support of both environmental and human rights outcomes in a way that leads to more coordinated and complementary grantmaking. In 2016, several private and multilateral donors formed a working group to share strategies and develop joint initiatives to support addressing human rights and labor abuses in the seafood industry. The Foundation may bring a unique perspective and set of relationships to this group given our history working on fisheries and aquaculture and in supporting strategies to engage major buyers in supporting solutions to solving tough issues. We plan to participate in this group early in the Strategy to ensure strong alignment and strategic coordination as our engagement on these issues increases and we begin grantmaking.
- Build on the foundation of excellent work already underway by focusing on the capacity of existing NGOs, partnership platforms, and multistakeholder initiatives to ensure that these efforts will continue to progress and expand beyond the current focused attention on Thailand. Given the urgency of these issues, several organizations began developing strategies and mechanisms to address human rights and labor abuses specifically in Thailand, where some of the most egregious cases are known to be occurring. There is an opportunity to expand support for these existing tools and platforms while also beginning to understand how experiences in Thailand may be adapted for implementation elsewhere.
- Coordinate with the Foundation Ocean team's focus country staff, USAID, and multinational institutions such as the International Labor Organization to support the development and implementation of anti-IUU measures and strengthened capacity and infrastructure for improved

data collection, monitoring, and hot-spot identification.[4] As the Foundation ramps up work on IUU and tuna, in particular, there will be opportunities to link both market-based and policy solutions for fisheries that address management of both environmental and social aspects. As part of this strategy, we commit to working across the Ocean team and institutional partners to ensure these connections are made and leveraged.

Reduce market incentives for IUU seafood. Illegal, Unregulated, and Unreported seafood represents a significant threat to marine health globally and is a key initiative of the Ocean Strategic Framework. Many experts consider addressing IUU as the highest priority in fisheries management globally, and international markets play a central role in rewarding illegal activity. In 2011, 20 to 32 percent of wild-capture seafood imported to the United States was estimated to be from illegal or unreported catch.[5] We know that businesses' brand risk is enough to incentivize change as evidenced by the uptake of MSC chain of custody which has certified 10 percent of global seafood supply as IUU free. As a complement to the Foundation's $5 million commitment to Oceans 5 to end IUU fishing globally by 2030, the Global Seafood Markets Strategy will continue to focus on efforts to curb the incentives for IUU mainly through sustainability commitments to traceable sustainable seafood and, where needed, IUU-free commitments. The Strategy will also support initiatives in focus countries through mobilizing industry and NGO support of key policy initiatives, like developing strong import controls and promoting the ratification of the Port State Measures Agreement.

It is also important to recognize that the best market driver for motivating governments to meaningfully engage in fisheries reform has been through the European Union's anti-IUU card system and its more than 50 bilateral negotiations directly with national governments. We will seek opportunities to coordinate with existing funders' continued implementation of this program as well as the successful implementation of forthcoming IUU policies in the United States and the development of policies in Japan.

Strengthen fishery and aquaculture governance through market-supported advocacy and capacity. To support more sustainable fisheries and aquaculture management globally, the Strategy will explore new ways to extend investments in sustainability standards through utilizing the expertise of the organizations that create and maintain these standards. Building on examples of successes in creating national platforms and policy-action groups to support fisheries and aquaculture management reforms, and inspired by the growing trend within other sectors, we will encourage leading sustainable seafood standard-setting organizations to expand the scope of their engagements to support improved fisheries governance more directly. Certification organizations like MSC have amassed significant technical expertise through nearly 20 years of experience. By leveraging our ongoing work with the members of the Certification and Ratings Collaboration (see above), we hope to mobilize their knowledge and experience to inform gaps in management by producers and governments alike.

Our initial efforts will target opportunities within the Foundation's focus countries. Our goal is to create one or more case studies that illustrate the benefit of standard-setting organizations' direct engagement with governments in the next few years in order to develop a stronger case for partnership more broadly. Our first step will be to work with standard organizations to articulate their potential value to governments and to identify what additional capacity and resources they would need to support such engagements. We would also consider the role of other organizations and multinational platforms to advance this work.

Increase seafood supply chain transparency. Greater transparency in the seafood supply chain will lead to increased accountability and is essential to address many challenges plaguing the seafood industry,

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[4] Source: Kristin Urquiza and Glenn Hurowitz, Driving Ecological Sustainability in Fisheries by Integrating Human Rights Issues, *A Report to the Packard Foundation*, November 2016.
[5] Source: Ganapathiraju Pramod, Katrina Nakamura, Tony J. Pitcher, Leslie Delagran, Estimates of illegal and unreported fish in seafood imports to the USA, *Marine Policy*, Volume 48, September 2014, Pages 102-113, ISSN 0308-597X.

including IUU fishing and human rights abuses. The Strategy is committed to promoting increased transparency at every level, from supporting retailers to publicize progress against their sustainability commitments to funding the development and operation of a web-based platform to track improvement project progress publicly. Advancement in several areas of the Strategy is reliant on the development and adoption of full-chain traceability and technologies to track seafood from vessel to point of sale. The Strategy will also facilitate the uptake of full-chain traceability through inclusion in sustainable seafood commitments, in the business advice offered through precompetitive dialogues, in products sourced from improvement projects, and through connections to our work in focus countries.

Strategic Initiative 3: Promote environmentally responsible and globally recognized fishery and aquaculture improvement.

Outcomes
By 2022, 75 percent of FIPs operating for at least three years report stage 4 improvement (change in fishing policy, management, or practices) and maintain a minimum of a C progress rating (as reported by SFP or FisheryProgress.org).
By 2022, 25 percent of FIPs operating for at least five years report stage 5 improvement (improvements in biomass, bycatch, ecosystem impacts, and health) and maintain a minimum of a C progress rating (as reported by SFP or FisheryProgress.org).
By 2018, the Global Seafood Markets Strategy will codify its approach to supporting responsible aquaculture improvement efforts and how it relates to the Foundation's work in focus countries.

Scale models for fishery improvement and accelerate progress toward change on the water. For more than a decade, the Foundation has supported the successful development and deployment of improvement projects globally. Specifically, we have focused on promoting the widespread adoption and rapid evolution of the FIP model. The number of FIPs and FIP implementers has grown steadily each year and a number of traditional conservation organizations are now adapting their approaches to also recruit supply chain partners.

Still, outside of industrial whitefish and some salmon fisheries, FIPs have been slow to demonstrate impact on the water, particularly in the developing world. Though this is unsurprising given the challenging nature of fisheries reform in the developing world, our focus during the next five years will be to drive outcome-oriented improvements (i.e., stage 4 and stage 5 improvements) including changes in fishing practices and related policies and impact on the water. We will be testing our assumption that FIPs are a globally applicable tool that is well-suited to reform any fishery with sufficient integration with the Western supply chain.

In order to achieve the impact we seek in many of the countries in which FIPs are now operating, we believe that stronger policy and management systems must be adopted. FIPs are particularly effective in mobilizing the political will for change within strong fisheries management regimes, but in the absence of those regimes, FIP effectiveness is generally limited to changes made directly by participating stakeholders. In countries without effective policies and management systems, it will be a priority for FIPs to either directly engage in policy discourse or to actively support other organizations in their efforts to improve policy. It is beyond the ability of this Strategy to support the development of policy reform strategies in all of the countries where FIPs are currently deployed, so we will encourage, or in some cases require, that FIP implementers provide detailed plans for how they intend to support policy reforms. We also will seek to coordinate our Strategy to support the work of other programs in focal geographies (i.e., Chile, China, Indonesia, Mexico, United States) where possible.

Increasingly, we will look to support these improvements through coordinated multistakeholder collaborative platforms. Through these platforms, fishery and aquaculture improvement projects can be managed and resourced, governments and industry can be engaged in important coordination and strategy discussions, investors can look to determine risk and opportunity, and businesses can meet to express support for the improvements.

Identify a role for the Foundation in aquaculture improvement. In comparison to FIPs, aquaculture improvement projects (AIPs) are a much younger and far less-developed intervention. Currently, there is no standard AIP definition, little market awareness of or demand for AIP-engaged seafood, and only a few implementers conducting demonstration pilots. AIP implementers suggested that the best way to support the model's development is to cultivate market demand. Therefore, we plan to primarily support the movement by promoting business commitments to responsible aquaculture in the United States and Japan. We also recognize that the financial benefits for aquaculture producers to sell products into their domestic markets often exceed those of export markets. While this Strategy is focused primarily on globally traded seafood, work within the Foundation's focus countries may also support the development of the AIP model.

Additionally, the Ocean Strategic Framework highlights the importance of reforming the most damaging forms of marine aquaculture, including salmon and shrimp. In response, we are considering exploratory support for AIPs that engage commodities relevant to the Ocean Strategic Framework. We plan to limit the initial scope of this support within the Foundation's focus countries where we hope these projects can complement other in-country efforts. Recognizing the importance of countries including Vietnam and Thailand, we will reconsider our support of AIPs after this exploratory phase.

We plan to work with other leading philanthropic initiatives to better identify the clear roles for philanthropy in reforming aquaculture. We believe that aquaculture's fundamental dynamics (e.g., property rights and effective enforcement, short production cycles, farmers' ability to directly receive the benefits from improvements) will lead to greater private sector engagement and investment than for wild-capture fishery reform.

DEPLOYMENT OF THE STRATEGY IN FOCUS COUNTRIES

The Ocean Strategic Framework highlights the opportunity to increase impact through better alignment of the global seafood market with fishery and aquaculture priorities in focus countries. Across the Foundation's focus countries – Chile, China, Indonesia, Japan, Mexico, and the United States – a range of opportunities exist from staff coordination to strategic integration. Below is a short summary of our proposed approach by country.

Indonesia

Indonesia receives more philanthropic support for marine conservation than any other nation outside of the United States.[6] As such, the need for coordination is great in order to maximize the effectiveness and impact of the approaches being implemented. Indonesian fisheries will be important to meeting the 2022 goals of the Strategy, and similarly, we anticipate that the influence of the global seafood market will be an important lever to support the goals of the Indonesia Marine Strategy.

In July 2016, the Foundation initiated a process in Indonesia to establish shared fishery outcomes and comprehensive plans for reforming three fisheries: blue swimming crab, snapper/grouper, and tuna. It will

[6] Source: CEA. 2015. Global Ocean Review: CEA Reflections.

be helpful for key partners of both the Indonesia Marine Strategy and Global Seafood Markets Strategy to engage in this process as it will establish the fishery outcomes for both Strategies; identify the approaches necessary to reform these target fisheries; and inform future action plans for NGOs, industry, government, and the funding community.

During the next two years, we will also determine reform outcomes for shrimp aquaculture in Indonesia. To facilitate better coordination of work in the future, the Strategy teams will meet quarterly to exchange updates, share initiatives and new learnings, and inform our collective strategies.

Mexico

After Indonesia, Mexico has the second most overlap between focus country fisheries' priorities and the Strategy. However, unlike Indonesia, the opportunity for grantee coordination and mutual initiative support is less obvious in Mexico where the refreshed Mexico Strategy and Global Seafood Markets Strategy appear to be working on a different series of strategic initiatives and priority fisheries, with the exception of shrimp fisheries in the Gulf of California where we are already funding many of the same organizations.

We will continue to meet regularly with the Mexico Strategy team to provide updates to inform our collective strategies and to identify opportunities to collaborate or coordinate work on the ground.

Chile

Chile is a new focus country for the Foundation and as such there is limited in-country work upon which to build. Though we anticipate the primary focus of the Global Seafood Markets work in Chile to be on capture fisheries (e.g., hake), the most obvious overlap is the leverage of the global market on farmed salmon, Chile's most exported fish.[7] However, the approach may prove challenging. While many conservationists believe preventing further expansion of salmon aquaculture is essential, farmed salmon is one of the most important seafood products to western markets. As a result, farmed salmon will likely be a priority for industry growth. We will work with the Chile Strategy team to develop an approach to engage on salmon aquaculture that supports other in-country efforts. It is possible that there will be intentional tension between the strategic approaches, or we may decide a complementary approach is best. As the Chile Strategy takes shape, we will meet regularly to inform our collective strategies and to identify opportunities to collaborate or coordinate work on the ground.

United States

The Global Seafood Markets Strategy will coordinate with the Foundation's United States program to collaborate opportunistically in the future. There may be opportunities to promote greater uptake of well-managed West Coast fisheries by progressive retailers or recruit industry to support important domestic legislation. The Strategy does not anticipate deploying additional resources to support domestic fisheries improvement. Instead, we will look to leverage our existing investments and partners in service of other Foundation priorities. Going forward, we anticipate meeting semiregularly with the United States Strategy team to identify opportunities to collaborate further.

China

The Foundation's China Strategy is primarily about developing leadership and capacity for long-term fisheries and aquaculture improvements. For example, the China Strategy will focus on supporting the

[7] Export by value in 2011, excluding "fishmeal not elsewhere identified". Source: FAO (2015).

establishment of NGOs and supporting efforts, developing leadership training programs, and fostering science and policy collaborations between China and the United States. In service of these priorities, there may be opportunities for the Global Seafood Markets Strategy to trial improvement projects, particularly in key provinces, or to support other leadership development work. China is a major processing and re-export center and supporting the development of traceability infrastructure (e.g., chain of custody deployment) and capacity (e.g., training and education) can advance both strategies' priorities. In the future, we anticipate meeting semiregularly with the China Strategy team to identify opportunities for mutually supportive grantmaking.

Japan

As previously discussed, the Japan Strategy is both an extension of the Foundation's work on global seafood markets, as well as a focus country within the new Ocean Strategy Framework. As an extension of our Global Seafood Markets Strategy, we will identify opportunities to apply and adapt sustainability tools and strategies from the US and EU sustainable seafood movements for use in the context of the Japanese market. In addition to establishing demand for sustainability in the Japanese seafood market, we will also seek to use demand for sustainability – whether from the Japanese market or as a result of export potential – to encourage and incentivize progress toward more sustainable fishery management policies and practices within Japan.

FUNDING AND OPERATIONS

The planned annual budget for the Strategy is $10 million per year during the next five years. The Foundation will continue to provide grants and contracts to domestic and international organizations to advance this Strategy. When possible, we anticipate continuing to provide core grantees with flexible long-term support to advance progress and perpetuate continuity for their organizations and across the field. We also intend to continue to seek out new and innovative solutions and strategies and will retain some budget for exploratory grantmaking for new and existing grantees. Importantly, during the next five years, the grantmaking portfolio is likely to shift toward a greater share of co-funded projects in support of deployment and coordination with the Ocean Strategic Framework focus country strategies. We anticipate a continuing annual grantmaking volume between 30 and 50 grants.

One program officer will oversee the implementation of this Strategy with the support of one program associate. This staffing level also includes the Japan Strategy, a $3 million strategy, which is additionally supported by one part-time in-country advisor. The program officer will also work closely with other Ocean team staff on strategic integration and coordination in the focus countries and related global strategies (in particular, IUU and the tuna exploration). Through the Sustainable Seafood Funder Group, the program officer will continue collaborating with funders that share similar and complementary strategic goals; most notably the Walton Family Foundation and the Gordon and Betty Moore Foundation. These collaborations are intended to promote funding efficiencies and leverage collective learning from and influence with common grantees.

COMMUNICATION

We will pursue the following three core communication objectives as part of the Strategy:

1. **Ensure clarity of communication with grantees, allied funders, and internal Foundation colleagues about the goals and key initiatives of the Strategy, as well as progress, challenges, and opportunities for collaboration.** Strong communication with a range of partners is critical to the success of the Strategy. Even though it is not changing dramatically due to the refresh, we will communicate Strategy updates to grantees in early 2017 and continue regular communication with them via one-on-one conversations, meetings, and email updates during the course of the Strategy. Communication with the other two core seafood markets funders, Walton and Moore, will remain a priority in addition to strengthening relationships with new funding partners on IUU and human rights and in Japan. Finally, regular coordination between the Global Seafood Markets team and the focus country teams will help ensure our work is mutually reinforcing while avoiding unnecessary duplication and conflict.

2. **Support grantee communication efforts that are essential to achieving our goals.** Key elements of the Strategy require our grantees to communicate effectively with a range of audiences, including deepening retail and formalizing food service commitments, and creating incentives for fisheries and aquaculture to improve via certification, ratings, fishery and aquaculture improvement projects, and government engagement. We will provide direct financial support, and communication capacity building where needed, to enable grantees to develop and implement communication strategies to engage key audiences, celebrate successes, and hold businesses accountable for making progress.

3. **Selectively use the Packard Foundation's voice to amplify grantee efforts and influence key players in North America and Japan.** NGO and business voices are often the strongest messengers on seafood sustainability. However, we do anticipate that there will be opportunities during the next five years to use the Foundation's voice strategically. Specifically, the 20th anniversary of the sustainable seafood movement in 2017 provides an opportunity to celebrate wins and set expectations for progress in the next decade. As the philanthropic leader of the movement during the past two decades, the Foundation will be a key player in the anniversary outreach efforts. There will also be opportunities to amplify the results of grantee work such as the creation of a public commitment tracking platform. Finally, the Foundation is well-respected by NGO, industry, and government leaders in North America and Japan. Where necessary, we will communicate directly with these audiences to accelerate progress or overcome roadblocks.

We will develop an annual detailed communication plan that identifies priorities for grantee and Foundation communication efforts in partnership with our communication consultant, Springboard Partners. Checking in on the plan quarterly will allow us to adapt to changing circumstances and take stock of lessons learned. We will also work closely with the Foundation communication team when opportunities arise to use the Foundation's voice.

MONITORING, EVALUATION, AND LEARNING

In 2016, the Foundation's Oceans program engaged California Environmental Associates (CEA) to support the monitoring, evaluation, and learning activities of the global and country strategies within the Ocean Strategic Framework. CEA has assisted with the Global Seafood Market Strategy's monitoring, evaluation, and learning-plan implementation since 2012 and we plan to continue our approach of setting detailed annual MEL plans and a practice of quarterly check-in meetings to monitor progress against the plan, including indicator-data updates when appropriate. In 2017, we will also implement refreshed proposal and reporting guidelines to more effectively reflect updated outcomes and indicator-data needs.

Monitoring

We will continue to monitor the Strategy's progress primarily through a combination of publicly available and grantee-provided data. Outcome-related data is generated on an annual basis, while process indicators are monitored more regularly. Data for indicators will be sourced from grantee reports, the biennial metrics report, and through additional engagement with the NGO community, as needed.

We will track progress against the following outcomes. In some cases, progress toward these outcomes will require the complementary funding of other foundations and cannot be accomplished through Packard Foundation funding alone.

Strategic Initiative	Outcome
Maintain responsible seafood sourcing momentum by major buyers in North America and catalyze the responsible seafood sourcing movement in Japan.	By 2022, 90 percent of North American retailer commitments will include traceability and an expanded scope of products included within the commitment (e.g., fresh, frozen, shelf stable, proprietary and national brands).
	By 2022, the retail sector will have increased alignment, transparency, and accountability within their sourcing commitments.
	By 2022, 75 percent of North American food service companies will have made publically documented commitments to sourcing sustainable seafood.
	By 2020, a common platform that promotes greater transparency for companies with commitments will be in place and widely adopted.
	By 2019, at least one precompetitive platform exists that facilitates and results in collective action to address a key issue in sustainable seafood and fisheries.
	By 2022, at least two leadership development programs exist to support public and private sector sustainable seafood leadership.
	By 2025, at least four of the five largest retailers in Japan (by market share) have made basic public commitments to sourcing sustainable seafood.
	By 2020, the Japanese Olympic Committee has committed to and implemented a procurement policy that ensures all seafood at Olympic functions is certified by MSC, ASC, or Blue Seafood Guide.
Sustainability programs are designed to meet the needs of current and emerging markets, as well as the wide range of fisheries seeking access to markets that demand sustainability.	By 2022, all seafood sold in the United States and Canada is traceable back to the vessel or farm.
	By 2018, the Certification and Ratings Collaboration will provide coordinated guidance on the spectrum of fishery and aquaculture performance.
	By 2022, the volume of seafood from sustainable fisheries and responsible farms will double (to 40 percent).
	By 2020, sustainability standard organizations will provide human rights and labor issue guidance to the seafood industry.
	By 2022, North American major buyers will integrate anti-IUU provisions into commitments (see Deepen Retail Commitment and Formalize Food Service Commitments outcomes).

	By 2020, at least two sustainability standard organizations will have begun working directly with governments and/or fisheries managers to improve fishery governance in at least five fisheries.
Promote environmentally responsible and globally recognized fishery and aquaculture improvement.	By 2022, 75 percent of FIPs operating for at least three years report stage 4 improvement (change in fishing policy, management, or practices) and maintain a minimum of a C progress rating (as reported by SFP or FisheryProgress.org).
	By 2022, 25 percent of FIPs operating for at least five years report stage 5 improvement (improvements in biomass, bycatch, ecosystem impacts and health) and maintain a minimum of a C progress rating (as reported by SFP or FisheryProgress.org).
	By 2018, the Global Seafood Markets Strategy will codify its approach to supporting responsible aquaculture improvement efforts and how it relates to the Foundation's work in focus countries.

Evaluation and Learning

The Strategy has historically relied on a variety of evaluation and learning methods to periodically assess the effectiveness of interventions, new opportunities for greater impact, or the overall status of the field.

We will continue to commission and support regular studies, such as the biennial *Seafood Metrics Report,* and ad-hoc evaluations, such as the *Seafood Commitment Review, Global FIP Review,* and *Seafood Commodity Trade Analysis*, in support of the Strategy and the field. The biennial *Seafood Metrics Report*, for example, aggregates measurable progress the sustainable seafood community has made and the status of fisheries health globally.

A 20-year retrospective of the sustainable seafood movement will be released in 2017, which will focus on qualitative aspects of the movement's successes. This report is a first attempt at capturing the collective impact story of the sustainable seafood movement and is intended to inform funders, NGOs, businesses, and governments who have collectively engaged in the sustainable seafood movement during the past 20 years. It is also intended to explore potential future directions of the movement.

The Strategy team will continue to participate in major conferences (e.g., Seafood Expo North America in Boston, SeaWeb Seafood Summit, Economist World Ocean Summits, regional grantee workshops) to stay apprised of industry, NGO, government, and academic advances in the field. We host a variety of thought-leadership roundtable discussions each year to inform strategy development and deployment, and remain in regular contact with grantees in the field and conduct field visits when strategically valuable. We also meet regularly with other Foundation colleagues to leverage various learning agendas.

The Foundation recognizes that to ensure the durability of the sustainable seafood movement, it must develop a financial model supported by a portfolio of resource providers. The Foundation, along with the Walton Family Foundation, has been the sustainable seafood movement's strongest champion and largest supporter. We currently support more than 30 organizations through direct grantmaking or our support for the Conservation Alliance for Seafood Solutions, and we intend to maintain this leadership into the future. To encourage progress and a more durable long-term future for the sustainable seafood movement, the Foundation is committed to leading a process that will explore potential movement-wide business models that will encourage innovation and begin to transition the movement away from philanthropic support over time. We plan to commission a study to help the Foundation better understand how to intelligently transition the sustainable seafood movement to less philanthropy-dependent models and other funding sources without significantly risking the field's capacity to generate impact. We recognize that this movement may not have a viable alternative funding model, but we are committed to explore and experiment with a range of options within the timeframe of this strategy. An advisory group comprised of sustainable seafood movement leaders will help inform this process.

ALTERNATIVE SCENARIOS & POTENTIAL EXITS

The process of developing the refreshed Global Seafood Markets Strategy has reinvigorated our commitment to market approaches to incentivize change in global fisheries and aquaculture production. However, there are scenarios under which we would consider exiting or significantly redesigning our strategic initiatives.

Strategic Initiative 1: Maintain North American major buyers' responsible seafood sourcing momentum and catalyze the responsible seafood sourcing movement in Japan.
Committing to sustainable seafood is now a norm among major buyers in North America. We are thrilled about what our grantees have accomplished in this area, but we also believe commitments need to continue to evolve. We see the next few years being an important inflection point for the buyer community, where buyers will either advance their commitments to include important additional sustainability aspects (e.g., traceability, social standards) across a wider product scope (e.g., fresh, frozen, shelf-stable, company-branded, and third-party products) or they will consider their current level of commitments sufficient to satisfy consumer demand. Under the latter scenario, we would consider a significant reduction of support for advising the major-buyer community.

Strategic Initiative 2: Sustainability programs are designed to meet the needs of current and emerging markets, as well as the wide range of fisheries seeking access to markets that demand sustainability.
Fisheries in the developed world appear to have turned a corner and many of the sustainability tools that we have supported have proven successful in countries that have well-developed governance models. During the past five years, the Strategy has pivoted to address the needs of key fisheries in the developing world, and it will be critical in the next five years that the approaches meet those needs. We plan to support a variety of initiatives to adapt to the new challenges posed in these new priority geographies; however, if North American, Northern European, and (soon) Japanese buyer demand is unable to sufficiently engage stakeholders in the developing world, we will consider repositioning our strategic priorities in these regions.

Strategic Initiative 3: Promote environmentally responsible and globally recognized fisheries and aquaculture improvement.
Improvement projects have been a critical piece of our Strategy and have proven to be an effective approach to engage supply chains and producers in a process of moving toward sustainability. There now exists a global community of improvement project implementers engaging fisheries on six continents and in every major commodity that is relevant to North American markets. Given their historical success, we are excited and anxious to understand their ability to promote meaningful change in the developing world where most of the newest improvement projects are focused. That being said, the improvement project model was developed for and tested on industrial fisheries in the developed world and is now being asked to provide meaningful change in all types of fisheries across the world, including small-scale fisheries in countries with weak supporting governance. We anticipate improvement projects to make slower progress in these more challenging governance contexts, but it is essential that they demonstrate meaningful progress nevertheless. If during the duration of this Strategy we feel that improvement projects are not an effective tool in the developing world context, we will investigate other tools and approaches to replace our support for improvement projects in the future.