



Global Seafood Markets Strategy Evaluation Final Report

June 30, 2020

ROSS
STRATEGIC



GLOBAL IMPACT ADVISORS

EON
IMPACT CONSULTING

Table of contents

	Slides
I. <u>Executive Summary</u>	6-14
II. <u>Introduction</u>	15-21
III. <u>GSM Strategy and Portfolio Overview</u>	22-31
IV. <u>Global Seafood Markets in Context</u>	32-45
V. <u>Sustainable Market Transformation Framework</u>	46-51
VI. <u>Overall GSM Strategy Evaluation Findings</u>	52-80
VII. <u>GSM Strategy Evaluation Recommendations</u>	81-110
VIII. <u>Annexes</u>	111
• <u>Annex 1: Evaluation Approach, Methods, and Data Sources</u>	113-131
• <u>Annex 2: GSM Strategy and Portfolio: Additional Materials</u>	132-147
• <u>Annex 3: Sustainable Market Transformation Framework: Additional Materials</u>	148-155
• <u>Annex 4: Deep Dive – Standards, Ratings, and Certifications</u>	156-213
• <u>Annex 5: Deep Dive – Buyer Commitments</u>	214-273
• <u>Annex 6: Deep Dive – Precompetitive Collaborations</u>	274-330
• <u>Annex 7: Shallow Dive – Fishery Improvement Projects</u>	331-361
• <u>Annex 8: Shallow Dive – Social Responsibility</u>	362-385
• <u>Annex 9: Shallow Dive – Traceability and Transparency</u>	386-421
• <u>Annex 10: Shallow Dive – Trade Policy and Import Controls</u>	422-444

Reflections on this evaluation and a few disclaimers

It is the evaluation team's sincere hope that this draft Global Seafood Markets (GSM) strategy evaluation report sparks and supports important and timely discussions at the David and Lucile Packard Foundation (Packard) and the Walton Family Foundation (WFF), and among key partners and grantees in the GSM movement, and serves to advance the field.

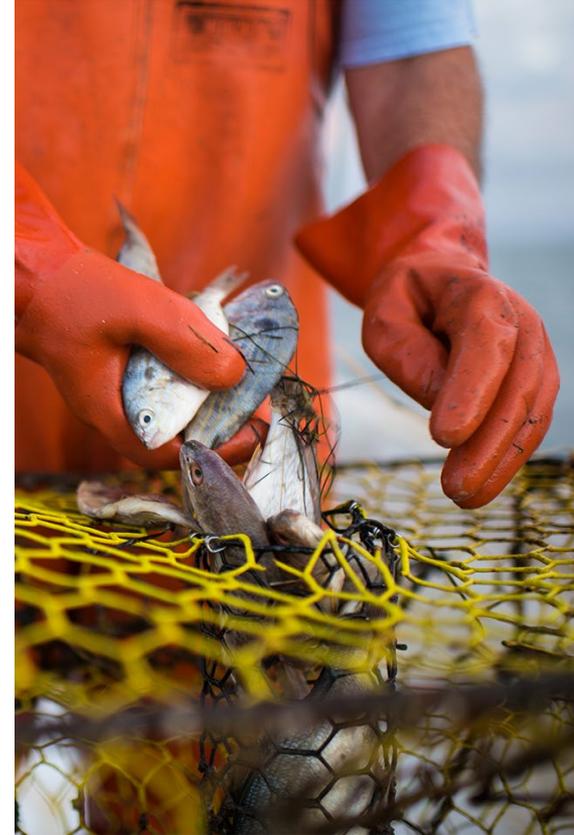
DISCLAIMERS

- This report was prepared by Ross Strategic, Global Impact Advisors, and Elizabeth O'Neill Impact Consulting. Any errors and omissions are our own.
- Primary data collection for this evaluation occurred before the scope and extent of the COVID-19 pandemic was known. Although the pandemic is referenced in the report, the recommendations do not fully consider the potential implications of the pandemic for seafood markets and the sustainable seafood movement.



Acknowledgments

- The GSM evaluation team would like to acknowledge the NGO, government, industry, and experts who provided valuable insights that informed this report. In particular, we would like to acknowledge:
 - Members of the evaluation's Technical Working Group:
 - Jacqueline Berman, International Center for Migration Policy Development
 - Carl Folke, Stockholm Resilience Center
 - Glenn Hurowitz, Mighty Earth
 - Meredith Lopuch, Tavura, Ltd.
 - Cathy Roheim, University of Idaho
 - Huw Thomas, The Cornish Shellfish Company Ltd.
 - Aaron Zazueta, Independent Evaluator
 - CEA Consulting, which shared perspectives and authored many key data sources we used
- We also thank the foundations' GSM program officers and monitoring & evaluation leads for their review:
 - Meghan Chartres, George Dallas, Sarah Hogan, Madeleine McKinnon, and Meredith Blair Pearlman, David and Lucile Packard Foundation
 - Teresa Ish and Kara Stevens, Walton Family Foundation
- The evaluation team included:
 - Tim Larson, Jennifer Tice, Melissa Bañales, Andy Chinn, and Darcy Peth, Ross Strategic
 - Amy Adelberger, Katherine Abraham, and Maggie Niu, Global Impact Advisors
 - Elizabeth O'Neill, Elizabeth O'Neill Impact Consulting
- For more information on the GSM Strategy Evaluation or to provide input, please contact:
 - Tim Larson (tlarson@rossstrategic.com)
 - Amy Adelberger (amy@globalimpactadvisors.org)



Acronyms and Abbreviations

AIP	aquaculture improvement project	MEL	monitoring, evaluation, and learning
ASC	Aquaculture Stewardship Council	MSC	Marine Stewardship Council
BC	buyer commitment	NGO	nongovernmental organization
C&R	certification and ratings	OSF	Ocean Strategic Framework
COFI	Committee on Fisheries of the Food and Agriculture Organization	Packard	David and Lucile Packard Foundation
Conservation Alliance	Conservation Alliance for Seafood Solutions	PCC	precompetitive collaboration
FAO	United Nations Food and Agriculture Organization	RFMO	regional fisheries management organization
FIP	fishery improvement project	SALT	Seafood Alliance for Legality and Traceability
GDST	Global Dialogue on Seafood Traceability	SeaBOS	Seafood Business for Ocean Stewardship
GSM	global seafood markets	SIMP	United States Seafood Import Monitoring Program
ICP	United Nations Informal Consultative Process on Oceans and the Law of the Sea	SOFIA	State of the World Fisheries and Aquaculture
IUU	illegal, unreported, and unregulated	SSC	Sustainable Seafood Coalition (UK)
KI	key informant	TOC	theory of change
MBA	Monterey Bay Aquarium	TWG	Technical Working Group
		WFF	Walton Family Foundation
		WWF	World Wildlife Fund



I. Executive Summary

- Summary findings and recommendations
- Summary responses to evaluation questions

Executive summary (1 of 3)

- Over the past 20 years, Packard and WFF have played instrumental roles in supporting changes to global seafood markets as a key strategy for advancing responsible practices and sustainability in fisheries and aquaculture operations.
- GSM strategies seek to contribute directly to broader ocean conservation and environment program goals.
- GSM strategies' theory of change posits that **creating business demand** for sustainable seafood, coupled with engagement from the supply chain, motivates and enables seafood producers and partners to improve practices and the management of fisheries to **enable seafood supply to meet this demand**.
- GSM strategies also focus on **mobilizing changes in policies and governance** to drive responsible practices and sustainability in seafood markets and to prevent illegal, unreported, and unregulated (IUU) fishing, in part by engaging market actors to support such changes.
- The evaluation found that the theories of change and strategies pursued by Packard and WFF are generally consistent and complementary, and that grant portfolios targeted important elements of the theories of change to advance the outcomes and goals established by the foundations' respective GSM strategies.
- The evaluation team believes that a market transformation framework (adapted from Lucas Simons) is useful to understand and assess progress and future directions for GSM strategies, given that the state of market evolution drives the specific needs that require support at different phases.

Executive summary (2 of 3)

- The evaluation found substantial evidence of GSM strategy progress in the demand markets that the foundations targeted (North America, Europe, and Japan), including over the last five years. Progress included:
 - Sustainable sourcing commitments made by many major US, European, and Japanese seafood buyers
 - Development and implementation of GSM tactics and tools such as standards, ratings, and certifications programs to support supply to meet this demand (more than 43% of wild capture seafood in N America and Europe is certified¹), and new tools developed to support issues such as traceability
 - Development of improvement mechanisms, such as fishery improvement projects (FIPs), to move more fisheries towards sustainability standards, seeking to further incentivize improvements on the water
 - Rapid growth and evolution of diverse platforms to enable industry and NGO collective action to address market challenges across seafood commodities and GSM areas of intervention (e.g., precompetitive collaborations)
- The foundations have also made substantial progress towards outcomes and targets established in their current GSM strategies.
- Despite this progress, the evaluation suggests that investments and strategies have been insufficient to meet most of the foundations' near term goals; shifts in focus and approach are needed to accelerate market transformation to attain the foundations' existing goals targeting the markets of North America, EU, and Japan - and possibly expand to broader global impact.
- Key challenges constrain substantial future progress on market transformation, including: (1) fragmented tools and initiatives; (2) fragmented industry leadership and ownership; (3) lack of accountability for results; (4) information gaps (e.g., traceability, ratings coverage, human rights and labor performance); (5) cost and business models issues; and (6) weak governance and enabling conditions.

Executive summary (3 of 3)

- Seafood market trends also pose challenges; rapid growth of seafood consumption in Asia, Latin America, and Oceania, combined with China's growing clout in seafood import markets, is weakening the influence of North American and European markets; climate change and other issues also raise key uncertainties and risks.
- The evaluation team believes two strategic focus areas are needed to fully realize durable impacts of GSM strategies and to transition seafood markets towards sustainability:
 1. **Improve the efficiency and effectiveness of market-based tactics deployed in North America, Europe, and Japan to create demand, enable sustainable supply to support those demand markets, and mobilize market-focused policy changes** through a range of priority actions in each of these areas
 - Priority actions emphasize clarifying priorities and targets, enhancing industry ownership and collective action, strengthening connections between markets and governance, and strengthening transparency and accountability, among other areas.
 2. **Increase the leverage of market-based tactics by expanding the sphere of influence**, which could be accomplished by:
 - Analyzing country-specific market opportunities based on importance for influencing global seafood sustainability as well as potential for influence by market-based approaches, and/or
 - Catalyzing a global multi-stakeholder shared vision for sustainability and enhancing capabilities through new or existing collaborations to drive needed connectivity and policy changes
- As the foundations consider tradeoffs, key “must have” priorities to consider include: protect partners through the pandemic, focus where there is momentum (e.g., Japan, accountability for buyer commitments), invest in advocacy and watchdog roles and activities that industry won't fund, address challenges and strengthen tools in current GSM markets, and invest strategically in NGO collaborations that have clear goals and roles.
- The foundations can be more effective in their implementation of future GSM strategies by clearly communicating strategic priorities to grantees, being more explicit about their objectives and how they will be tracking them, more directly engaging with industry, and seeking to diversify and leverage funding.

Summary responses to the GSM evaluation questions (1 of 5)

Look Back: What can we learn from the design, management, implementation of GSM strategies?	Quick answer	Slide #s
<p>0. What market failures or barriers to increasing seafood sustainability have the GSM strategies sought to address, and to what extent have the GSM goals been clear enough to create a shared vision for change and drive impact? How have the market failures and GSM strategies evolved?</p>	<p>Making sustainable seafood production a prerequisite for access to North American and European markets, and more recently Japanese markets, has been the driving force of GSM strategies. Early on, the foundations primarily sought to overcome barriers of issue salience; those who control market access needed to take an interest in using it to drive change. As issue salience increased, GSM strategies sought to convert that interest into clear demand signals that suppliers and producers could interpret and act on, and ultimately drive a regulatory response. GSM strategies addressed market barriers including lack of demand, lack of clarity of sustainability definitions, lack of process and support for fisheries not meeting sustainability standards to improve, lack of visibility of purchaser and supplier practices, and weak policy and governance constraining behavior of market actors, among others. In the last five years, as companies saw value in working together pre-competitively, GSM strategies evolved to initiate and support collaborative approaches.</p>	23-31, 47-51
<p>1. What is our definition of a market-based approach? And at what intervention points did we intervene in the global seafood market? And how did our theories of change (TOCs) compare with other market-based approach TOCs?</p>	<p>The foundations' GSM strategies have three complementary goals: create and maintain demand for sustainable seafood, enable supply to meet demand, and mobilize market-focused policy changes. Within the targeted international trade market, the foundations intervened to catalyze change, align and consolidate approaches, drive innovation to close key gaps, and expand impact. The TOCs generally follow the "playbook" established by other sectors and described in the market transformation framework outlined by Lucas Simons in <i>Changing the Food Game</i>. Mobilizing market actors to advocate for improved governance has not been a prominent element of the GSM strategy to date, whereas the link between private and public actors has been more apparent in other sectors and programs.</p>	23-31, 47-51, 132-147
<p>2. To what extent did our grantmaking practices align with our goals and objectives and our theories of change and their evolution over time?</p>	<p>The foundations supported a suite of highly relevant and largely necessary activities to advance the TOCs in order to attain stated goals. Together the portfolios of grants were not always designed or targeted to achieve the scale and scope of intended outcomes and impacts. This may reflect over-ambition of the stated goals, however, versus strategic misalignment of grantmaking. The foundations invested significantly in creating demand in target markets and enabling supply to meet that demand.</p>	23-31, 53-55, 132-147 (also Annexes 4-10)

Summary responses to the GSM evaluation questions (2 of 5)

Look Back: What can we learn from the use and implementation of market-based approaches?	Quick Answer	Slide #s
<p>3. To what extent are GSM's grantmaking and non-grantmaking activities persuasive enough to influence desired changes? To what extent was industry evolving anyway vs to what extent did industry respond to the foundation actions?</p>	<p>Key informants converged around the belief that the foundations have played a vital role in the sustainable seafood movement. Without the foundations' efforts to create issue salience and establish the business case for sourcing sustainably, it is unlikely that industry would have made much progress over similar timeframes. Retailer sustainable sourcing commitments, widely recognized as a critical driver of seafood sustainability, accelerated after the Conservation Alliance created the Common Vision and Greenpeace began ranking retailers' commitments, both funded by the foundations. Although long-term survival and availability of seafood is a key motivator for industry investment in sustainability, the short-term nature of many business decisions and slim margins for both retailers and suppliers would have made investment less likely in absence of philanthropic support that drove buyers to demand sustainable products from suppliers.</p>	<p>53-80 (also Annexes 4-10)</p>
<p>4. To what extent did the foundations achieve their intended results and what key factors most supported or obstructed progress?</p>	<p>The foundations have made significant progress in developing the GSM movement over the past 20 years and are generally well-positioned to meet many near-term targeted outcomes in their current GSM strategies. Despite this progress on outcomes and indicators, realizing the overall GSM goals will require achieving faster, broader-reaching impact. Some key factors that supported progress included strong leadership and governance (e.g., for collaborative efforts; also an obstacle if absent), foundation involvement and direction, and shared guidance and tools (e.g., for FIPs). Factors that limited progress included unclear or inconsistent goals (e.g., definitions of sustainability), lack of accountability mechanisms, and fragmentation of initiatives (e.g., certifications and ratings).</p>	<p>53-80 (also Annexes 4-10)</p>
<p>5. What have been the GSM strategies' contributions to positive changes in the sustainability of global seafood stocks?</p>	<p>Despite significant progress in advancing GSM approaches, it is difficult to translate this progress into aggregated impacts on fishery stocks. Research shows that while the amount of fish stocks that are over-exploited or collapsing is growing, there are also increases in fish stocks rebuilding. We do not have the data, however, to attribute these rebuilding stocks to GSM activities. The quantity of certified and green rated seafood has increased in the last 5-10 years, and buyers say they plan to purchase more certified or green-rated fish as well as fish from FIPs or aquaculture improvement projects (AIPs). It is unclear whether market incentives for FIPs, AIPs, and certification are enough to drive changes in production practices and policy reforms that can then increase sustainability on the water.</p>	<p>79, 186-200</p>

Summary responses to the GSM evaluation questions (3 of 5)

Look Back: What can we learn from the use and implementation of market-based approaches?	Quick Answer	Slide #s
6. To what extent have the foundations leveraged key external partners and contributed to alignment among key stakeholders who are well positioned to drive change and advance the fishery and seafood sustainability agenda?	<p>The foundations have been highly effective in leveraging key external partners—particularly among industry and NGO actors—and contributing to alignment of key stakeholders. Initiatives such as the Conservation Alliance for Seafood Solutions, the Seafood Certification and Ratings Collaboration, and various precompetitive collaboration (PCC) platforms have been important for forging alignment, coordination, and collaboration over the past 5 years. Despite substantial progress, the GSM movement remains somewhat fragmented. Progress has been greatest where goals and roles (and governance) have been clear. Enhanced clarity of focus and governance are needed to drive substantial market transformation progress, and efforts will need to engage government and governance actors (including regional fisheries management organizations, or RFMOs).</p>	53-80 (also see Annexes 4-10)
7. To what extent are achievements likely to be sustained and what are the signs of traction or durability?	<p>Industry survey participants indicate that their companies are committed to sustainability and will continue to invest in it. Signs of traction and durability are evident in markets like the UK where industry has come together through the Sustainable Seafood Coalition (SSC) to create sustainable sourcing and labeling codes of conduct. That type of collaboration among buyers is lacking in the US, although suppliers have made significant progress through precompetitive collaborations. Seafood Business for Ocean Stewardship (SeaBOS) and Sea Pact are two promising examples.</p>	53-80, (also see Annexes 4-10 for discussion of durability across GSM tactics)

Summary responses to the GSM evaluation questions (4 of 5)

Look Forward: Where should we go from here?	Quick answers	Slide #'s
8. What are the current market trends in the global seafood industry as related to sustainable seafood?	Seafood consumption trends show substantial increases in seafood consumption in Asia, Latin America, and Oceania, with most growth being met through aquaculture. Trade projections indicate that Asia (and particularly China) is likely to continue to be critical to global export and import markets, potentially reducing the global influence of North American and Northern European markets targeted historically by the foundations' GSM strategies. A range of factors (including downward seafood price pressures from discount supermarkets) may pose challenges for GSM business models. Key informants identified Climate change, the COVID-19 pandemic, and plastics as emerging issues that create risks/uncertainties for GSM strategies.	32-45, 84-92 (also see Annexes 4-10)
9. Given the current stage of transformation of global seafood markets towards sustainability, what are the barriers that impede a market-based approach from advancing meaningful, sustained sustainability improvements in seafood production?	Overall, GSM strategy implementation in N America and Europe is in the third phase of market transformation, where activities are gaining critical mass and beginning to be institutionalized. Cross-cutting challenges include: (1) Fragmented standards, tools and programs that are not fully aligned and connected; (2) Fragmented industry leadership and ownership across multiple initiatives that reduce the influence of market actors to advocate for governance and policy change; (3) Insufficient accountability for GSM tactics that limits their potential impacts and results; (4) Information gaps (e.g., traceability, commitment tracking, ratings coverage, human rights and labor performance) that limit transparency and undermine accountability; (5) Weak business models for GSM programs; and (6) Market structure limitations that include weak governance and enabling conditions in producer countries, export markets that are not sufficient to catalyze knock-on effects in domestic markets, and challenges with using commodity-focused GSM approaches in small and mixed species fisheries.	50, 77, 98, 102, 106 (also see Annexes 4-10 for barriers across tactics)
10. What is the value proposition for Packard and Walton to engage with GSM going forward? What are the unique contributions that these foundations can make to the GSM movement?	Key informant interview synthesis highlights several critical roles for the global sustainable seafood movement. The foundations' ability and willingness to provide thought leadership in the context of the GSM system underpins success to date. The foundations are uniquely positioned to help GSM movement actors—NGOs, industry, and governments—recognize and make strategic shifts to continue GSM transformation.	31, 70, 109-110

Summary responses to the GSM evaluation questions (5 of 5)

Look Forward: Where should we go from here?	Quick answers	Slide #'s
11. What should / could the foundations' strategies be going forward?	<p>Make accelerated shifts in two areas:</p> <ol style="list-style-type: none"><li data-bbox="604 248 1785 448">1. Improve the efficiency and effectiveness of market-based tactics deployed in North America, Europe, and Japan to create demand, enable sustainable supply to support those demand markets, and mobilize market-focused policy changes through a range of priority actions in each of these areas. Priority actions emphasize clarifying priorities and targets, enhancing industry ownership and collective action, strengthening connections between markets and governance, and strengthening transparency and accountability, among other areas.<li data-bbox="604 478 1785 645">2. Increase the leverage of market-based tactics by expanding the sphere of influence. This could be accomplished by: (a) Analyzing country-specific market opportunities based on importance for influencing global seafood sustainability as well as potential for influence by market-based approaches, and/or (b) Catalyzing a global multi-stakeholder shared vision for sustainability and enhancing capabilities through new or existing collaborations to drive needed connectivity and policy changes	94-110
12. Given what we know about what is working or not, and the role of the foundations, what could the foundations do to accomplish their vision and goals? What other components of a market-based approach could be explored and/or how does not addressing certain issues limit a market-based approach (e.g., addressing proximal social and economic impacts or not)? For the latter, how much do we understand the root causes (e.g., push on environmental sustainability without increase in price leads to lower margins and exacerbates the problem)?	<p>Both shifts are needed to fully realize durable impacts of GSM strategies and to transition seafood markets towards sustainability.</p> <p>As the foundations consider tradeoffs within these actions, key “must have” priorities to consider include: protect partners through the pandemic, focus where there is momentum (e.g., Japan, accountability for buyer commitments), invest in advocacy and watchdog roles and activities that industry won't fund, address challenges and strengthen tools in current GSM markets, and invest strategically in NGO collaborations that have clear goals, roles, and accountability mechanisms.</p> <p>The foundations can be more effective with future GSM strategies by clearly communicating priorities to grantees, being more explicit about their objectives and how they will be tracking them, more directly engaging with industry, and seeking to diversify and leverage funding.</p>	



II. Introduction

- Evaluation purpose, scope, and questions
- Evaluation approach, data sources, and methods

Evaluation purpose, scope, audience and intended use

Purpose

- To assess and learn from work supported by Packard and WFF to catalyze, convene, and lead efforts to increase the sustainability of global fisheries by integrating sound marine resource management into seafood markets and supply chains and advancing responsible practices in seafood production and fisheries management

Scope

- Assess the GSM strategies' contribution to the goals of the Packard and WFF marine conservation strategies, including key outcomes and achievements
- Elevate lessons and insights from the implementation of foundations' GSM strategies
- Focus on the past 3-5 years of GSM strategy implementation, recognizing that it will be important to consider a longer temporal horizon—the past 15 years
- Include a “Look Forward” component that draws on evidence to support thinking about future directions for GSM strategy evolution

Audience and Intended Use

- Key audiences include Packard and WFF program staff, grantees, and key partners, and foundation boards of directors and peer funders.
- The evaluation's intended use is to inform decisions about the future evolution of the foundations' GSM strategies, project portfolios, non-grantmaking work, and collaboration to increase the impact and durability of this work.



Evaluation questions: the evaluation addressed eight retrospective questions about how GSM strategies were designed and implemented

Retrospective: What can we learn from the design, management, and implementation of the GSM Strategy?

0. What market failures or barriers to increasing seafood sustainability have the GSM strategies sought to address, and to what extent have the GSM goals been clear enough to create a shared vision for change and drive impact? How have the market failures and GSM strategies evolved?
1. What is our definition of a market-based approach? And at what intervention points did we intervene in the global seafood market? And how did our theory of change compare with other market-based approach TOCs?
2. To what extent did our grantmaking practices align with our goals and objectives and our theories of change and their evolution over time?
3. To what extent are GSM's grantmaking and non-grantmaking activities persuasive enough to influence desired changes? To what extent was industry evolving anyway vs to what extent did industry respond to the foundation actions?

Retrospective: What can we learn from the use and implementation of market-based approaches?

4. To what extent did the foundations achieve their intended results and what key factors most supported or obstructed progress?
5. What have been the GSM Strategy's contributions to positive changes in the sustainability of global seafood stocks?
6. To what extent have the foundations leveraged key external partners and contributed to alignment among key stakeholders who are well positioned to drive change and advance the fishery and seafood sustainability agenda?
7. To what extent are achievements likely to be sustained and what are the signs of traction or durability?

Evaluation questions: the evaluation addressed five prospective questions about potential future directions

Prospective: Where should we go from here?

8. What are the current market trends in the global seafood industry as related to sustainable seafood?
9. Given the current stage of transformation of global seafood markets towards sustainability, what are the barriers that impede a market-based approach from advancing meaningful, sustained sustainability improvements in seafood production?
10. What is the value proposition for Packard and WFF to engage with GSM going forward? What are the unique contributions that these foundations can make to the GSM movement?
11. What should/could the foundations' strategy be going forward?
12. Given what we know about what is working or not, and the role of the foundations, what could the foundations do (e.g., fisheries governance, specific fisheries focus, country/region focus areas, etc.) to accomplish their vision and goals? What other components of a market-based approach could be explored and/or how does *not* addressing certain issues limit a market-based approach (e.g., addressing proximal social and economic impacts or not)? For the latter, how much do we understand the root causes (e.g., push on environmental sustainability without increase in price leads to lower margins and exacerbates the problem)?

Evaluation approach and methods

- The GSM evaluation team used a mixed method, phased approach to data collection and analysis (see Annex 1 for details).
- Strong emphasis on drawing from existing data sources, complemented by strategic data collection to fill gaps and provide updated, current perspectives
- Data instruments included interview questions for two rounds of interviews, survey questions for two online surveys, discussion questions for group meetings
- Iterative process with interaction and meaning-making sessions with foundation staff, Technical Work Group (TWG), NGO grantees and partners, and other stakeholders

Data Source and Method	Description
Document review and analysis	Extensive review of grantee reports, studies, evaluations, and other GSM-relevant documents and publications
Grant portfolio mapping and analysis	Analysis of 2007-2019 grant data from Packard and WFF based on mapping to GSM theories of change (Annex 2 describes the grants analysis approach)
Key informant (KI) interviews	Two rounds of KI interviews with 81 individuals from NGOs, industry, foundations, government, academia, and other stakeholders
Focus groups and stakeholder workshops	<ul style="list-style-type: none"> • Technical Working Group webinars, preliminary findings workshop (Feb 27), and 1:1 interviews • Facilitated sessions focused on the GSM evaluation at the Certification & Ratings Collaboration meeting (Jan 30); NGO Workshop on GSM Evaluation Preliminary Findings (Feb 28) • Participated in other workshops such as Draft Global FIP Review meeting (Dec 14); Packard OSF Evaluation Preliminary Findings Meeting (Jan 17); Oceans 5 IUU workshop (Apr 9)
Surveys	Two online surveys were conducted of Packard and WFF grantees (NGO Survey, 41 respondents) and industry representatives from across the supply chain (Industry Survey, 52 respondents)

The evaluation approach involved deeper and lighter touch investigations into GSM tactics

The team organized topical exploration and analysis for the evaluation into “deep” and “shallow” dives, reflecting the level of data collection and analysis.

- **Deep Dives** are in-depth examinations of major areas of investment for Packard and WFF GSM strategies involving more extensive data collection (interviews, surveys, grants data, and documents) and analysis of progress, results, and future strategic options.
 - Standards, certifications, and ratings (Annex 4)
 - Buyer commitments (Annex 5)
 - Precompetitive collaborations (Annex 6).
- **Shallow Dives** are lighter touch examinations of areas of investment for Packard and/or WFF GSM strategies involving less extensive data collection, but still contributing to answering the same overarching evaluation questions, including progress, results, and strategic options.
 - FIPs (Annex 7)
 - Social responsibility (Annex 8)
 - Traceability and transparency (Annex 9)
 - Trade policy and import controls (Annex 10)
- **Confidence Levels:** All findings in the synthesis sections of the report are assumed to be “high” confidence unless otherwise noted.
- **Equitable Evaluation Approaches:** The evaluation team believes that well-designed and implemented evaluations can be a tool for advancing equity. The evaluation team considered equity in all aspects of the evaluation process, including how we listened, how we collected data and information, how we defined and analyzed problems and solutions, and how we identified and engaged stakeholders.

More details about confidence levels and our approach to equitable evaluation are in Annex 1.

Limitations of the evaluation

The evaluation team would like to highlight a few areas where limitations of the evaluation design and/or data availability constrain the team's ability to develop more detailed findings or recommendations with high confidence. These include:

- **Challenges inherent in evaluating and presenting results for two distinct foundation programs.** While there are numerous benefits of conducting a joint evaluation of related (and often coordinated) programs operated by two foundations, this design also created challenges for the level of specificity in exploring individual foundation contributions and for the presentation of results. These challenges stemmed from different framing of goals and objectives, theories of change, and monitoring systems and data.
- **Role of other funders.** While Packard and WFF are among a small number of philanthropic funders of GSM-related work, the evaluation team did not pursue robust data collection from peer funders. As a result, the evaluation is limited in its ability to situate its recommendations in a strong understanding of how evolving funder roles and investments may create opportunities and risks in the GSM field. It is fair to say that as the dominant philanthropic funders in the GSM field (along with the Gordon and Betty Moore Foundation), future Packard and WFF GSM strategies are likely to be most impacted by each other's decisions about future direction.
- **Country-level strategies, risks and opportunities, including in Asia and China.** While the evaluation team interviewed key informants from multiple countries where the Foundations have active GSM investments (and leveraged data from the Packard OSF evaluation team's interviews in selected focal countries such as Indonesia and China), the overall interview and survey data from countries outside of the U.S. and selected European countries limits the evaluation team's ability to advance rich country-specific findings, including for countries such as Chile, China, Indonesia, Japan, Mexico, and Spain. Resource limitations constrained the number of shallow dives that could be supported by the evaluation team, limiting geographically-focused analyses to be integrated across other deep and shallow dives in lighter ways.
- **Limited explicit data collection and analysis on NGO collaboration and collective action.** Resource and time constraints also precluded more in-depth data collection and analysis around NGO collaboration and collective action. While this topic arose in multiple KI interviews and in the NGO and TWG convenings, the evaluation is constrained in the level of specificity it can provide related to specific NGO collaboration platforms.
- **Unintended consequences relevant to social issues and equity.** The evaluation design did not include robust data collection in producer country fisheries or of supply chain actors near the water. This limits the evaluation team's ability to support understanding of how costs associated with GSM interventions (such as costs of seafood certification or participation in a FIP) may impact people and livelihoods in fisher communities. For example, multiple key informants indicated that seafood producers typically do not experience price premiums for implementing responsible practices or sustainability measures (outside of programs that may be directly focused on social livelihood issues such as Fair Trade USA's seafood certification program or "social FIPs"), although they may receive market access benefits. Similarly, responsible management of fisheries may require catch limits that directly affect fisher livelihoods. [Annex 8](#) addresses social responsibility issues in the context of these data limitations.



III. Global Seafood Markets Strategy and Portfolio Overview

- Packard and WFF GSM strategies
- Theories of change and intervention areas
- Funding portfolio and theory of change alignment
- Grantee perspectives on GSM and foundation roles

Relevant Evaluation Questions: 0, 1, 2, 10

GSM strategy and portfolio overview: Context for this section

- To examine how the grantmaking practices of Packard and WFF aligned with their goals, objectives, and theories of change (evaluation question 2, with some input for questions 0-1), the GSM evaluation team:
 - Examined the foundations' GSM goals, strategies, and TOCs to identify common features defining a market-based approach and any key differences
 - Assembled and analyzed a combined grants portfolio data set with GSM grants and aligned, market-related country program grants from Packard and WFF for 2007-2019; the foundations' grants data were linked by a common set of "outcomes" representing tactics or areas of intervention
 - Considered how funding areas aligned with areas in the foundations' TOCs and the Conservation Alliance for Seafood Solution's (Conservation Alliance) TOC
 - Used interviews, industry and NGO surveys, and grant document research to refine the understanding of focus areas for GSM investment
 - More details about the grants and TOC analysis are in Annex 2
- Based on this analysis, the evaluation team found that Packard and WFF have highly similar TOCs and market-based approaches for supporting sustainable fisheries, and investment has focused primarily on building demand for sustainable seafood and enabling supply to meet demand, more than supporting market-focused policy changes.



Overview of Packard and WFF GSM strategies

Packard GSM Strategy, 2017-2022	WFF Incentivizing Fishing Through Markets Strategy, 2016-2021
<p>Goals</p> <ul style="list-style-type: none"> • The goal of the GSM strategy is that 40 percent of global fisheries are sustainable or on a path to sustainability by 2022. • The GSM 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. 	<ul style="list-style-type: none"> • 5-year goal: By 2020, supply chains linking the US, Japan and Spain with Mexico, Chile, Peru and Indonesia advance national level goals and goals in priority fisheries. The US, Japanese and Spanish imports from core geographies meet minimum requirements for sustainability and traceability ; this will include reducing the amount of illegal seafood entering the US from 30% to 15%. • 20-year goal: Seafood products imported by the US, Japan and Spain from Mexico, Chile, Peru and Indonesia come from fisheries that are showing improvements in biomass or have met management goals, and are on track for recovery within 10 years. The US, European Union (EU) and Japan have effectively limited the entry of IUU products into their markets.
<p>Strategies</p> <ul style="list-style-type: none"> • Buyer Demand: Maintain North American major buyers’ responsible seafood sourcing momentum and catalyze the responsible seafood sourcing movement in Japan. • Sustainability Programs: 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 to demand sustainability. • Improvement Projects: Promote environmentally responsible and globally recognized fishery and aquaculture improvement. 	<ul style="list-style-type: none"> • Buyer Demand (set a higher bar for sustainability): Build demand for sustainable seafood in the largest seafood-consuming markets that source from fisheries in our core geographies and create and maintain tools that help define and measure sustainability in key fisheries. • Trade Restrictions: Support trade policies or ensure the implementation of trade policies to set the floor. These policies include anti-IUU measures that require robust traceability, and trade agreements (such as the Trans-Pacific Partnership) that include requirements or assurances on the sustainability of the traded fisheries products.
<p>Focus areas</p> <ul style="list-style-type: none"> • Seafood: Wild capture and aquaculture • Demand markets: US, Canada, Northern Europe, and Japan • Producing countries: Global, but where aligned, the GSM strategy seeks to co-fund or support work in the Ocean Strategic Framework focal countries: Chile, China, Indonesia, Japan, Mexico, and US. 	<ul style="list-style-type: none"> • Seafood: Wild capture • Demand markets: US, Japan, and Spain • Producing countries: Chile, Mexico, Peru, and Indonesia

Packard and WFF have fundamentally the same theories of change, with some differences in focus

The foundations' GSM TOC and strategies seek to complement country-program investments to support sustainable fisheries management (for GSM TOC diagrams, see Annex 2)

- Packard's GSM TOC assumes that demand for sustainability in large seafood importing markets (N America, N Europe, Japan) will improve seafood production and fisheries and aquaculture management across the globe. Packard GSM strategies have a global focus, but support aligned in-country work by country programs.
- WFF's GSM TOC relies on building demand for sustainable seafood to incentivize improvements in fisheries and advancing trade policies that set the floor for fisheries management. WFF GSM strategies focus on global activities and demand markets, while WFF country programs support fisheries improvement in priority producing countries.

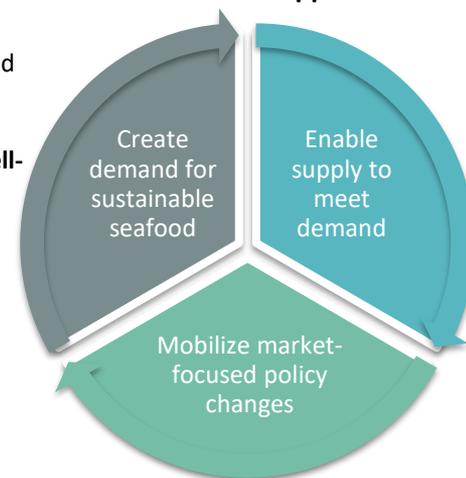
Both the Packard and WFF GSM theories of change aim to increase the proportion of global seafood that comes from well-managed, sustainable fisheries through three key activities:

- **Build industry demand for sustainably sourced seafood** from buyers throughout the supply chain, with increased transparency to promote efficiency and accountability.
- **Enable supply to meet demand** by incentivizing improvements in fishing practices and management.
- **Mobilize changes in domestic and international market-focused policies** including to disallow IUU fishing.

While largely similar, Packard's GSM theory of change and strategy places greater emphasis on aquaculture than does WFF's TOC, and WFF's TOC incorporates more on trade policy

- **Aquaculture:** Packard's TOC addresses increasing global seafood from sustainably managed aquaculture operations as well as wild capture.
- **Policy advocacy:** Packard seeks to support sustainable fisheries through changes in both practice and policy. While directly coordinating policy-reform advocacy is outside the scope of Packard's GSM strategy (trade policy is in its US and Japan strategies), Packard funds GSM activities that coordinate with country-program policy work and supports other governance efforts. Walton's GSM strategy focuses on advancing trade policies in demand countries, while combating IUU fishing and improving fisheries management in producing countries are supported with WFF's country programs.

Packard & WFF's Market-Based Approach



GSM areas of intervention (tactics) and coordination with country programs

Areas of Intervention (Tactics) Supported by GSM Strategies

Create demand for sustainable seafood

- Buyer and retailer commitments
- Seafood supply chain transparency
- Business accountability
- NGO and precompetitive collaborations
- NGO and private sector leadership

Enable supply to meet demand

- Certification and ratings programs
- Integration of human rights and labor issues into standards
- Fishery improvement projects
- Defining Packard's role in aquaculture improvement

Mobilize market-focused policy changes

- Reducing market incentives for IUU seafood
- Mobilizing market actors to advocate for stronger fishery and aquaculture governance

Complementary Areas of Intervention by Country Programs

This evaluation did not focus on Packard and WFF country-program investments, but the evaluation team recognizes that GSM interventions occur in the context of this work in producing countries.

Ways that country programs work in tandem with GSM strategies include:

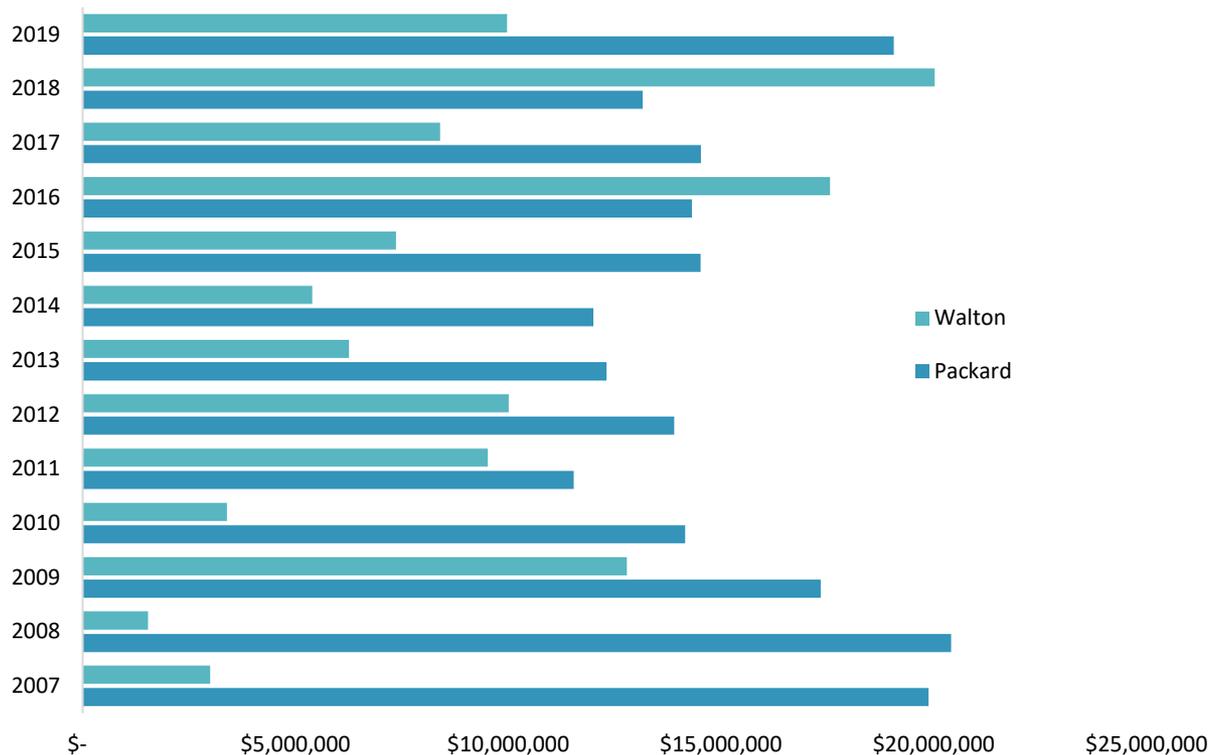
- Develop and use science to enable better fisheries management
- Implement rights-based fisheries management to secure tenure rights for fishers
- Protect critical fisheries habitats with spatial management tools
- Strengthen the capacity of the fishing industry, governments, and civil society to rebuild fisheries
- Promote fisheries policies and programs that create positive incentives to encourage responsible fishing
- Engage the supply chain to build support for healthy fisheries practices

Country Programs

- Packard's Oceans Strategic Framework focal countries consist of Chile, China, Indonesia, Japan, Mexico, and the US.
- WFF's Oceans Initiative prioritizes Indonesia and the Americas for fisheries improvement and has country strategies for Chile, Indonesia, Mexico, Peru, and the US.

Foundation funding context: Packard and WFF's total GSM funding has ranged from \$17 to \$33 million annually since 2007, with Packard investing more earlier in that period

2007 – 2019 GSM Funding by Packard and WFF



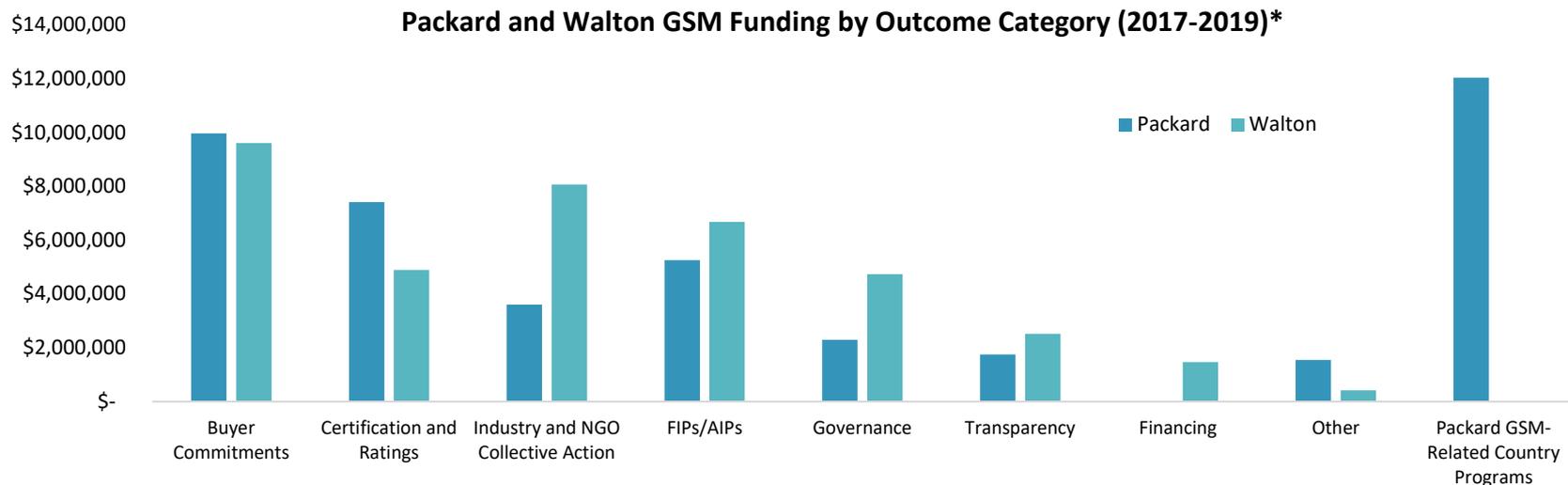
Major Grantees Funded (2007-2019)

- Marine Stewardship Council
- Sustainable Fisheries Partnership Foundation
- World Wildlife Fund, Inc.
- Monterey Bay Aquarium Foundation
- Resources Legacy Fund
- SeaWeb
- Future of Fish
- FishChoice
- FishWise
- Ocean Outcomes

**Note: GSM grant data used and analyzed in this report includes some market-related country-program grants from Packard and WFF (e.g., some of Packard Japan Marine Strategy); for more details, see Annex 2*

The three largest areas of GSM funding for Packard & WFF from 2017-19 are outcomes related to buyer commitments, certifications and ratings, and improvement projects

Overall, Packard and WFF have invested the most in recent years in the building demand (e.g., buyer commitments and industry-NGO collective action) and enabling supply to meet demand (e.g., certifications, ratings, and FIPs) parts of their TOCs



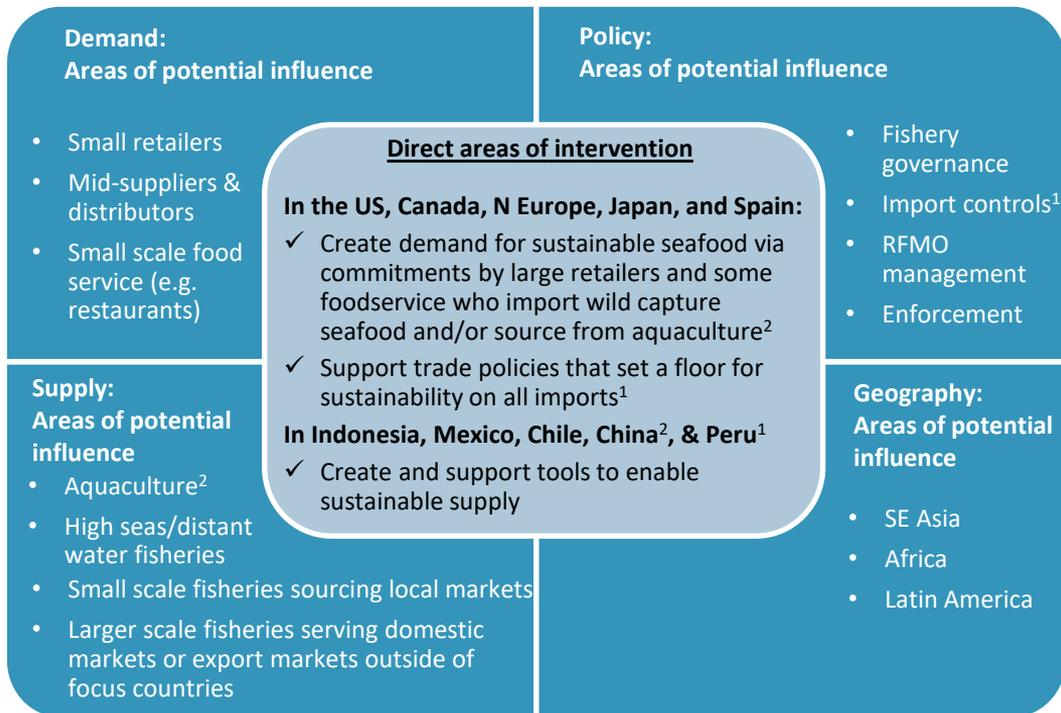
- Packard has the most investment in country programs (including Japan); these grants have their own outcomes, but include investments in buyer commitments, certifications, and ratings
- Outside of country programs, Packard and WFF invested the most in buyer commitments, certifications and ratings, and improvement projects – this is consistent with key areas of their theories of change

- WFF made larger investments the last 3 years and had more emphasis than Packard on industry/NGO collective action, governance, & financing
- Packard invested relatively more in certifications & ratings the last 3 years

**Note: These allocations indicate estimated funding amounts by outcome category; the evaluation team made several assumptions to assign funding to these categories based on the data (e.g., for Packard general operating grants). See Annex 2 for more details about the methodology and analysis.*

GSM Strategy Areas of Intervention: Some market actors, geographies, and tactics have received more direct attention

GSM strategies aim to directly influence some actors, geographies, and conditions. Interventions could have “trickle-down” or “knock-on” effects more broadly.



Key Informant Perspectives on Indirect Influence Areas

“Some of the small artisanal fisheries now or are starting to come in and we’re trying to see how we can engage them, realizing that certification is not likely going to be within their reach because of the size of those small fisheries and small communities.” – KI

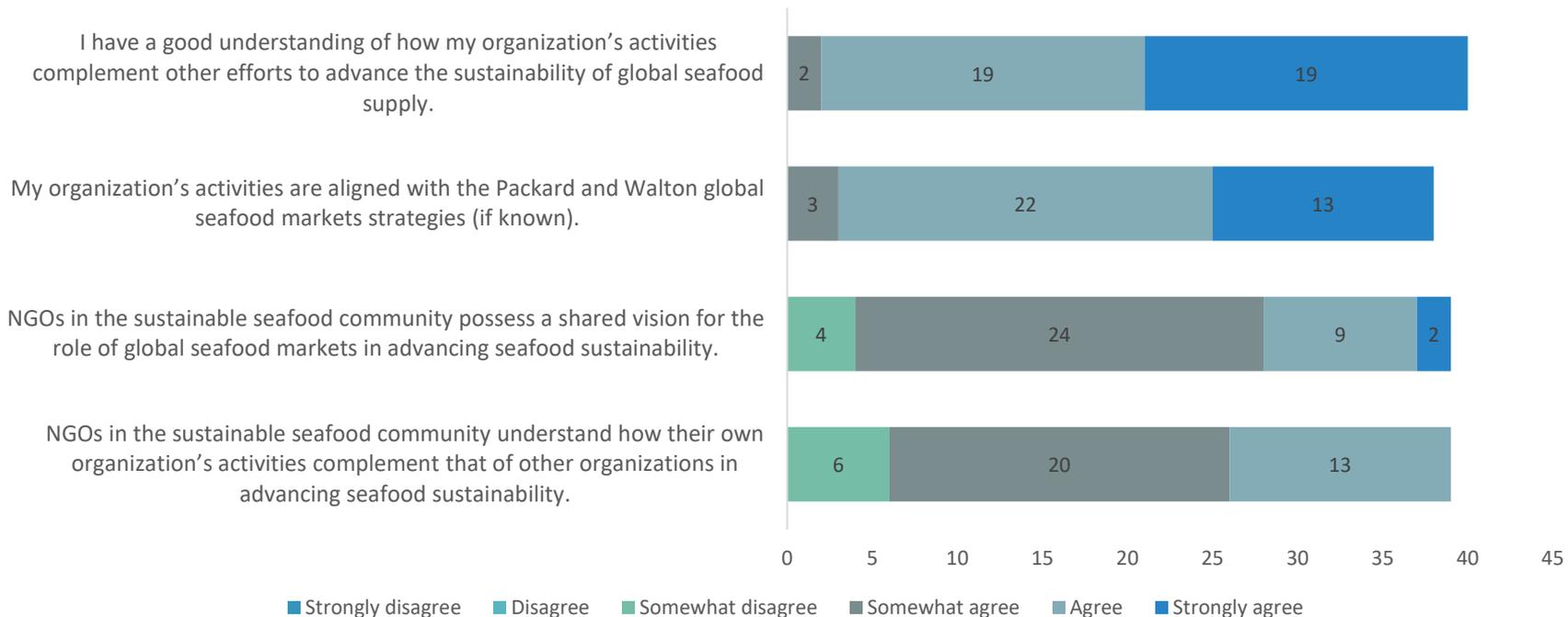
“If the product is going from Africa to a European market, you have a lever potentially. But if it's going from West Africa to East Africa in the trade scenario, what do you have? You don't have that same lever.” - KI

“The vast majority of seafood in that region [Asia] is not sold through supermarkets. So that means the vast majority of seafood consumers are not engaging in any sort of messaging that we would be accustomed to in the US or the EU. And so, therefore, you've got to question, whether branding in the forms of eco labels is going to be a means and a way to create durable change.” - KI

(1) Included in WFF strategy only. (2) Included in Packard strategy only.

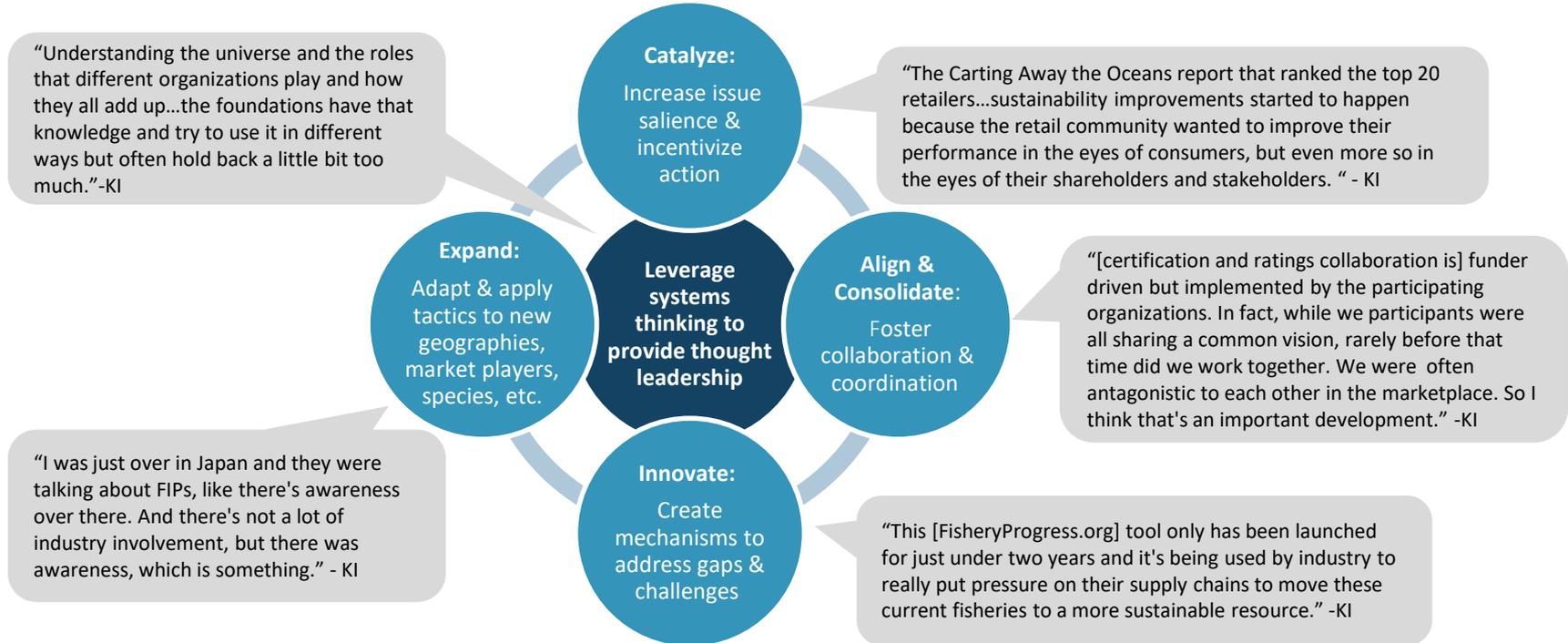
NGOs surveyed feel individually aligned with the GSM strategies of Packard, WFF, and others in the field, but they have less confidence that all NGOs support a shared vision for the role of GSM and other organizations

Most NGOs surveyed feel very aligned with Packard and WFF GSM strategies (92% agree or strongly agree), but the majority only somewhat agree that NGOs have a shared vision for the role of GSM in advancing seafood sustainability (62% somewhat agree, 23% agree, 5% strongly agree)



Role of the foundations in supporting GSM strategy implementation

Key informant interview synthesis highlights several roles or intervention points that have been important for the sustainable seafood movement. The foundations' ability and willingness to provide thought leadership in the context of the whole system underpins the success of these intervention points.





IV. Global Seafood Markets in Context

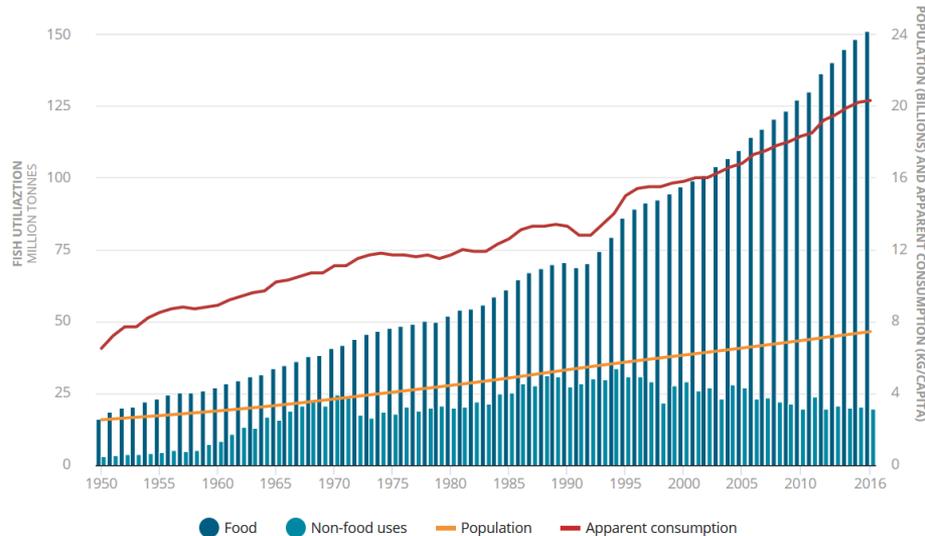
- Seafood demand and production trends
- Health of fish stocks and social issues
- Market characteristics: species, demand centers, stakeholder landscape
- Timeline of major milestones in seafood sustainability

Relevant Evaluation Questions: 8

Global seafood consumption is rising

Total global seafood consumption has grown at twice the population growth rate and is expected to increase substantially over the next decade.¹ Since 1961, the average annual increase in global food fish consumption (3.2%) has doubled population growth (1.6%) and exceeded that of consumption of meat from all terrestrial animals combined (2.8%), except poultry (4.9%). Per capita global annual food fish consumption (the amount of fish each person consumes annually) has grown from 9.0 kg in 1961 to 20.2 kg in 2015, at an average annual rate of about 1.5%. The UN Food and Agriculture Organization (FAO) data indicates these consumption growth trends are continuing in the 2015-2019 period, supported by increased production, reduced wastage and better use, improved distribution channels and growing demand, linked with population growth, urbanization, and rising incomes.

Global Seafood Consumption/Use Trends^{1,2}



Consumption is highest in China and Asia, and most seafood is consumed domestically

Asia accounts for about 71% of global seafood consumption (by weight), with China accounting for more than half of that figure (37.6% in 2015).¹ Europe, Japan, and the US accounted for only about 20% of global seafood consumption in 2015.

Most seafood is consumed domestically and does not enter international markets.¹ Small-scale fisheries are responsible for over half the catch in developing countries and emerging economies, most of which is for domestic consumption. In 2016, about 35% of annual global seafood volume traded internationally, which makes it one of the world's most traded commodities.

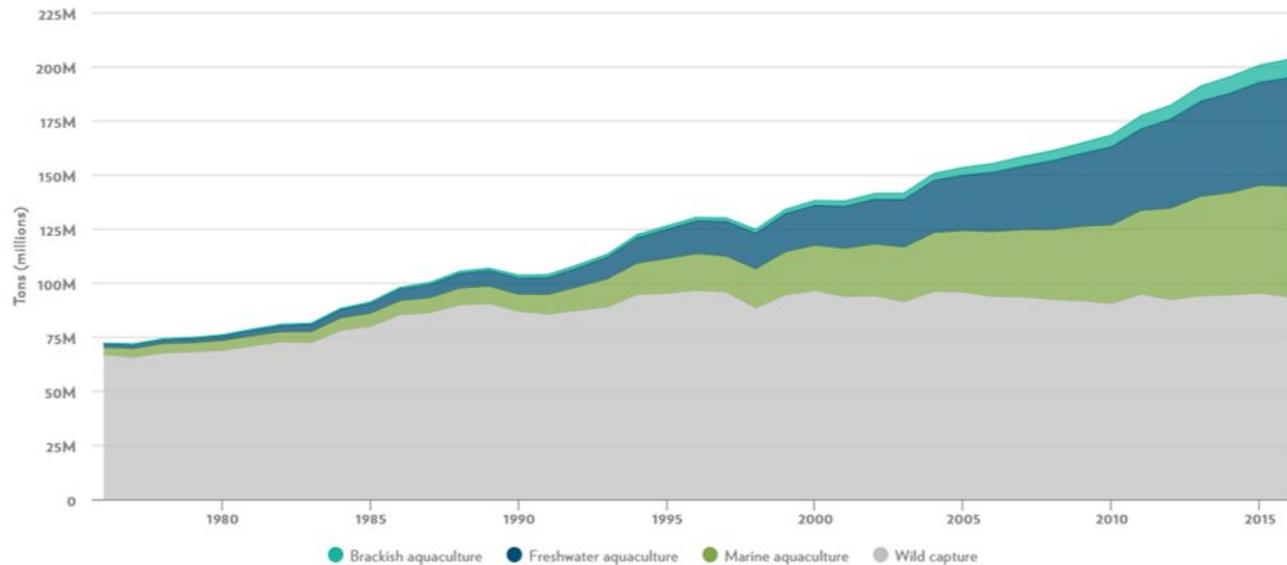
Total Global Food Fish Consumption, 2015¹

Region	Millions of Tons	% of World Total
China	55.9	37.6%
Asia (excluding China)	33.4	33.4%
Europe	16.6	11.2%
Africa	11.7	7.9%
North America	7.7	5.2%
Latin America & Caribbean	6.2	4.2%
Oceania	1.0	0.7%

Production continues to rise to meet demand, with aquaculture supporting the market growth

Aquaculture has driven continued growth in global seafood production as wild capture landings have plateaued.¹ Total aquaculture production in 2016 was 110 million tons, which included 80 million tons of food fish and shellfish, and 30 million tons of aquatic plants. During the period 2001 to 2016, global aquaculture's annual growth rate was 5.8%. In 2016, aquaculture accounted for 47% of combined seafood production, an increase from 26% in 2000. The aquaculture sector reached a milestone in 2014 when, for the first time, it provided more fish for human consumption than capture fisheries contributed. By 2030, aquaculture is projected to provide 60% of fish for human consumption.

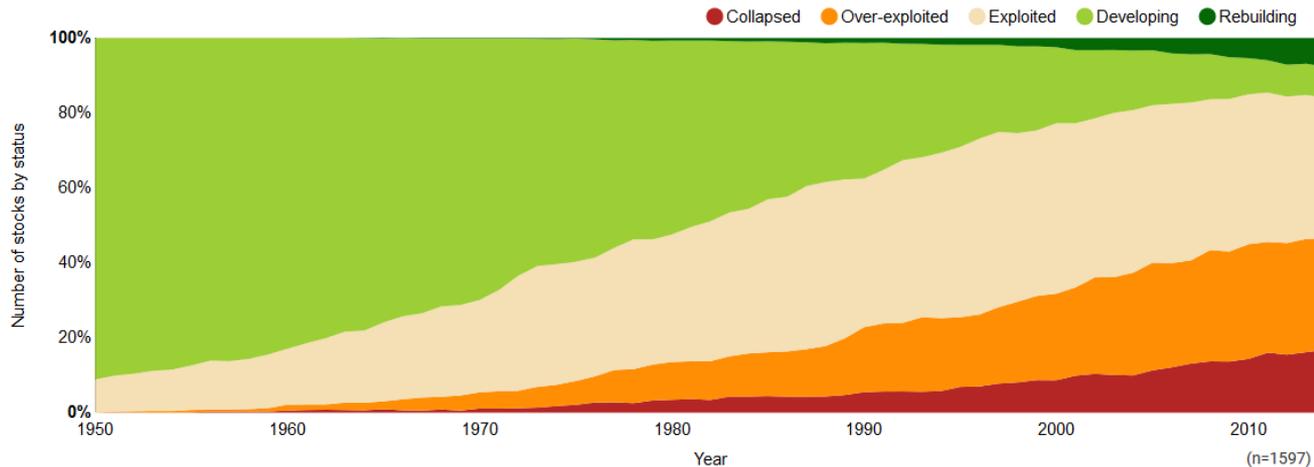
Global Seafood Production Trends²



But global wild caught fisheries are in trouble despite some improvements

Global fisheries are under increasing pressure despite progress in rebuilding stocks and improving conditions in some fisheries. Roughly 30-40% of wild fish stocks are estimated to be overfished; estimates vary due to assumptions about bycatch and unreported fishing.¹ Fisheries classified as collapsed have increased from 8.7% in 2000 to 16.8% in 2014; overexploited stocks have not increased as dramatically, from 23.1% to 29.7% in that period.² Overfishing remains a major threat to some fish stocks, although other threats pose challenges for the health of marine fisheries and ecosystems. About 13% of global wild capture (and 34% of global farmed fish) is certified or green rated, and another 7.3% is in a fishery improvement project.³

Percentage of Ocean Fish Stocks of a Given Status²



Growing Threats

- Water temperature changes due to climate change
- Ocean acidification due to climate change
- Plastics pollution
- Nutrient pollution from agricultural run-off and wastewater discharges
- Habitat degradation due to development and human activity

Social issues have also emerged as an important dimension of sustainability relevant to fisheries

Social issues related to fishing and the seafood sector have rapidly captured global attention since major exposés in 2014-2016.¹ Attention has been growing in three major areas relevant to advancing socially-responsible seafood markets: (1) protecting human rights, dignity, and access to resources; (2) ensuring equitable opportunity to benefit; and (3) improving food and livelihood security.² Nascent efforts are emerging to assess and address social dimensions of sustainability related to seafood production.



AP

SEAFOOD FROM SLAVES

An AP investigation helps free slaves in the 21st century

Over the course of 18 months, Associated Press journalists located men held in cages, tracked ships and stalked refrigerated trucks to expose the abusive practices of the fishing industry in Southeast Asia. The reporters' dogged effort led to the release of more than 2,000 slaves and traced the seafood they caught to supermarkets and pet food providers across the U.S. For this investigation, AP has won the 2016 Pulitzer Prize for Public Service. The articles are presented here in their entirety.

WINNER
2016 Pulitzer Prize for Public Service →

About this photo



The New York Times

THE OUTLAW CATCHMAN

'Sea Slaves': The Human Misery That Feeds Pets and Livestock

Men who have fled servitude on fishing boats recount beatings and worse as nets are cast for the catch that will become pet food and livestock feed.

Ongoing illegal, unreported, and unregulated (IUU) fishing remains a critical challenge, undermining sustainable management and livelihood and food security and sometimes involving human rights abuses

Fishing is illegal if:



- against national laws or international obligations.

- no authorisation
- against conservation and management measures by Regional fisheries management organisations (RFMO)



Fishing is unreported if:

not reported, or the reporting contravenes international, RFMO or national laws and regulations.

Fishing is unregulated if:

- the fishing vessel has no nationality
- fishing activities jeopardise fish stocks.



https://ec.europa.eu/fisheries/sites/fisheries/files/docs/publications/2019-tackling-iuu-fishing_en.pdf

If IUU fishers target vulnerable stocks that are subject to strict management controls, efforts to rebuild those stocks to healthy levels will not be achieved, threatening marine biodiversity, food security for communities who rely on fisheries resources and livelihoods of those involved in the sector.

<http://www.fao.org/iuu-fishing/background/what-is-iuu-fishing/en/>

IUU fishing accounts for millions of tons of seafood and billions of dollars in trade every year. It is a major threat to sustainability because IUU fishing often employs gear and practices banned due to their environmental consequences, and sometimes involves forced labor and other human rights violations.

<https://certificationandratings.org/sustainable-seafood-a-global-benchmark/>

Complex GSM context: many species, many countries, many market actors, many stakeholders

Complexity of global seafood markets context has shaped the focus and evolution of GSM Strategy and implementation activities. The diversity of species, countries, market actors, and stakeholders are important to understand the GSM Strategy, evaluation findings, and “Look Forward” opportunities and challenges.

Many species

More than 150 wild caught species



Many stakeholders in fishery management

Complex & overlapping mix of international, national, regional & local actors



Many market actors

The supply chain has a variety of actors, from producers to consumers

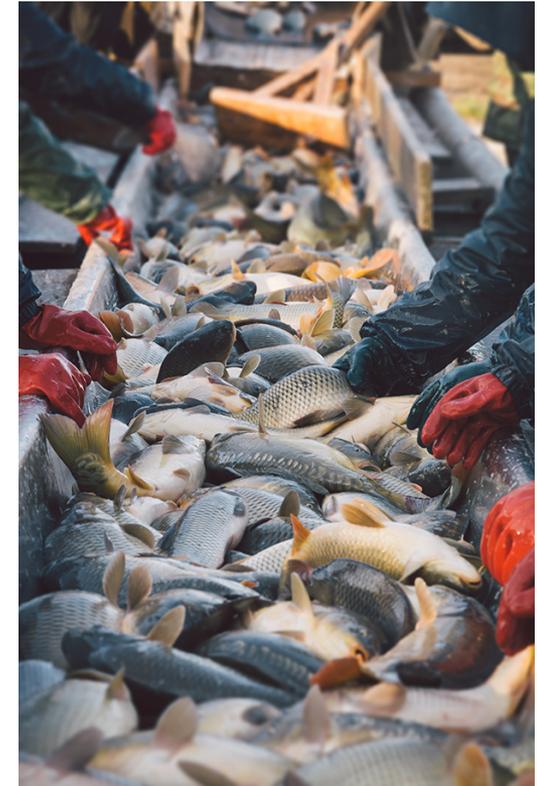


Many countries

Numerous countries engage in production and consumption of seafood



And complex market dynamics are at play....

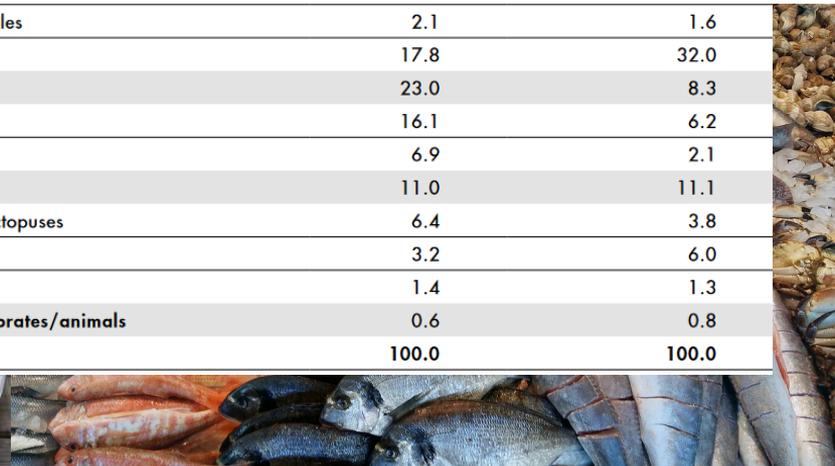


Many species: different species play in global seafood markets in different ways

More than 150 major seafood species are involved in international seafood trade. Top traded seafood commodities globally by volume include whitefish, shrimp, salmon, lobster, and octopus. There is substantial market and supply chain segmentation based on species.

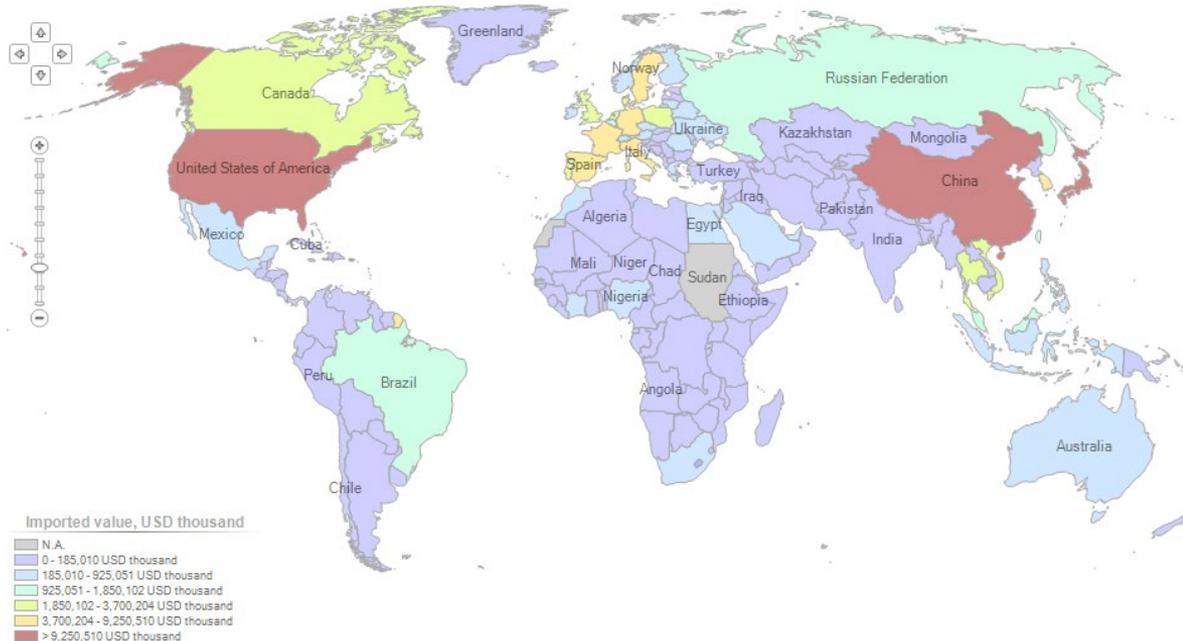
Share of Main Groups of Species in World Trade of Fish and Fish Products, 2016 (% , live weight)¹

Species group	Share in value	Share in quantity
Fish	65.4	79.8
Salmons, trouts, smelts	18.1	7.4
Tunas, bonitos, billfishes	8.6	8.6
Cods, hakes, haddocks	9.6	14.0
Other pelagic fish	6.1	11.7
Freshwater fish	3.2	4.5
Flounders, halibuts, soles	2.1	1.6
Other fish	17.8	32.0
Crustaceans	23.0	8.3
Shrimps, prawns	16.1	6.2
Other crustaceans	6.9	2.1
Molluscs	11.0	11.1
Squids, cuttlefishes, octopuses	6.4	3.8
Bivalves	3.2	6.0
Other molluscs	1.4	1.3
Other aquatic invertebrates/animals	0.6	0.8
Total	100.0	100.0



Many countries: in global seafood market trade, US, Asia, and Europe account for the majority of global demand for seafood imports

Imported value of fish and crustaceans, mollusks, and aquatic invertebrates, 2019¹



Multiple countries are major players in global seafood markets with varying production and consumption profiles.

- Packard and WFF have focused demand strategies on the US, Japan, and the EU, which together imported 59% of globally traded seafood by value in 2019 and 44% by volume in 2016.^{1,2}
- The top countries importing seafood in 2019 were the US (15% of global trade by value), China (12%), Japan (9%), Spain (6%), and France (4%).¹
- China has by far the largest annual seafood consumption (most produced domestically), similar to that of the next nine top consuming countries combined (Japan, US, Indonesia, South Korea, Philippines, Russia, Nigeria, India, and France).³
- Most demand for “sustainable” seafood has been from the US, Canada, and Northern Europe (combined ~1/3 of imported value in 2016).²

Many stakeholders: the landscape of institutions involved in fishery management and governance is large and complex, as is the landscape of organizations supporting GSM work

Many government and civil society organizations at the international, regional, national, and sub-national levels are involved in management of fisheries and efforts to advance sustainability through seafood markets. At global level, the UN General Assembly and UN Informal Consultative Process on Oceans and the Law of the Sea (ICP) address global fisheries issues among other responsibilities. The FAO has a global mandate for fisheries policy through its Committee on Fisheries (COFI). At the regional level, regional fishery bodies operate with mandates ranging from data collection and assessment to management (regional fisheries management organizations, or RFMOs). Many NGOs focus on fisheries management and GSM activities at the local, national and international levels. At national level, many countries have specialized ministries for fisheries, sometimes under ministries for agriculture or the environment. Fishers cooperatives, associations, lobbies, and other organizations have also developed contributing to a greater involvement of civil society in fishery governance.

Regional Fishery Bodies and RFMOs¹

FAO Regional Fishery Bodies - Article VI

CECAF CIFAA COPPESALC EIFAAC SWIOFC WECAFCA

FAO Regional Fishery Bodies - Article XIV

APFIC CACFish GFCM IOTC RECOFI

Basic information on RFBs and aquaculture networks sorted by oceanic and continental Regions

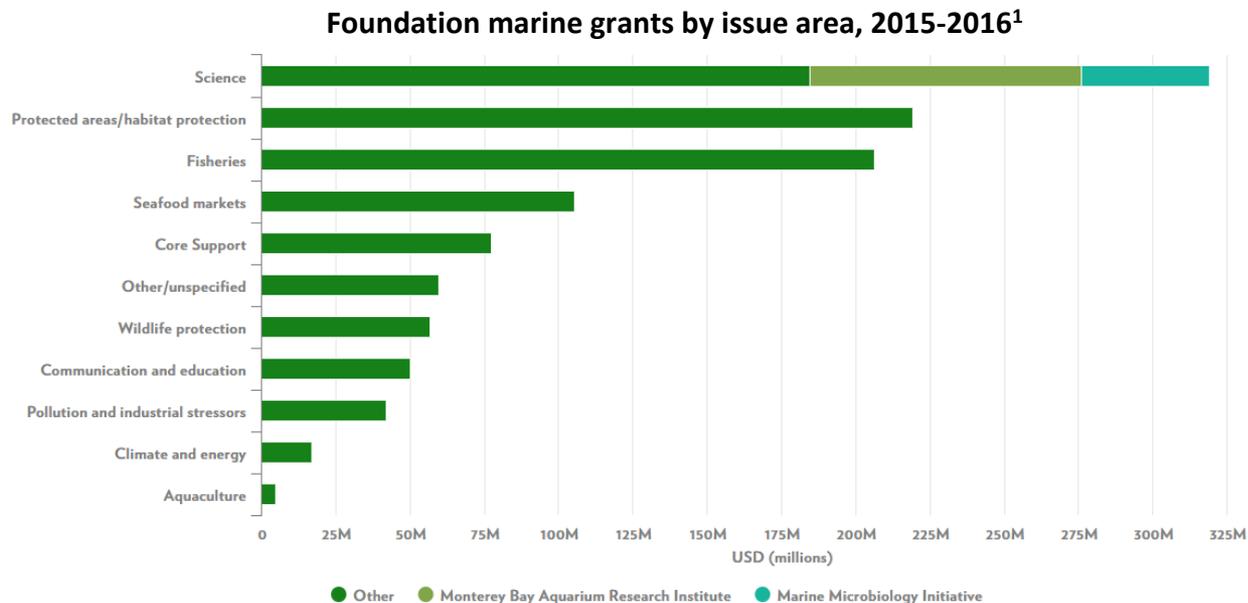
Global and trans-oceanic				Pacific Ocean			
ACAP	CCAMLR	CCSBT	APFIC	CCBSP	FFA	IATTC	
IWC	OLDEPESCA	OSPESCA	IPHC	NPAFC	NPFC	PICES	
			PSC	SEAFDEC	SPC	SPRFMO	
			WCPFC				
Mediterranean and Black Sea				Indian Ocean			
GFCM			BOBP-JGO	IOTC	RECOFI	SIOFA	
			SWIOFC				
Atlantic Ocean				Continents			
CECAF	COMHAFAT	COREP	APFIC	CACFish	CBLT	CIFAA	
CTMFIM	FCWC	ICCAT	COPPESALC	EIFAAC	LTA	LVFO	
JointFish	NAFO	NAMMCO	NASCO	NACA	MRC	RAA	
NEAFC	SEAFO	SRFC	WECAFCA				

Selected NGOs Working on GSM Approaches

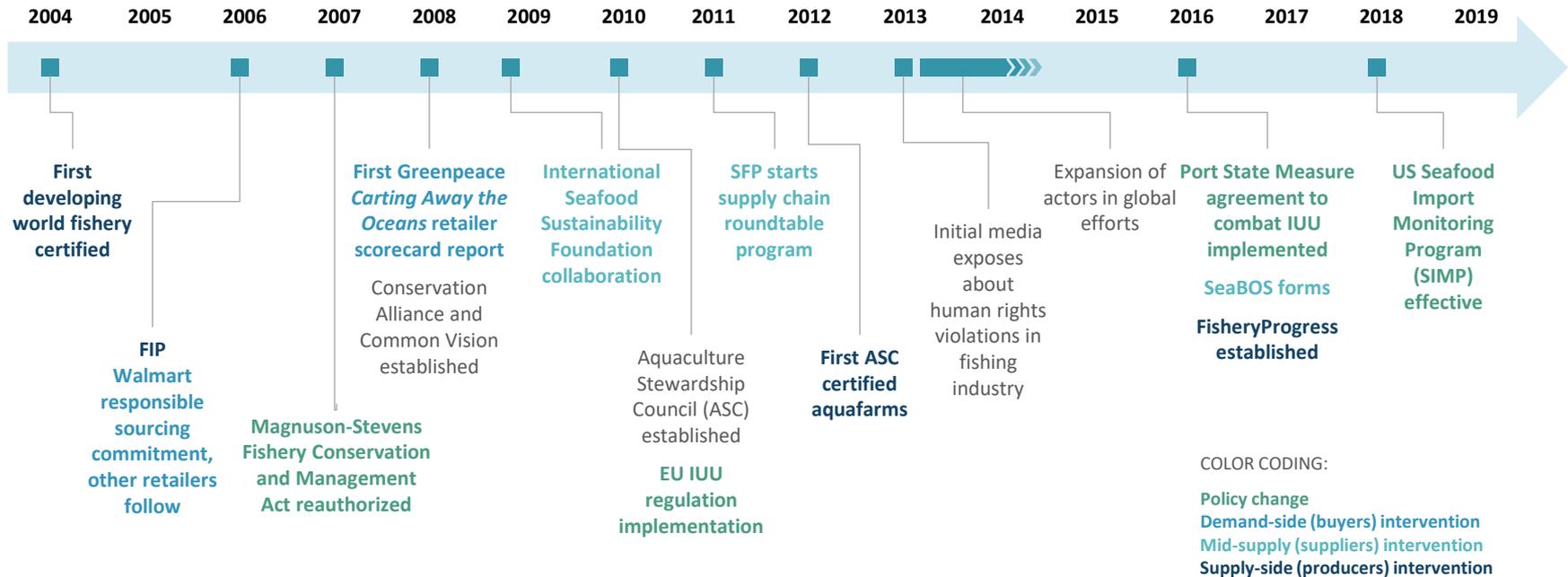


Philanthropy plays an important role in supporting efforts to advance marine conservation and sustainability related to ocean ecosystems, including investment in market-focused approaches

Philanthropic investments in market-focused approaches to advancing sustainability are substantial, although they are not the largest area of marine funder investment. Among foundations, two thirds of funding for marine issues supports science (28%), protected areas and habitat protection (19%), and fisheries (18%).¹ Seafood markets have also received significant philanthropic investment. The top five funders of seafood markets from 2010–2016 comprised the Walton Family Foundation, David and Lucile Packard Foundation, Gordon and Betty Moore Foundation, Schmidt Family Foundation, and Rockefeller Foundation.² Packard, Moore Foundation, and WFF collaborate on shared strategies as part of the Sustainable Seafood Funders Group.



Key milestones in the last 15 Years of the sustainable seafood movement



*Note: Not all key milestones are noted in this chart

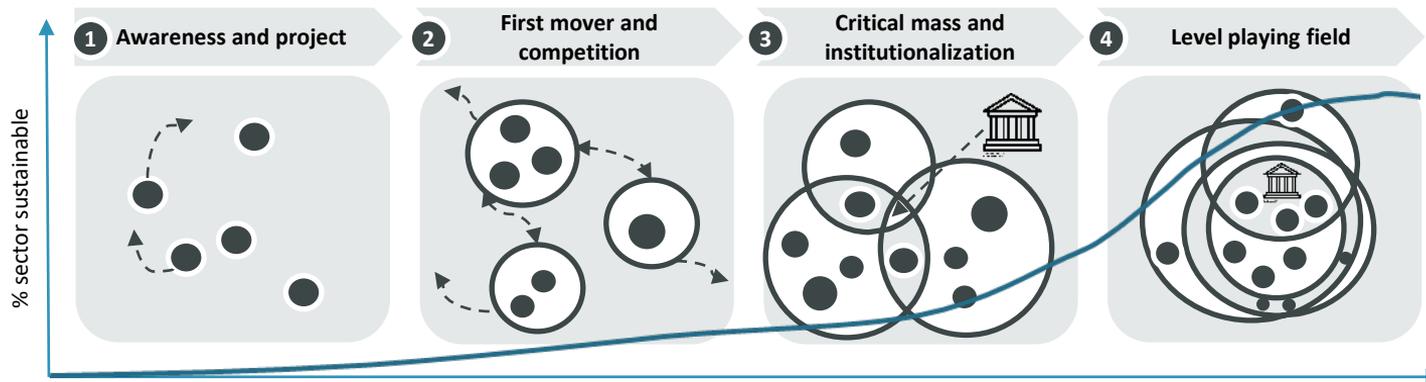


V. Sustainable Market Transformation Framework

- A framework for understanding market transformation
- Key barriers for transforming GSM
- GSM in the market transformation framework

Relevant Evaluation Questions: 0, 1, 9

The Lucas Simons framework shows how comparable agricultural markets have followed a common path to increase sustainability which likely has relevance for global seafood markets



Major event, crisis, or call to action occurs

- **Crisis** or event draws attention to an issue
- Industry denial and downplay of the issue
- Accumulation of **pressure**
- First mover companies respond with **initial projects**

- Pressure continues to increase
- Companies realize they need to go **beyond self interest**
- Multiple actors contribute – **NGOs join companies**
- **Standards** develop

- Certs and standards continue to grow
- **Doubters arise** – will certs and standards fix the problem?
- Concerns about future
- Companies realize they need to collaborate

- Late adopters / laggards are an issue
- **Policy reform** needed
- International lobby moves to institutionalize
- Gov'ts cooperate
- Gov't codifies practices

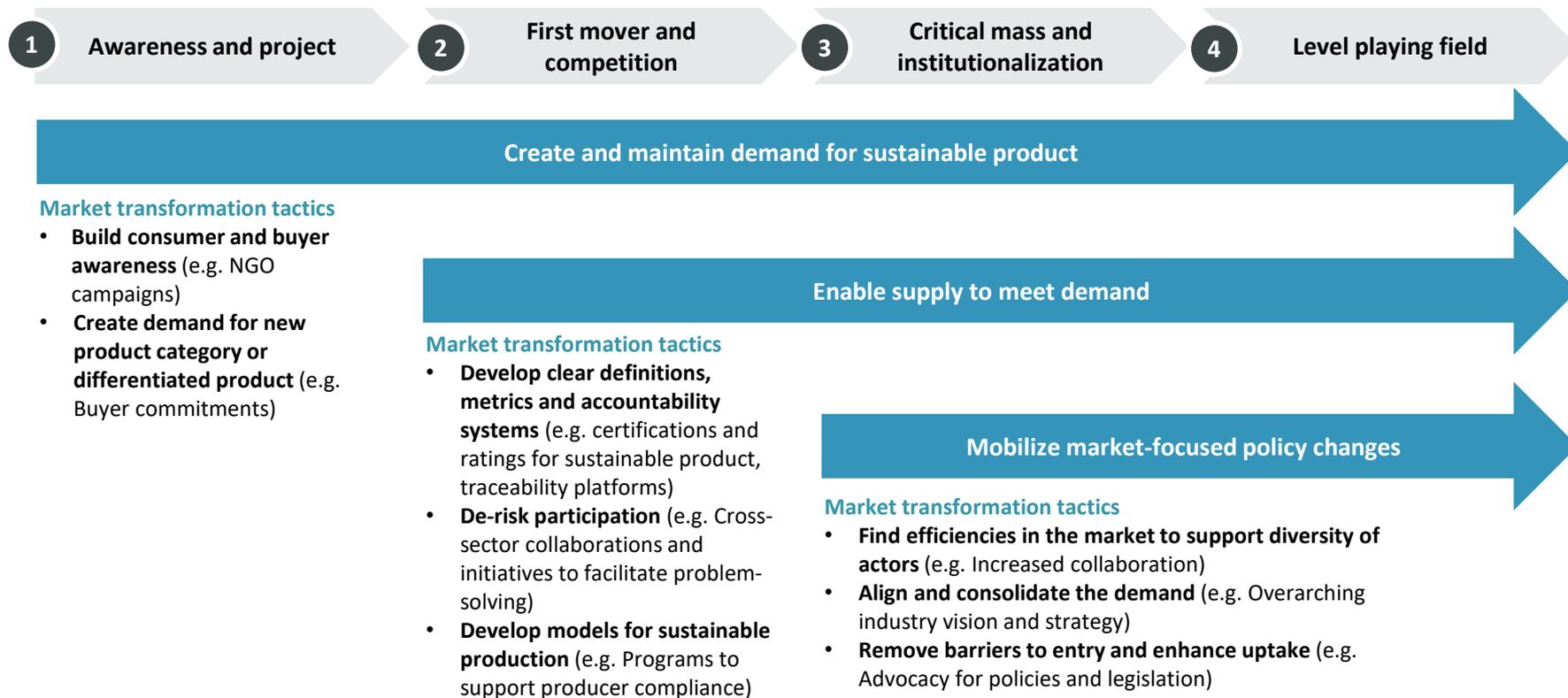
- **Raise awareness** of problems
- Target **dominant players** & hit them where it hurts
- Make demands actionable
- Get first companies to comply & celebrate them

- **Create standards** to reward early movers
- Give positive attention to first movers
- Put pressure on laggards

- Bring **industry leaders together**
- Create clear transition pathways & **joint frameworks**
- Be more inclusive
- Hold players **accountable**

- Create **overarching vision** for the industry
- Build **industry commitment** to the vision
- Advocate, lobby, institutionalize

Market transformation tactics described by Simons align with the foundations' key strategies for seafood



What barriers have GSM demand strategies addressed?

1

Create demand for sustainable seafood

- Issue salience with consumers
- Issue salience with buyers
- Weak demand signals from buyers
- Weak demand signals from suppliers

2

Enable **supply** to meet demand

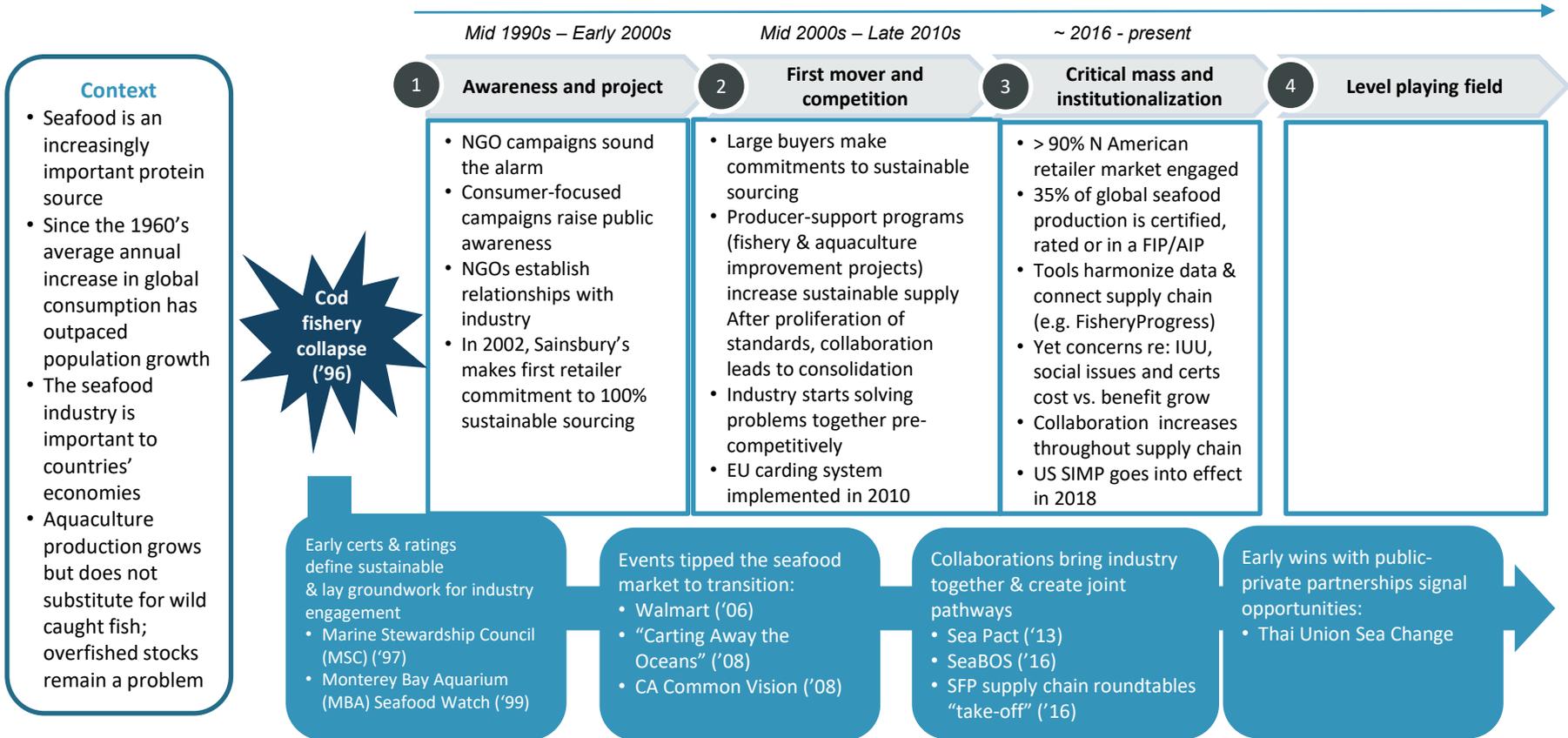
- Lack of definition of sustainability
- Inability to determine which seafood was harvested sustainably
- Lack of process and support for fisheries not meeting definition of sustainability to improve
- Inability to consolidate and track FIP progress across the globe
- Lack of visibility into purchaser and supplier practices all along the supply chain

3

Mobilize market-focused policy changes

- Lack of policies to prevent IUU

We can see the market transformation process playing out in seafood



Foundations' investment in strategies and tactics appear to align directionally with Simons' framework

	Foundation strategies & tactics	Expected investment dynamics in early Phase 3 of the Lucas Simons framework	Key informant insights
Create Demand	Buyer Commitments	Shift from funding “front-end” costs (e.g. building buy-in) to “back-end” costs (e.g. implementation support, accountability mechanisms)	“Those commitments exist, that leverage exists, and it's more of a question about how you make tweaks to strategy and tactics to get great efficiency and effectiveness out of that system.” - KI
Enable supply	Standards, Ratings, and Certifications	Investments drive collaboration and evolution as certifications & ratings organizations monetize their services and adapt to add value	“I don't think it's necessarily delivering core funding...the certification programs need to stand on their own two feet in that regard...the certification and ratings collaboration plays an interesting role...in the future standards holders will increasingly become information hubs that will help continually drive our understanding of what is being achieved, what needs to be achieved, and rates of achievement.” - KI
Enable supply	FIPs	Investment continues to support platforms enabling buyers to engage supply as concerns re: certs & ratings cost and value drive increased attention to other mechanisms to drive change	“Given the costs and the limitations...the people who are interested in paying that kind of money have been certified. So I think it's moving towards: We got the method and we got the approach. Now let's work with fisheries improvement projects. Or let's make sure we address some of the major problems we have. So certification becomes sort of the shiny thing that you show off...but the end goal isn't necessarily certification...it is having continuous improvement.” - KI
Mobilize	Precompetitive Collaborations	Increased investments to create platforms for industry engagement and mobilization; collaborations build trust, which is both critical and challenging	“We were even more surprised about the fact that they wanted to engage in collaboration with each other and with us...it was the first time that scientists came to them [industry] not telling them all the problems but wanting to work with them to identify solutions...it was a collaborative open space...it was really interesting the way that these super powerful companies felt that they didn't have any power whatsoever. So we give them power by offering them a platform to collaborate and to solve their problems.” - KI



VI. Overall GSM Strategy Evaluation Findings

- Relevance of GSM strategies and progress against goals
- Progress on GSM strategies and outcomes
- Overall impacts of GSM strategies and foundation contributions

Relevant Evaluation Questions: 2, 3, 4, 5, 6, 7, 9, 10



Relevance of GSM Strategies and Progress Against GSM Goals

The foundations supported a suite of highly relevant and largely necessary activities that together were not always designed or targeted to achieve the scale and scope of intended impacts

1 Awareness and project

2 First mover and competition

3 Critical mass and institutionalization

4 Level playing field

Create and maintain demand for sustainable product

Foundation support focused on:

- Buyer and retailer commitments
- Seafood supply chain transparency
- Business accountability
- NGO and precompetitive collaborations
- NGO and private sector leadership

Key strategic alignment challenges:

- Aims to deepen retail commitments were on point, but **getting to goals needed greater emphasis on implementation and accountability**
- Supporting collaborations to promote leadership is needed, but **these collaborations required more explicit strategic alignment to the foundations' theories of change**

Enable supply to meet demand

Foundation support focused on:

- Certification and ratings programs
- Integration of human rights and labor issues into standards
- Fishery improvement projects
- Defining its role in aquaculture

Key strategic alignment challenges:

- Mirroring environmental work, there is logic in including human rights and labor issues in standards; however, **many say this must be coupled with work to credibly verify adherence**
- FIPs, aquaculture improvement projects (AIPs), and certification programs provide pathways to increase supply of sustainable seafood, but **ensuring impact at scale to meet demand requires consideration of the slow pace that FIPs/AIPs drive change on the water**

Mobilize market-focused policy changes

Foundation support focused on:

- Reducing market incentives for IUU seafood
- Mobilizing market actors to advocate for stronger fishery and aquaculture governance

Key strategic alignment challenges:

- The theories of change relied in part on a collective response from industry to advocate for policy change, but **the design appeared to lack targeted effort and support to elicit that response and engagement**
- Import control policies impose requirements on producing countries that may not have the capacity or means to meet them; **it is unclear that strategies and investments adequately considered capacity needs to respond** (The foundations' country programs, not a focus of this evaluation, may address some of this.)

Summary of progress relative to targeted GSM outcome categories (2017-2020)

Outcome Category	Effectiveness	Successes/Challenges
Creating demand for sustainable seafood		<ul style="list-style-type: none"> + In N America, >90% of retailers by market share and >30% of food service industry have made public commitments to sustainable seafood sourcing, and suppliers report changes to purchasing behavior as a result of their own sustainable sourcing policies + Ocean Disclosure Project has gained traction with > 25 companies reporting, and it appears to be a promising tool for increasing accountability and transparency; several KIs cited this as an example of progress + PCCs have strengthened accountability, e.g. SSC UK members committed to sourcing codes of conduct (-) No progress has been made on increasing alignment among N American retailers (-) High degree of variation, particularly in N America, in commitment “quality” and buyer engagement with supply chains has diluted demand signals and led to inconsistent levels of impact (-) Lack of agreed view (among any stakeholder group) of priorities for transparency: transparency of what for whom for what purpose? Which impedes holding industry and governments accountable to delivering on commitments and improvements
Enabling supply to meet demand		<ul style="list-style-type: none"> + Scaled implementation of ratings and certifications programs and enhanced coordination and collaboration among programs has created pathways for industry to source sustainable seafood supply + Expansion of FIPs provides a pathway for improvements in fisheries (including changes in policy and on the water) to create and expand supply of sustainable seafood; industry increasingly leads FIPs + Progress integrating human rights and labor issues into commitments and standards (-) Despite progress in coordination, information infrastructure, and tool development, activities by key NGO actors remain relatively fragmented and are not cohesively framed as a shared toolbox (-) Engagement in aquaculture issues (Packard) in early stages
Mobilizing market-focused policy changes		<ul style="list-style-type: none"> + Industry key informants cite participation in advocacy initiatives led by precompetitive collaborations + Ratings and certifications programs beginning to engage in selected producer countries to connect GSM tools with policy and governance initiatives (-) Industry key informants suggest that NGOs have not had a clear strategy for engaging market actors for advocacy initiatives on governance and policy issues

Despite progress on outcomes and a lack of monitoring to assess goal attainment, evaluation data suggest that the foundations are behind in delivering on their 5-year goals

5-year Goals and Status

Status

PACKARD

By 2022, 40% of global fisheries are sustainable or on a path to sustainability by 2022.

BEHIND?

Status of this goal is somewhat unclear due to inconsistent measurement approaches. According to the Certifications and Ratings Data Tool, only 20% of wild capture seafood production is certified, green rated, or in a FIP. CEA's 2020 global FIP review, however, suggests this figure could be as high as 38% if including wild capture production in countries considered to have good governance.

WFF

By 2021, supply chains linking the US, Japan and Spain with Mexico, Chile, Peru and Indonesia advance national level goals and goals in priority fisheries

BEHIND?

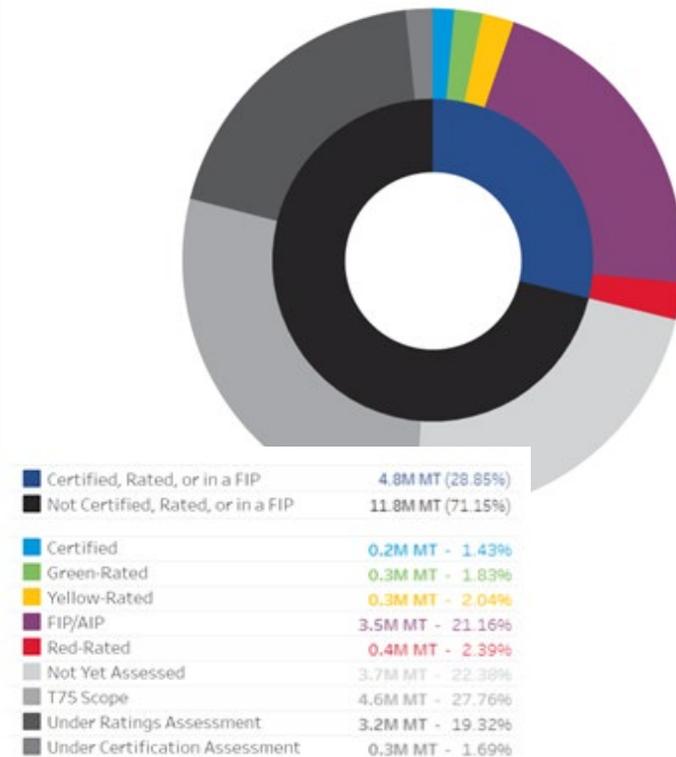
While monitoring data are lacking, significant gains are still needed in targeted production geographies. Just 3.3% of wild capture seafood in Mexico, Chile, Peru, and Indonesia is certified or green rated, although 21% is in a FIP.

By 2021, the US, Japanese, and Spanish imports from core geographies meet minimum requirements for sustainability and traceability; this will include reducing the amount of illegal seafood entering the US from 30% to 15%.

The extent to which seafood is traceable remains unquantified. Industry KIs say a significant portion of their product is traceable while NGOs believe traceability remains very limited.

A WFF study commissioned in 2015 found that illegal seafood entering the U.S. was already at 15% at the start of the strategy period.

Aggregated sustainability status of wild capture seafood in Chile, Mexico, Indonesia, and Peru





Progress on GSM Strategies and Outcomes

This section assesses the progress Packard and WFF have made against the outcomes they sought to achieve in the categories of creating demand, enabling supply, and mobilizing market-focused policy changes

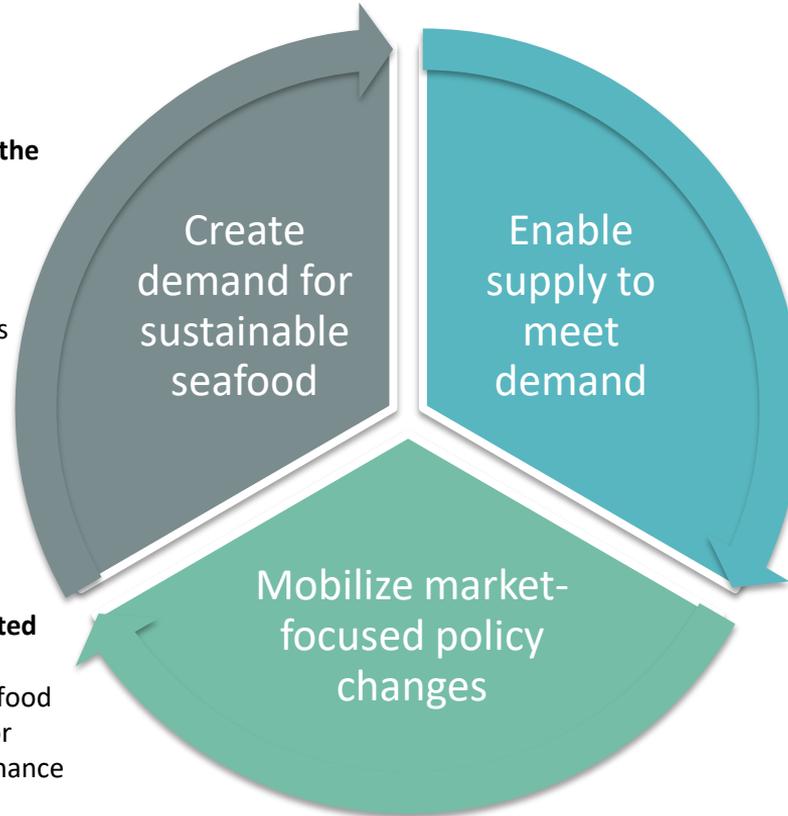
Target markets: This assessment is constrained to the scopes of Packard and WFF, and therefore considers the extent to which foundation support has delivered on intended outcomes in the markets of North America, EU, and Japan, along with associated supply chains serving those markets

Create demand outcomes supported by the foundations:

- Buyer and retailer commitments
- Seafood supply chain transparency
- Business accountability
- NGO and precompetitive collaborations
- NGO and private sector leadership

Market-focused policy outcomes supported by the foundations:

- Reducing market incentives for IUU seafood
- Mobilizing market actors to advocate for stronger fishery and aquaculture governance



Enabling supply outcomes supported by the foundations:

- Certification and ratings programs
- Integration of human rights and labor issues into standards
- Fishery improvement projects
- Defining foundation role in aquaculture

Creating demand for sustainable seafood:

Summary of progress against stated outcomes (1 of 2)



Category	Outcome	Progress on MEL indicators	Rationale
Creating demand for sustainable seafood	Deepen retail commitments		<ul style="list-style-type: none"> Buyer commitments are a critical focus of foundation theory of change with > 20% of foundation investment >90% of North American retailers by market share have public sustainable sourcing commitments Four of Japan's largest retailers by market share have made basic retail commitments as of 2019, up from 2 in 2017
	Formalize food service commitments		<ul style="list-style-type: none"> Food service makes up nearly 50% of the share of sales to US consumers, but complexity and fragmentation in this segment make defining and measuring progress with available data a challenge At least 70% (by share) of the consolidated contract catering segment have buyer commitments
	Increase alignment among retail commitments		<ul style="list-style-type: none"> The Conservation Alliance identified this as a priority, and the Certification & Ratings Collaboration did some work on alignment of retail commitments, including developing a paper outlining a joint approach for buyer engagement in the US market But little progress has been made, perhaps because of lack of political will, "impossible" differences between NGO commitment and industry partnership strategies, and/or lack of retailer uptake of PCC alignment initiatives Japanese buyers participate in workshops to discuss commitments, but as in the US, sourcing commitments are not standardized across buyers
	Increase seafood supply chain transparency		<ul style="list-style-type: none"> Transparency is a critical tool to enable diverse actors to engage in sustainability movement across the supply chain Retailer and supplier KIs are optimistic that the new Global Dialogue on Seafood Traceability (GDST) standards will improve traceability efforts Focusing on transparency specifically (rather than through traceability) could be an important next step
	Develop a platform for business accountability		<ul style="list-style-type: none"> Accountability for implementing buyer commitments is a critical step in incentivizing supply chains to increase sustainable supply Key informants cite lack of accountability, whether real or perceived, to be a critical challenge; the foundations and the Conservation Alliance have moved toward a common platform for corporate reporting as a potential solution The Ocean Disclosure Projects has gained some traction with >25 companies voluntarily reporting, but progress by other actors like SeaChoice in Canada has been hampered while the Conservation Alliance strategy comes together

Creating demand for sustainable seafood: Summary of progress against stated outcomes (2 of 2)



Category	Outcome	Progress on MEL indicators	Rationale
Creating demand for sustainable seafood	NGO and precompetitive roundtable support collective action		<ul style="list-style-type: none"> With increased industry engagement in the sustainability movement, PCCs have enabled companies to pre-competitively address sustainability problems that are bigger than one company's supply chain Packard met and/or replaced its outcome indicators given rapid emergence and uptake of PCCs with at least 8 new PCCs established between 2013 and 2017 to work on a range of issues with both narrow and broad groups of actors across the supply chain Japanese business representatives have increased participation in Sustainable Seafood Summits over time
	Support NGO and private sector leadership		<ul style="list-style-type: none"> The top motivation for industry engagement is leaders who incorporate sustainability into the company philosophy Two pilots of the Seafood Oceans Leadership Institute were completed; assessments of SOLI pilots and the Conservation Alliance leadership program suggest that more work needs to be done on the model

- Buyer commitments have been a critical component of the foundations' theory of change whereby access to desirable markets (i.e., N America, Europe, and Japan), is limited to seafood meeting sustainability requirements, driving suppliers to change purchasing behavior in favor of sustainability and engaging the supply chain in production improvements.
- NGO and industry key informants view buyer commitments as an essential tactic to date.
- The foundations have funded NGOs like SFP, Monterey Bay Aquarium, SeaChoice, WWF, and Fishwise to engage buyers through a 1:1 partnership model in the US and Canada, but the foundations have funded NGOs to use collective approaches in the UK, Spain, and Mexico.
- The foundations' strategy to enlist major buyers to publicly commit to source sustainable seafood led to enough market uptake for commitments to be "the norm" among retailers and the more consolidated food service segments in the US and N Europe.
- Buyer commitments created strong enough demand signals for suppliers to implement their own sustainable sourcing policies and change purchasing behavior in favor of sustainability. Suppliers also suggest an increase in quantity of sustainable seafood in the last 5-10 years.
- However, the impact of buyer commitments varies widely. Supplier key informants describe different levels of "quality"
 - Buyers with "high quality" commitments actively engage the supply chain, resulting in real improvement efforts, such as FIPs.
 - Buyers with "low quality" commitments may not educate their own purchasing staff about their policy, incentivize buying decisions that align with the policy, engage the supply chain to implement the policy, and/or discuss performance with suppliers and reward compliance, resulting in little or no change.
- Prevalence of buyer sustainable sourcing commitments appears durable since current motivations will likely remain relevant, but the impact of commitments will likely continue to vary under a future status quo scenario.



- Challenges or barriers to institutionalizing buyer commitments include:
 - Mixed signals from buyers who have not harmonized or prioritized sustainability policies alongside other business requirements and/or invested adequately in communicating and incentivizing, both internally and externally, behaviors that favor sustainability
 - Costs, such as supplier investments in people, property, and technology required to manage more complex inventory
 - Accountability mechanisms, which key informants widely regarded as necessary and insufficient
 - Inability to articulate the big picture impact of sustainability efforts and lack of messaging and storytelling that resonates with corporate leadership and consumers
- The evaluation uncovered several gaps that could, if filled, lead to leveling the playing field:
 - A shared vision co-created by industry, NGOs, and other stakeholders and clearer roles for stakeholder groups to achieving it
 - Strategic approach to mobilizing industry for policy advocacy
- Progress made by the collective approaches funded by the foundations in countries such as the UK¹ and Spain suggests that a collective approach(es) in the US is worth considering as a mechanism to strengthen buyer demand signals, reduce complexity, improve accountability, enhance messaging, and provide a platform for policy advocacy. US buyer and NGO appetite for engaging in a collective model, supplemented by 1:1 NGO advisory support for company specific needs, has not been tested as part of this evaluation.
- If implemented effectively, a collective approach could help create a shared vision of success and drive industry ownership for achieving it, including increased company investments in resources to drive sustainability as seen in the UK, clearer roles for industry as implementers of commitments and NGOs as advisors, and less reliance on philanthropic funding for NGO support.
- Lack of NGO "watchdog" influence in recent years was cited as a critical gap. Enhanced NGO "watchdog" capacity could serve as a catalyst to bring buyers and NGOs to the table to discuss potential solutions to critical challenges and reinforce accountability mechanisms.

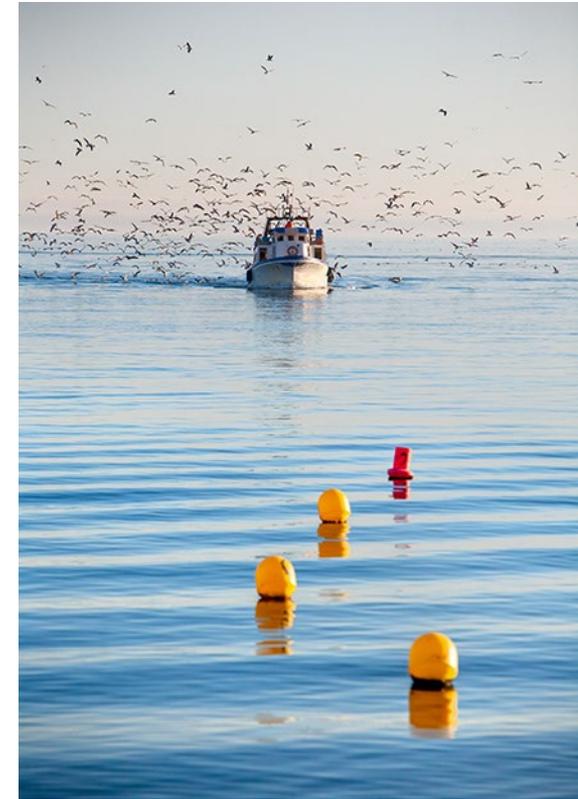
(1) More insights in the UK Sustainable Seafood Coalition case study in the PCC deep dive

- PCCs focusing on sustainable seafood have emerged as a critical platform for industry to share best practices, solve common problems, and take collective action to drive change.
- The foundations' five-year strategy goals pertaining specifically to PCCs were very modest. With more than 13 platforms and at least 250 participating companies as of 2018, growth has far exceeded Packard's original goal to have at least one precompetitive platform that facilitates and results in collective action to address a key issue in sustainable seafood and fisheries. Packard's MEL outcome and indicators have thus been retired or updated with more ambitious targets.
- The emerging theory of change for precompetitive collaboration leads to increased industry leadership and ownership for solving problems that are bigger than one company, as well as more clearly defined roles for NGOs and philanthropy to support this shift.
- Industry perspectives on motivations for and value from participating in PCCs reinforce this theory of change, noting that NGOs still have a valuable role to play and highlighting the contributions of several of the foundations' largest grantees that have advised multiple PCCs.
- Case studies of four PCCs demonstrate results and illustrate the potential for PCCs to:
 - Build industry leadership capacity
 - Engage new entrants in the sustainability movement
 - Provide critically important education to new entrants, as well as buyers and suppliers already engaged in the movement, effectively and efficiently
 - Create consistency, strengthen demand signals, and work towards leveling the playing field
 - Increase transparency and accountability (some have a better track record than others)
 - Increase impact through innovation and collective action
 - Enable advocacy for policy change (although some participants see opportunity to strengthen capabilities for PCCs to plan and facilitate strategic advocacy efforts)



- Institutionalizing buyer commitments and mobilizing widespread compliance across the supply chain will require engaging the laggards. As shown in the PCC case studies, PCCs have the potential to engage laggards when a critical mass of influential industry players come together, build trust, demonstrate the ability to drive collective action, and institute industry-led governance and accountability mechanisms. Key informants cited examples of PCCs influencing laggards or naysayers to improve their sustainability standards and/or adhere to their commitments.
- The GSM evaluation industry survey suggests that companies already engaged in the sustainability movement intend to maintain or increase investment to achieve their commitments.
- However, industry key informants suggest that companies will always prioritize investments with a near term return on investment, and some critical initiatives likely would not be addressed through PCCs without philanthropic support.
- Good governance and strong leadership have been a factor in PCC success and help ensure accountability; the foundations could consider investing in these critical building blocks for PCCs that have strong goal alignment with GSM strategies and/or fund back PCCs that already have these building blocks to take on critical initiatives that would not otherwise be funded independently by industry.
- Industry would like to see PCCs continue to drive alignment on standards, as well as engage more stakeholders (e.g., government) and focus on broader issues like climate change.
- Industry also sees benefit in direct engagement with foundations to help funnel investment through NGOs, as well as unlock innovative ideas for solving problems aligned with foundation goals.
- Strategic paths forward include a more targeted approach, potentially with more direct engagement with industry to fund specific initiatives and/or develop an overarching PCC strategy.

- Traceability is the credible tracking of seafood from production to consumption; it is needed to know and credibly demonstrate that seafood is sustainable, socially responsible, and/or legal. Traceability typically involves business-to-business sharing of information.
- Transparency is the disclosure of sourcing information within a supply chain and with stakeholders, which may include the public, governments, and other businesses. Companies typically decide what information to share, although government can sometimes mandate it.
- Traceability and transparency are closely related because the credibility of information transparently shared will depend on the quality of traceability, and there may be a role for transparency to help verify information shared through traceability.
- Both foundations have focused on advancing traceability; WFF as a means to drive down IUU and Packard in support of transparency to demonstrate sustainability.
- WFF has a 5-yr goal that, “By 2020, US, Japanese, Spanish imports from core geographies meet minimum requirements for sustainability and traceability...”
- Relevant Packard outcome statements include: “By 2022, 90% of N America retailer commitments include traceability... and “By 2022, all seafood sold in the US and Canada is traceable back to vessel or farm.”
- In the period 2017-2019, the foundations awarded \$4.26M in total grantmaking for traceability and transparency to 11 grantees for 19 grants; 59% came from WFF, and 41% from Packard.¹



- The evaluation cannot detect clear alignment between the foundations' strategic aspirations and grantmaking; grants awarded do not seem to correspond to the scale and scope of stated objectives. This may be because the Moore Foundation funds heavily in this space, the field itself is fragmented, and both foundations also fund this work through their place-based programs.
- Traceability in support of food safety has long existed but has not captured and passed through the supply chain the information needed to support assessments of legality, sustainability, or social responsibility.
- There has been good progress on traceability. Many businesses have made this a priority and say they are making strides. The Global Dialogue on Seafood Traceability recently released global voluntary standards. Some countries include traceability in policy and regulations, often driven by the need to respond to import control requirements imposed by major market states.
- Transparency remains in a very nascent phase; NGOs widely agree that increased transparency is fundamental to success but there is limited agreement on transparency of what, for whom, for what purpose.
- Key informants did not see Packard and WFF as having made important contributions in this space yet, but are seen as having vital roles going forward, particularly around institutionalization of traceability and in advancing dialogue, thinking, and action on transparency.

Enabling supply to meet demand: Summary of progress against stated outcomes



Category	Outcome	Progress on MEL indicators	Rationale
Enabling supply to meet demand	Certification and ratings programs create a pathway and incentives for all fisheries to improve toward sustainability		<ul style="list-style-type: none"> Certifications and ratings programs are well-established in the N American and European markets, and there has been significant expansion of programs over the past 5 years (volumes, certified fisheries, certified seafood products available, documented improvements); C&R activities in Japan are making progress, but more work lies ahead; increasing efforts are focusing on export fisheries in developing countries Certifications and ratings programs have worked to develop strong components to incentivize improvements, including pathways to certification (e.g., FIPs) Sailors for the Sea Japan launched a domestic sustainable seafood guide, the Blue Seafood Guide, for Japan with help from Monterey Bay Aquarium and Scripps Research Institute. MSC and ASC have quickly grown revenues in Japan, increasing the potential for eco-label self-sufficiency
	Human rights and labor issues are integrated into sustainability standards for seafood		<ul style="list-style-type: none"> Addressing and preventing human rights and labor issues is a major concern for the movement and an important motivator for industry making it relevant to focus on in a markets-based approach. The global FIP review estimates that more than 40 organizations work in this space. This outcome, as it was articulated, has largely been achieved. The C&R Collaboration developed the <i>Framework for Social Responsibility in the Seafood Sector</i> in 2018 and implemented communications activities. However, this should not be equated to implementation/adoption. The foundations have funded beyond the scope of this outcome. However, questions remain as to the extent to which the approach to integration into sustainability standards is the most effective and there is work ahead to fully incorporate human rights/labor issues into standards
	Key certification and ratings organizations increase sustainable and responsible seafood volumes		<ul style="list-style-type: none"> Certifications (both number of certified fisheries and certified landings/volumes) have increased although progress may fall slightly short of 2020 indicator targets. MSC certified 13.3% of global wild-caught seafood in 2017; reaching 20% target by 2020 will likely be a stretch but close (at 15% as of March 2019); ASC certifications have grown from 1.4 million tonnes in 2018 to 1.94 million tonnes in April 2020 (~28% increase); Seafood Watch has increased coverage of ratings to 34% (51% of global aquaculture operations and 14% of wild capture fisheries, with 9% rated Red/Avoid), reported setbacks due to Covid-19 indicate that additional progress toward the 2020 target of rating 50% of global seafood production by 2020 will be limited; Fair Trade certified landings volume rose from 708 metric tons in 2016 to ~5,000 tons in mid-2018 (across 9 certified fisheries).
	Fisheries engaged in FIPs demonstrate improved performance		<ul style="list-style-type: none"> Supporting the producers to offer sustainable supply is critical to the success of the markets strategy; without sustainable seafood supply, commitment to purchase would fall apart FIPs increasingly report policy changes and changes on the water. From 2017 to 2018, the number of FIPs reporting policy changes (Stage 4+) increased from 13 to 55 (26% to 76% of 3+ year old FIPs grade A-C), and the number of FIPs reporting changes on the water (Stage 5+) increased from 13 to 58 (29% to 73% of 5+ year old FIPs grade A-C) All Walton priority producing countries (US, Chile, Peru, Mexico, Indonesia) increased MSC certifications from 2015 to 2019, and the US, Indonesia, and Peru also increased the number of Stage 4+, grade A-B FIPs
	Identify a role for the Foundation (Packard) in aquaculture improvement		<ul style="list-style-type: none"> Aquaculture is seen as the primary source of supply for market growth and hence relevant to GSM strategies However, private sector appears to be driving growth in aquaculture standards and certifications (with food safety and disease management as key drivers); foundation roles outside of ratings/watchdog/governance roles are less obvious. While aquaculture is included in Packard's portfolio, little investment in aquaculture was made (e.g., AIP tools, aquaculture certification) and future role in the GSM theory of change remains unclear

- The foundations have been instrumental in supporting and funding the development and continued evolution of sustainable seafood standards, ratings and certifications programs over the past 20 years, including major initiatives such as the Marine Stewardship Council (MSC), the Aquaculture Stewardship Council (ASC), and MBA Seafood Watch Program, among others.
- Industry uptake of sustainable seafood certification programs has rapidly grown in the past decade. As of March 2019, MSC reported 11.8 million tonnes of certified catch, or 15% of total global wild capture production across 41 countries, an increase from 9.3 million tonnes certified and 10% of global wild capture volume in 2016.¹ ASC-certified seafood volumes grew 28% from 2018 to 2020.²
- Some certifications programs now appear to have viable business models, with stable and growing revenues from industry fees and other sources.
- As standards and programs proliferated, the foundations played a critical role in catalyzing and enabling coordination, alignment, and collaboration, which worked best when the collaborative initiatives had clear goals and roles.
- Seafood sustainability ratings programs have expanded their coverage (at more than 34% of global seafood production in 2020³), playing a key information infrastructure role to support “sentinel” (with a broad view across fisheries and aquaculture operations) accountability and transparency to foster market and policy action.
- Seafood ratings and certifications programs are turning greater attention to supporting fisheries improvements to increase sustainable supply from emerging markets (e.g., Asia, Latin America) and on integrating social, human rights, and labor issues into sustainability standards.



- Key challenges put consolidation and institutionalization of standards, ratings, and certifications at risk:
 - Despite progress in coordination across programs, an integrated toolbox is lacking, fostering some competition and missing opportunities for “on-ramp” connections across programs
 - Downward seafood price pressures due to discount supermarkets and other factors and rising costs of expanding certifications to new fisheries may increase cost challenges for programs
- Key informants expressed concern about the proliferation of seafood standards, ratings and certifications programs, although many recognized progress in aligning definitions and standards in recent years; many indicated that concern about “market confusion” is overblown, although they also noted that continued progress on alignment and some consolidation is needed.
- Addressing key needs could accelerate market transformation to Phase 4:
 - Drive innovation and efficiencies (e.g., enhanced use of technology and data, area or jurisdictional approaches) into ratings and certifications programs to lower costs and enhance verification.
 - Incorporate human rights and labor issues into standards and certification programs.
 - Expand partnerships between ratings and certifications programs and targeted industry and government partners to enhance connections with work to strengthen governance, capacity, and policy frameworks; for example, build off work supported by MBA and the Asian Seafood Improvement Collaborative and MSC (partnerships in Indonesia and Mexico).

- Packard and WFF investments in FIPs reflect a focus on the role for FIPs in the theory of change in catalyzing industry ownership of fishery improvement and providing a pathway for improved outcomes.
- FIPs have been a major investment area in the foundations' GSM portfolios; Packard invested 16% of its GSM-related funding in FIPs and AIPs over the past five years, while Walton invested 15% in FIPs.¹
- The foundations' GSM investments focused on FIP systems and tools with targeted FIP assessment and implementation support for specific fisheries, in coordination with the foundations' country programs.
- FIP implementation and industry ownership increased considerably, indicating progress in Phase 3 of the market transformation framework (critical mass and institutionalization), even though there continues to be experimentation with FIP models.
- Key market drivers for FIPs are long-term product availability and buyer demands; these benefits are generally obtained upon FIP launch, decreasing motivation for further improvement.
- Many factors contribute to FIP success, including effective leadership and management, stakeholder involvement, market leverage, and dynamics outside of FIP control, such as government capacity.



- Packard achieved its goals to increase FIPs reporting policy reforms and outcomes, while each of WFF priority countries increased the number of certified fisheries and/or FIPs reporting improved outcomes over the past 5 years.
- Peer-reviewed research by Cannon et al. (2018) showed that FIPs improve fisheries by reducing overfishing and improving management, and overall, 8% of FIPs have resulted in certifications; however, there is less evidence that FIPs are better than non-FIP fisheries for all types of fisheries, due to lack of data on interventions in non-FIP fisheries.¹
- Seafood industry stakeholders surveyed expected to increase the percentage of seafood sourced from improvement projects and continue to invest financially in FIPs, AIPs, and/or other sustainability efforts in the next 10 years.
- Priority challenges for FIPs include: declining incentives for progress, insufficient accountability, and lack of attention to fishers and unintended consequences for human wellbeing and livelihoods.
- Options for continued philanthropic investment in FIPs include: improving the current industry-led FIP model by focusing on accountability and strategic targeting and exploring new models for increasing impact by emphasizing community benefits or national policy reform.

- In 2014, a series of exposé articles brought to light the extent and severity of human rights abuses in the production of seafood supplying major global markets.
- Since then, efforts to address the issue of social responsibility have increased within the sustainable seafood movement, which has historically focused on environmental sustainability.
- Motivated largely by the articles and ensuing scrutiny, governments and companies started to take steps to mitigate human rights violations (e.g., in the form of increased law, policy, and governance, or major buyer commitments).
- The foundations supported important initial efforts targeting social responsibility, including:
 - Providing industry guidance on developing social commitments and more broadly on human rights and labor issues
 - Making social responsibility a central consideration of the sustainability dialogue
 - Creating platforms for environmental NGOs and labor/human rights groups to collaborate
- By and large, key informants indicate that the top priority for focus within social responsibility efforts in the near term is human rights and labor violations.



- Foundation rationale to continue engagement on social responsibility in their GSM strategies includes:
 - The view that social responsibility as a fundamental tenet of sustainability
 - At a minimum, environmental sustainability work should follow a “do no harm” approach
 - Social responsibility could potentially provide greater leverage to overcome key barriers shared with environmental sustainability (e.g., traceability, transparency, and good governance)
 - The foundations have unique convening power to facilitate alignment between environmental and human rights/labor groups – a necessary step to make meaningful progress
 - The foundations and their grantee partners could build from their environmental work to move the issue of social responsibility forward at a faster pace than might occur otherwise
- Conversely, increased focus on social responsibility could lead to “mission drift” and further burden producers for whom environmental improvements alone may be economically infeasible.
- At this time, *the priority for markets work appears to be human rights and labor abuses*, with country programs tackling issues of equity and food and livelihood security, as appropriate, taking a "first do no harm" combined with a "win-win" approach.
 - Ensure environmental work does not come at social costs and pursue those priorities that also help to advance environmental sustainability aims.
 - Where there is potential for negative unintended impacts of market-based approaches, consider how complementary GSM or country-program investments or partnering with development agencies or local partners could help to mitigate those impacts.
- Options for further investment in social responsibility include guidance for and technical partnership with industry; improving traceability and transparency; ensuring accountability and verification; promoting alignment between the environmental and human rights/labor communities; and targeted efforts on policy/governance.

Mobilizing market-focused policy changes

Summary of progress against stated outcomes



Category	Outcome	Progress on MEL indicators	Rationale
Mobilizing market-focused policy changes	Reduce market incentives for IUU seafood		<ul style="list-style-type: none"> There has been good progress on import controls, including a new policy in the US (SIMP), no apparent backsliding in the EU, and nearing policy adoption in Japan, which also ratified the Port State Measures Agreement. Enforcement of the EU import control policy has catalyzed IUU improvements in over a dozen countries. Key informants noted that WFF's support has been very important in this space, while viewed Packard as having had less of a role, although its Japan strategy also includes IUU and import control adoption. In part, the theories of change rely on catalyzing a collective response from market actors to advocate for policy change, but this response is limited. Overall there is no consensus on the best way to approach legality and verifiable traceability among major buyer partners, leading to mixed outcomes on inclusion in commitments, with some buyers addressing through PCCs. Measuring progress on industry efforts to advocate for policy is difficult; key informants suggest that PCCs are a more likely route for industry engagement vs. companies acting alone per their buyer commitments.
	Strengthen fishery and aquaculture governance through market-supported advocacy and capacity		<ul style="list-style-type: none"> Industry actors signed on to advocacy letters but highlight the lack of strategy as a gap in advocating for improved governance and policy frameworks. Mixed reviews on specific advocacy initiatives (e.g. supplier roundtables). Major ratings and certifications programs (e.g., MSC, Seafood Watch) have begun to engage in place-based partnerships to leverage market-based approaches (e.g., sustainable seafood standards, ratings, and certifications tools) to build capacity and strengthen governance and policy frameworks. For example, MSC has engaged with government partners in Indonesia, Mexico, and Thailand on pilot efforts, and Monterrey Bay Aquarium has supported the Asian Seafood Improvement Collaborative and partners in Thailand with its Partnership Assurance Model to support improvements in shrimp aquaculture operations. FIPs are participatory processes involving government and other stakeholders, and they can supplement fisheries management and governance in areas such as research, policy development, and monitoring. Stage 4 FIPs address changes in management, species information, harvest strategies and controls, and other policy reforms. CEA's 2020 FIP Review found that industry could be playing a more active role in promoting sustainability reforms in countries with FIPs, and noted more successes from domestic industry advocacy than foreign supply chain advocacy.



The extent to which the foundations have enabled progress on mobilizing changes in market-focused domestic and international policies is unclear. Although central to the success of the foundation's theories of change, ensuring market-based approaches lead to policy and governance improvements generally has not been a major focus of recent GSM investments. Expanded focus on policy and governance, in coordination with the foundations' country programs, will likely be key to further market transformation.

WFF supported important progress on strengthening trade policies to make import of IUU fish unacceptable in major markets. This “set the floor” strategy complements WFF’s “build demand” strategy. Key observations from the evaluation include:

- Trade policy aims include expansion of the US Seafood Import Monitoring Program (SIMP), adoption of new trade policy in Japan, and effective implementation of the EU anti-illegal fishing rule. WFF grantmaking (\$3.43M, 2017-2019¹) aligned with its aims in the US, EU (Spain), and Japan.
- There has been important progress over the past five years around international and national policy instruments to drive down IUU. Despite policy gains, IUU fishing remains a major challenge to achieving sustainability, representing nearly 20% of global catch value, estimated at more than \$11B USD.²
- Import controls are gaining critical mass (Phase 3 of the market transformation framework); those imposed by the US, EU, and Japan can influence an estimated 60-70% of globally traded seafood.³ WFF has made important contributions to progress on SIMP and in Japan; evaluation data are insufficient to assess contribution in Spain/the EU.
- While there has been progress on IUU policy in the US, EU, and Japan, numerous challenges remain across WFF’s theory of change to achieve meaningful, durable impact. Direct effort and investment are needed to strengthen trade restriction laws, policies, implementation, and response at all scales, across industry and governments. Achieving critical mass requires the new import control policy in Japan and progress in China; institutionalization requires effective implementation at all scales, which may include support for production side improvements.

Intended Results and Progress: Situated in a Market Transformation Journey

The foundations have made substantial progress over the past several years on the intended results (outcomes) outlined in their current GSM strategies, particularly related to creating demand for sustainable product and enabling supply to meet demand.

On balance, our assessment is that the foundations' focal markets—particularly North America and Northern Europe—appear to be in the “critical mass and institutionalization” phase of market transformation. Situating seafood markets in a market transformation framework helps to better understand the unique features, opportunities and challenges that manifest at different phases of evolution.



Key attributes of this phase (Phase 3 in the Lucas Simons framework) include:

- Growth and strengthening of standards, ratings and certifications programs
- Expanded tools to support traceability and transparency
- Progress in developing improvement processes (e.g., FIPs) to support improvements on the water
- Enhanced coordination and alignment across programs and tools
- Transition to greater industry engagement and ownership
- Increased salience of connection with governance and policy mechanisms to drive further progress

The GSM movement has evolved to a point where partners can start having conversations that have not previously been possible – developing a long-term shared vision of success, and more deeply evolving roles and models for engaging industry, government, and civil society in more cohesive ways. These ideas are explored further in the next section of this report.

Market Transformation Journey: Key Barriers and Challenges to Progress

Several key types of barriers and challenges inhibit progress for continued market transformation. The deep dives and shallow dives (see Annexes) profile specific barriers and challenges that investments around specific GSM tactics are working to address or that challenge future progress. Key cross-cutting challenges include:

1. **Fragmented standards, tools, and programs** that are not fully aligned and connected, resulting in some redundancies and confusion among buyers and other market actors
2. **Fragmented industry leadership and ownership** across multiple initiatives that reduce the influence of market actors to advocate for governance and policy change
3. **Insufficient accountability for GSM tactics** that limits their potential impacts and results
4. **Information gaps** (e.g., traceability, commitment tracking, ratings coverage, human rights and labor performance information) that limit transparency and undermine accountability
5. **Weak business models** for many NGO GSM initiatives that are not fully optimized to address costs without support from philanthropy
6. **Market structure limitations** that include **weak governance and enabling conditions** in producer countries, export markets that are not sufficient to catalyze knock-on effects in domestic markets, and challenges with using commodity-focused GSM approaches in small-scale fisheries and mixed species fisheries

While the GSM movement has come a long way over the past 20 years, signals are emerging that some shifts are needed to drive significant future progress.

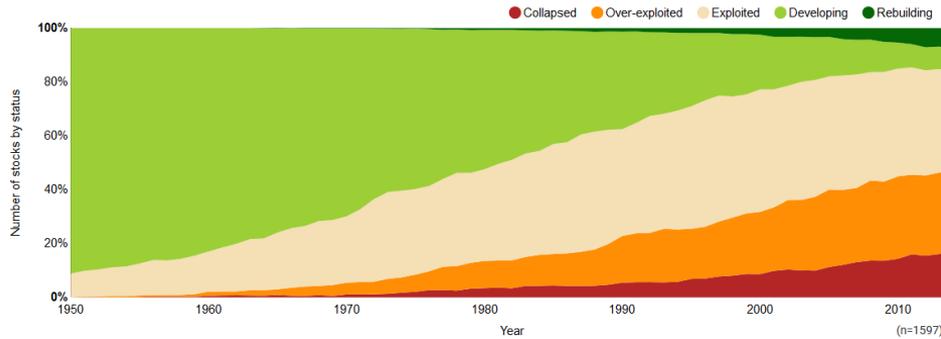




Overall Impacts of GSM Strategies and Foundation Contributions

Despite significant progress in advancing GSM approaches and tools, it is very difficult to translate this progress into aggregated impacts on fishery stocks or ecosystem health

Research shows that while the amount of fish stocks that are over-exploited or collapsing is growing, there are also increases in fish stocks rebuilding. The evaluation team—nor key informants interviewed—did not have the data to attribute these rebuilding stocks to GSM activities.



Key informants widely expressed confidence that changes in practices—shifts to responsible practices outlined in standards—is a positive, desirable outcome of GSM work. However, input from key informant interviews and discussions at the GSM NGO convening indicated that the data and science is not adequate to rigorously translate these data explicitly to impacts in fishery stocks or ecosystem health.

“One confounding challenge is that there are many, many factors that affect the health and status of fish stocks and the ecosystems that support them.” – NGO convening participant

“There are some good case studies that tell the story of how certifications programs support fish stocks, but it is challenging to aggregate these results or to get at clear causation. For example, the MSC-certified red king crab fishery in the Barents Sea was required to show strong management and science-based harvest control rules which we think helps to maintain healthy, sustainable stocks. But it is really hard to get at the actual changes in the water.” – KI

“I don’t have a good sense of how much difference seafood certifications programs have had to date regarding impacts on the water. To what extent have we been primarily certifying fisheries that were already well-managed and only needed some better paperwork? I know we have developed FIPs as an improvement pathway to certification, and there are some good anecdotes of where they have led to changes on the water. But I don’t think we are equipped to say what all this means for fish stocks and the health of fisheries.” – KI

Contribution of the foundations to progress

Key informants widely acknowledged the vital role the foundations have played to enabling overall progress on global seafood markets sustainability. The foundations have been the most significant funders of GSM activities over the past 20 years (along with the Moore Foundation), and there are numerous points along the journey where the foundations have proactively catalyzed progress in the GSM movement through strategic convenings, advice and advocacy for changes in strategic direction, and catalytic grantmaking to address new areas.

Key informants from industry and government widely called attention to the effectiveness of foundation staff in understanding GSM movement needs, challenges and opportunities and in helping to actively steward progress across the ecosystem of GSM actors.

The strong degree of alignment and coordination across the foundations regarding their strategies and grantmaking was also recognized as a key contributing factor for progress, which has been supported by the Sustainable Seafood Funders Group and strong collaborative relationships among foundation program staff.

The progress to date, the key challenges, and an understanding of the foundations' roles and contributions to progress are important to inform efforts to “Look Forward” and to chart the journey ahead for GSM strategies.





VII. GSM Strategy Evaluation Recommendations

- Contextual factors and emergent challenges
- Future goals
- GSM strategy recommendations
- Foundation role and positioning

Relevant Evaluation Questions: 8, 9, 10, 11, 12

To support assessment of potential future directions, we have found it useful to structure our look forward findings and recommendations around elements of a nautical journey



Contextual Factors

Maps of Currents and Trade Winds (Key Contextual Factors)

Understanding broader trends and context is key to charting pathways that navigate factors that can inhibit or accelerate progress to meet goals. The evaluation team reflects on key market context factors that are relevant to future GSM strategy. A guiding question to consider is:

- *What contextual market factors and trends are most relevant to accelerating or inhibiting progress on global seafood market transformation?*



Emergent Challenges

Risk Identification and Preparation (Emergent Challenges)

Although some risks and challenges arise along the journey and are not clearly marked on maps, one can prepare. The evaluation team identified three major areas of emergent challenges that will undoubtedly affect the future of the GSM movement and strategies. A guiding question to consider is:

- *What questions should we be asking to prepare for key emergent challenges?*



Goals

Destination (Goals)

Any journey and consideration of future strategy and direction needs to be grounded in clear identification of the destination or goals—where do you want to get to. The evaluation team reflects on implications of current goals for future GSM strategy. A guiding question to consider is:

- *What are the foundations' goals relevant to oceans and global seafood markets (and how are they changing)?*



Recommendations

Vessels (Recommendations)

Given the goals, context, and guides for progress, there are multiple ways to take the journey. The evaluation team identifies strategic options and trade-offs for key GSM theories of change and strategies. A guiding question to consider is:

- *What prioritization or weighting of strategic options is most compelling to you in light of the evaluation findings, your own experience, and evolving foundation goals and priorities?*



Foundation Roles

Navigation Aids (Foundation Roles and Positioning)

The foundations are uniquely positioned to continue to play a vital role in the evolution of global seafood markets. The evaluation team shares reflections on key roles, strategic positioning, and actions that the foundations should consider in their future work on global seafood markets. A guiding question to consider is:

- *What changes in roles and positioning are needed to enable the foundations to support needed phase changes in global seafood markets?*



Contextual factors and emergent challenges

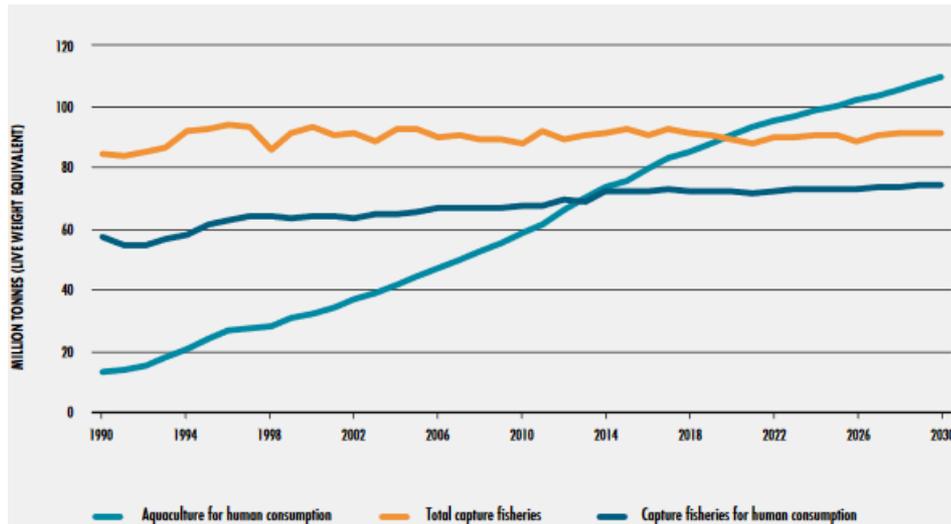
Seafood consumption trends show substantial increases in seafood consumption in Asia, Latin America, and Oceania, with most growth being met through aquaculture



Contextual Factors

Global seafood consumption is expected to continue to increase, particularly in Latin America and Asia. Global fish consumption is expected to increase by 20% (up 30 million tonnes) from 2016 to 2030. The average annual growth rate between 2017 and 2030 is projected to slow to 1.2% (down from 3% during the 2003-2016 period). FAO attributes the projected slowing of growth rate estimates to reduced production growth, higher fish prices, and a deceleration in global population growth. The highest growth rates in per capita fish consumption from 2016 to 2030 are expected in Latin America (18%), Asia (8%), and Oceania (8%), while in Africa FAO forecasts a 2% decrease in consumption, due to supply not meeting the needs of population growth.

Global World Capture Fisheries and Aquaculture Production, 1990-2030



Rising Role of Aquaculture

- World fish production is expected to increase 30 million tonnes from 2016 to 2030 to 201 million tonnes, with that growth largely filled by aquaculture.
- Aquaculture production (excluding plants) is expected to reach 109 million tonnes by 2030.

EU, Japan, and US markets import 44% of globally traded fish by volume, and these markets can directly influence an estimated 19% of total global fish production (wild capture and aquaculture)



The share of global fish production* that the EU, Japan, and US can directly influence through domestic production or imports is projected to decline from 19% in 2016 to 18% in 2030

- 31% of wild and farmed fish production is anticipated to be exported (entering global trade) by 2030 (38% if trade in the EU is included), similar to 2016 levels, when 35% was traded.
- The EU, Japan, and the US markets combined imported 44% of globally traded fish for human consumption in 2016; this share is expected to decline slightly to 43% by 2030.
- Considering both domestic production and imports, the EU, Japan, and the US can directly influence about 19% of global seafood production, as those regions produced 15.7M tonnes and imported another 17.3M tonnes in 2016.
- By 2030, the share of global fish production that these markets can directly influence is anticipated to remain at similar levels, declining to about 18%

**Includes wild capture and aquaculture*

Asia will continue to dominate world exports and imports of fish for human consumption*

- FAO projects that China will continue to be the top exporter of fish for human consumption by volume by 2030, followed by Viet Nam and the EU.
- Asia's share in total trade of fish for human consumption is expected to remain at 50% of global exports by 2030.

Region	Projected Share of 2030 World Exports	Projected Share of 2030 World Imports
Asia	50%	37%
Africa	5%	13%
Europe	25%	26%
North America	7%	15%
Latin America and Caribbean	11%	7%
Oceania	2%	2%

Key informants highlighted key threats posed by China to global seafood market strategies as well as considerations for expanding use of market-based approaches



Contextual Factors

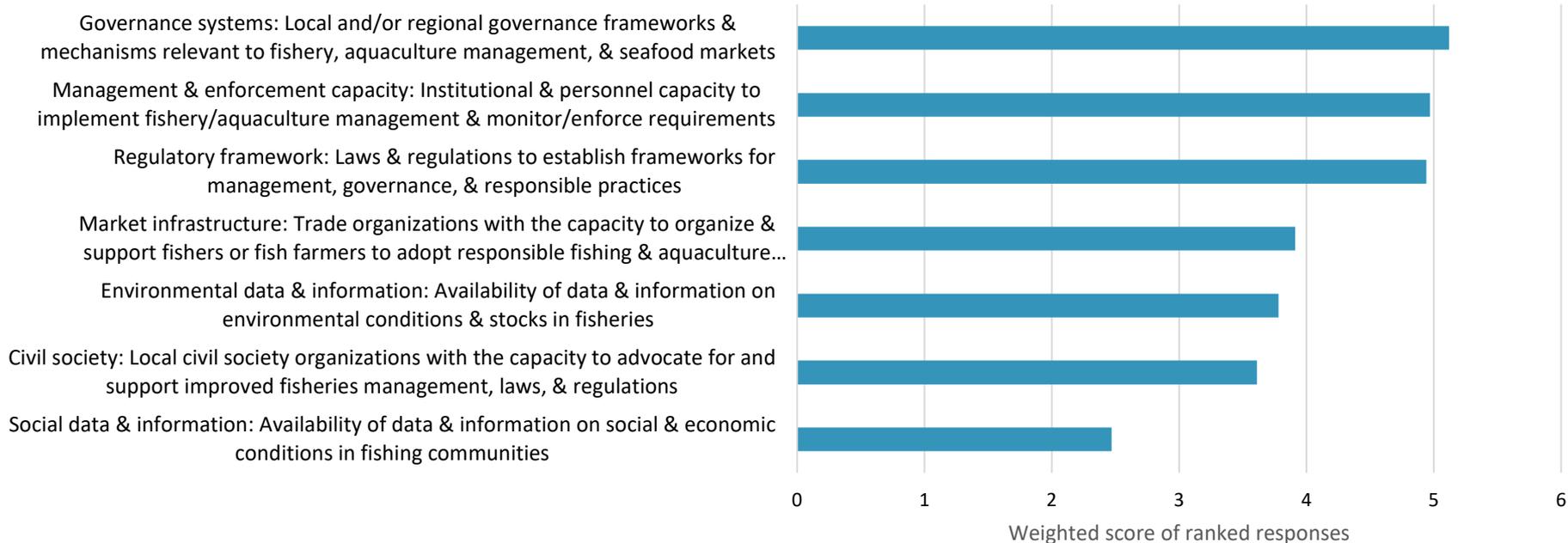
“We've seen some certified fisheries drop their certification because they're saying, well, we're selling all our stuff to China now. And they don't care about certification...You can't even get the product in North America now because they ship 95% of it straight to China. **The Chinese market is having I would say a growing effect on stemming sustainability at many levels.**” – KI

“**China plays a significant role in illegal wildlife trade trafficking, illegal fishing...** [and they have an] extremely confrontational approach of marching into the waters that are of other nations and creating a fishing fleet that's actually a militia.” – KI

“When you're talking about domestic markets [in many Asian countries], **other things are more important than MSC...** for example, ... making sure that the food is halal. And quality and freshness is much more important than...eco labels as proof of environmental sustainability.” – KI

“There's **no concept of bycatch**; we use everything, whatever we can. So that leads to two very different structures, or dynamics in...the processing and marketing parts of the whole industry [in China]...those are the fundamental facts, and a difference when it comes to thinking about ...whether these [market-based approaches] are applicable.” – KI

**What enabling conditions are most important for expanding use of market-based approaches to advance seafood sector sustainability in Asia, Latin America, and/or other emerging markets?
(Rank the options in order of importance.)**





What are enabling conditions for expanding market-based approaches in Asia, Latin America, and/or other emerging markets?

Enforcement: “Having the **ability to enforce fishery rules and regulations** seems like the most critical barrier for market-based initiatives (FIPs, MSC) to be able to expand. Without enforcement, the rules are largely meaningless in these regions. And industry cannot fill a complete governance void.” – NGO survey respondent

Local capacity and collaboration: “[For this historically EU/US community to have greater impact in Asia], first, in any of the issues, **must localize capacity**. In Thailand, saw so many Western organizations coming in, getting big grants, working the grant cycle, and then leaving without having established capacity, impact, real political change. Second, **collaborations**. Some of the most successful things I’ve seen... key US, EU NGOs working with...local organizations in a collaborative partnership to drive change.” – KI

Transparency: “Market-based approaches depend on **credible, transparent information at the time market decisions** are being made. These disclosures can be robust and voluntary by the market actors.” – NGO survey respondent

Market infrastructure: “These market-based approaches in demand countries are definitely have an impact on the industrial fleet [in Mexico], which is generally **vertically integrated** and understands where their seafood is going and is therefore able to react to these market pressures. In the case of small-scale producers, they're generally selling to an intermediary on the beach, and they have no idea where they're where their fish is going and very little **understanding of these global market pressures.**” – KI

Government capacity: “The incentives used in the US don't work well in these emerging markets and the **capacity within governments** is extremely limited.” – NGO survey respondent



The retrospective (“Look Back”) findings section summarized key challenges facing current GSM strategies that inhibit accelerated market transformation and progress towards the foundations goal. More emergent trends include...

Food security and health considerations

Issues relevant to human health and well-being, such as food safety, disease management, and food security are increasingly influencing GSM efforts, particularly in aquaculture and some developing countries.

“We hope that into the future, environmental sustainability can ride the coattails of seafood and aquaculture sector focus on issues such as food security, disease management, and food safety.” – KI

Human rights and labor issues

Since the media exposes in 2014, the seafood industry has increased focus on human rights and labor abuses in supply chains. Some precompetitive platforms (SeaBOS, Sea Pact, Seafood Task Force) have addressed IUU, labor issues, and/or social responsibility, and over 25 businesses have made voluntary commitments to the Monterey Framework for social responsibility.

“Human rights will continue to rise to the top of concerns for companies and eaters.”
– GSM Industry Survey Participant

Social issues, including human wellbeing and livelihoods

There has been less focus on the wellbeing and livelihood aspects of social responsibility than forced labor. About 19% of FIPs on FisheryProgress (26 FIPs) self reported a “social impact,” but independent analysis of FIPs found only 6 FIPs credibly engaged communities.¹ Fair Trade has pioneered a seafood certification program that addresses community development and livelihood issues. Work in this area may overlap with interests of multilateral development banks and/or other partners on topics such as the sustainable development goals, climate resilience, and equity and inclusion initiatives.

“It could be that by addressing some of these human welfare concerns and gender equity, we could do more with addressing biodiversity conservation needs.... If we can start to address that, then there will be political will, there will be community support and stakeholder engagement that will .. help us solve at least part of the issues that we're facing..” – KI



Climate change has the potential to dramatically impact global ocean temperatures, with likely impacts that include acidification, upper ocean stratification, oxygen decline, marine heatwaves, and potentially drastic reductions in wild catch.

A 1.5°C increase in global temperatures by 2100 could result in annual wild catch decline of 1.5mt/yr; a 2°C increase scenario would reduce wild catch by 3mt/yr. Ocean ecosystems over the 21st century are predicted to undergo a decrease in biomass of marine animal communities, their production, and fisheries catch potential from the surface to the deep seafloor. Ocean warming in the 20th century has already contributed to an overall decrease in maximum catch potential, compounding the effects of overfishing for some fish stocks.

Some key strategic questions for the foundations include:

1. How will the impacts of climate change impact the health of fish stocks that are targeted by GSM activities?
2. How can GSM activities better reflect the anticipated impacts of climate change in planning?

“Sustainable seafood requires tackling climate change and all these other issues.” – KI

“[Over the next 5-10 years, it will be important to] help ensure seafood and oceans are better embedded in global dialogues and policies on food, climate change, environment et al - critical to creating political change and perceived value. – NGO survey respondent

“Given climate change, [there is a] need to cultivate resilience in coastal communities; we are trying to assess this and adjust.” – KI

“Climate change will have an impact unless there is robust and resilient management.” – KI



The global COVID-19 pandemic will have tremendous impacts on both supply chains and market demand around the globe, but much of the details remain uncertain

There is significant uncertainty around the long-term impacts of the global COVID-19 pandemic. There is a high likelihood of both near and longer-term impacts on the contours of market demand as well as supply in seafood markets. A global recession will also affect organizations throughout the sustainable seafood movement and could be particularly hard on small-scale fisheries and smaller businesses and nonprofits. Current data show that in the US, retail demand for seafood has significantly increased while food service demand has plummeted.

Some key strategic questions for the foundations include:

1. How might global disruptions in trade resulting from the COVID-19 pandemic impact GSM activities?
2. If demand patterns for seafood changes as a result of shifting consumer habits during and after the pandemic's lockdown period, how might that impact GSM activities?

Potential impacts to global markets:

- Developing countries could have less access to markets as supply chains are shortened, and experience negative growth through 2021
- Under some scenarios, life could return to “normal” by the end of 2020
- Countries may work together to respond to COVID-19 and begin to collaborate further on problems they previously ignored
- Under other scenarios, a global depression could ensue, where countries establish trade barriers

“People are cooking seafood as never before... At supermarkets and other stores, seafood purchases have set records. Year-over-year sales of both canned and frozen seafood were around 37 percent higher for the four weeks that ended April 19, according to data from IRI, a Chicago-based market research firm. – *New York Times*”



Estimates range from 1.1 to 8.8 million metric tons of plastic waste that enter the world's ocean from coastal communities every year, with impacts on a wide range of organisms, including microbiota, invertebrates, and vertebrates.

Worldwide marine plastics pollution impacts marine ecosystems, as organisms interact with plastics via entanglement or ingestion. The risk of harmful interactions with marine plastic pollution varies across species and across geographic regions. At current rates plastic is expected to outweigh all the fish in the sea by 2050. Plastic microfibers appear in the intestines of fish at the point of consumer purchase; and fish in the North Pacific consume 12,000-24,000 tons of plastics per year, which can cause death. While it is well understood that plastic pollution can be toxic to fish, there is yet uncertainty about the holistic effects of marine plastic on ecosystem services and the economic viability of fisheries.

Some key strategic questions for the foundations include:

1. How might increases in global ocean plastics impact seafood supply chains?
2. What potential does the presence of plastics in seafood have to impact future demand for sustainable seafood?

“Plastics is everywhere – [this is a] huge priority for partners.” – KI

“Huge issue: marine plastics, interestingly (discarded fishing gear); depends which reports you read, different takes on importance of challenge; we are trying to understand this more.” – KI

“Plastics, antibiotic resistance, climate change, people are starting to make connections in their head. Sustainable seafood requires tackling climate change and all these other issues. .”– KI



Future goals

The selection of strategic options is deeply rooted in choices the foundations make about what they ultimately aim to achieve and the theory of change to get there



In defining goals and refining the theory of change, the foundations will need to answer questions about future goals that have important implications for strategic approach. These include:

How do the foundations define "sustainability"?

- Is the focus solely environmental or, as in the UN usage, does "sustainable" also include social responsibility and economic viability?
- Will success in terms of environmental sustainability be measured in terms of ocean health, fisheries health, or responsibility of production practices?

What do the foundations consider to be the current baseline and what degree of improvement do they want to drive?

- Sustainability estimates today range from 20% to 38% depending on which source is referenced. It is unclear what incremental improvement has been realized over the life of the GSM strategies or the actual contribution of the foundations to that change.
- Co-developing targets with key grantees and partners can help ensure that initiatives are incentivizing optimal focus and priorities.

What are the critical assumptions to driving meaningful improvement and how will they be fulfilled and measured?

- The theory of change has relied on trickle-down impacts, knock-on effects, complementary action in key producing countries, and achieving a collective policy response from industry and governments, but the gains to be made via these avenues toward the goals have largely been unstated and not tracked.

Should the focus remain on trade flows to major importers in developed countries or should scope expand to include other major markets?

- While the US, Japan, and Spain were the top 3 of 4 importers of seafood globally by value in 2019, representing 30% of world imports,³ making important additional gains could involve focusing more on major markets or major commodities that have not been as engaged on sustainability (e.g., China, which has 22% of all wild capture fisheries that are not certified, rated, or in a FIP, and 11% of red rated fisheries globally¹).

What is the relative priority of focusing on environmental sustainability, mitigating unintended social impacts, and addressing broader social issues?

- To what extent do the foundations want to prioritize social issues beyond a "win-win"/"do no harm focus"?

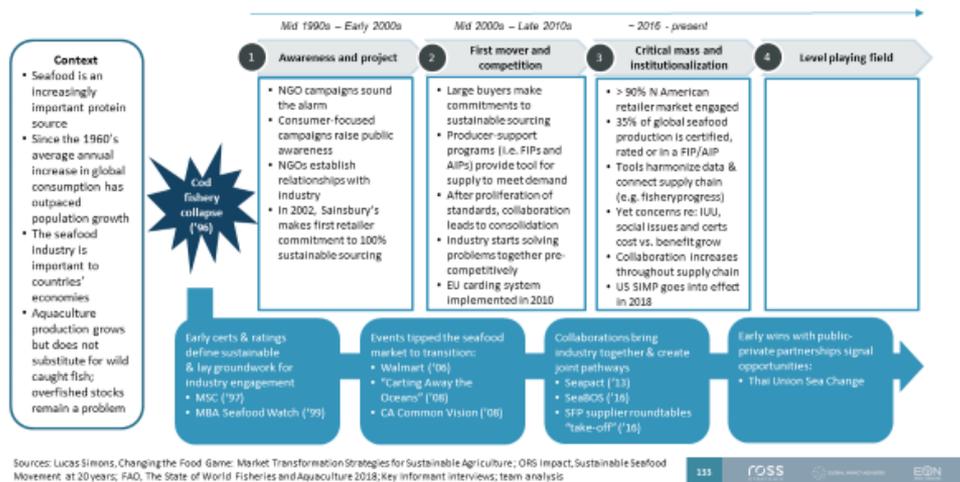
Would improving aquaculture operations be pursued as a critical pathway to expanding sustainability of global production overall?

- Aquaculture provides more than half of the world's seafood and will be the primary means to meet growing global demand.

The market transformation framework provides a lens for thinking about goals—and a clear vision for what successful seafood market transformation looks like



We can see this process playing out in seafood, as well



Phase 4 Market Transformation Attributes

1. Strong **industry ownership** as evidenced by investment in fishery improvement and policy advocacy
2. Market-based standards and tools embedded in **regulatory and policy** frameworks through strong engagement with government partners
3. Platform for industry, government, and NGO **collective action** to steward future progress
4. Sustained **economic incentives** for sustainable fish production
5. Producer country workers have greater say and markets reward their sustainability efforts
6. Strong system-wide **traceability** across the supply chain
7. Strong **transparency** that supports **accountability**
8. Advocacy (by NGOs) focus on “**watchdog**” and “sentinel” roles addressing non-compliant actors and emerging issues and threats

Participants in the February 2020 GSM NGO convening for this evaluation identified key attributes that they believe characterize successful GSM market transformation to Phase 4



GSM strategy recommendations

Overall GSM strategy recommendation: Improve effectiveness, efficiency, and leverage of GSM tactics to accelerate the shift toward more mature (Phase 4) sustainable seafood market transformation



Our assessment is that the overall GSM theory of change remains valid and is an important pathway for advancing ocean conservation goals. However, while the foundations' GSM strategies have enabled substantial progress on the journey to sustainable seafood market transformation to date, they have been insufficient to achieve the foundations' goals thus far. Additionally, continuing with the current approach potentially could drive transformation of the supply chains serving North America, EU, and possibly Japan, but that would be insufficient to achieve transformation of global seafood markets overall. *Accelerated “shifts” in strategic focus for the GSM movement are needed to get out of the trajectory of making incremental progress toward market transformation.*

Strategic Focus Area 1: Improve the efficiency and effectiveness of market-based tactics deployed in North America, Europe, and Japan. Continued attention to North American, European, and Japanese market transformation remains important to sustain and build upon progress made to date as industry takes more ownership and leadership of the sustainability movement. Improved efficiency and effectiveness are needed to increase the impact and durability of tactics to create demand for sustainable seafood, enable supply to meet that demand, and mobilize advocacy for policy changes to institutionalize sustainable practices (fully realizing Phase 3 progress and pushing toward Phase 4).

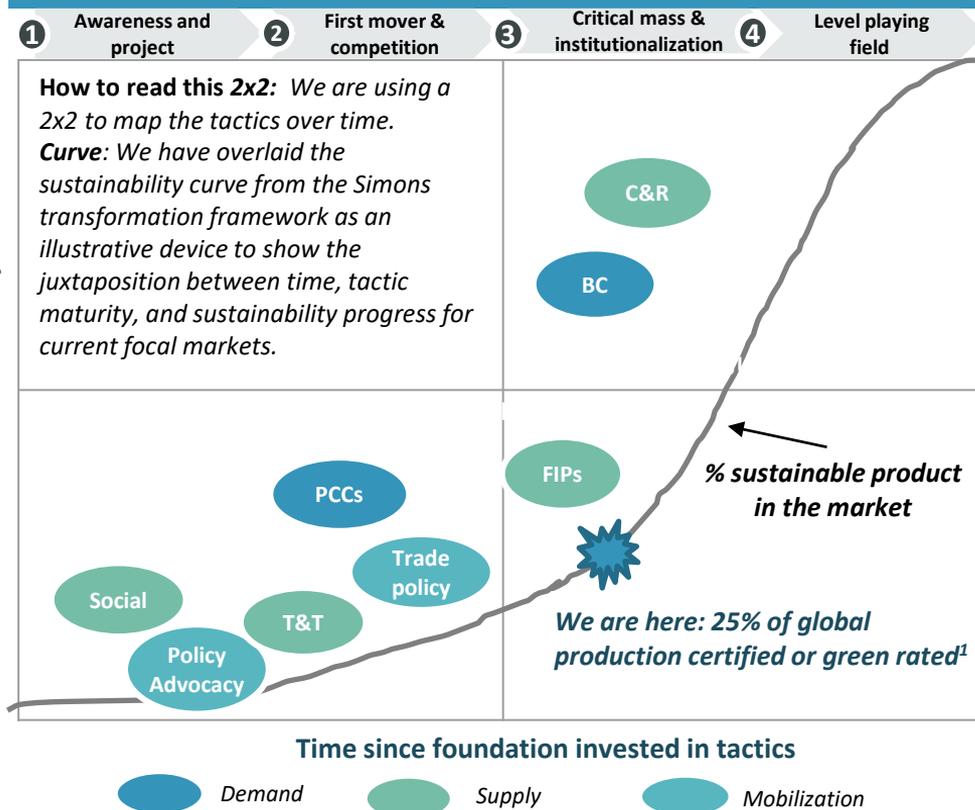
Strategic Focus Area 2: Get more leverage out of market-based tactics by expanding the sphere of influence. The North American, European, and Japanese markets alone do not represent enough import volume to drive sustainability at global scale. It is not feasible or advisable for the foundations to actively engage in every market, and further analysis is needed to determine how to best expand the sphere of influence enough to tip the scale toward a critical mass that spans and connects critical stakeholders and geographies. The analysis may support additional country-based GSM strategies and/or creation of a multi-stakeholder global platform that can provide a way to expand the sphere of influence of GSM strategies (to more commodities, market actors, markets, etc.) and support global progress towards Phase 4 market transformation.

Strategic focus area 1 (improve effectiveness and efficiency): Despite maturity of some of the foundation's tactics, sustainably produced seafood is still not advancing fast enough



Certs & ratings and buyer commitments have reached a high level of maturity yet global sustainable production is still at 25% (1)...

...potentially due to barriers impeding mature tactics, relative immaturity on emerging tactics, and/or markets outside of scope



- **Certification & ratings (C&R) and buyer commitments (BC)** are the tactics with the most investment. They are fairly mature in these markets, but executed alone, they do not seem to be enough to achieve the foundations' sustainability goals.
- The foundations have also invested heavily in **fishery improvement projects (FIPs)**, with efforts focusing on tools and coordinating with country-program investments in specific fisheries, which have been important to provide a path to increase sustainable supply of fish
- **Precompetitive collaborations (PCCs)** have grown rapidly and organically as industry and NGOs have organized to address challenges that cannot be solved by one company alone.
- Other issues have emerged as salient/relevant, including **transparency & traceability (T&T), human rights and labor (Social)**, and the field has sought to find a way to address the issues collectively, but efforts are in an earlier stage of evolution.

Strategic questions:

- What will it take to improve effectiveness of these tactics and maximize impact on the water?
- How can efficiency be improved to enable more consistent and cost-effective implementation of these tactics?
- To what extent would improvements in North America, Europe, and Japan enable global sustainable production goals to be met?



Recommended priorities for strategic action and investment by the foundations to advance progress in this area include:

- 1. Catalyze a participatory process to design goals and potential structure(s) for a more collective approach to support US buyer commitments.** The dominant 1:1 NGO partnership model in the US is a legacy of early stages of the sustainable seafood movement, and a more collective approach could drive increased industry ownership for continued evolution and implementation of commitments. Collective approaches could strengthen demand signals, improve accountability and transparency, and drive industry investment in resources to implement commitments. *See the buyer commitment deep dive (Annex 5) for additional insights for action.*
- 2. Continue support for promising industry-engaged GSM movement development in Japan and Spain.*** Recent foundation investments in Japan and Spain appear to be gaining traction in engaging industry actors in these key seafood markets. These are important venues to continue supporting industry-engaged market transformation work.
- 3. Strategically target investments in precompetitive collaborations to strengthen (or launch) PCCs that align with GSM priorities and strategies.** The foundations have provided seed funding to launch PCCs, such as SeaBOS and the UK SSC, which have increased industry engagement and accelerated progress. The foundations should continue to support the establishment of strong PCC governance and leadership to enable durable and productive value propositions that align with GSM priorities. The foundations have also provided supplemental funding to mature PCCs like Sea Pact to increase the impact of collective action, e.g. FIPs. Engaging more directly with industry, for example, utilizing new funding approaches, could widen the net for innovative ideas. *See PCC deep dive (Annex 6) for additional insights.*
- 4. Ensure sufficient civil society capacity to fulfill effective “watchdog” functions in these markets and the supply chains that serve them.** More traditional “watchdog” organizations and investigative journalism initiatives play an important role in identifying and elevating issues that can catalyze substantial private sector and government action. Draw lessons from successful efforts by Hugh’s Fish Fight and Greenpeace, ensuring that enhancing the “stick” capacity also increases opportunity for civil society to entice industry with the “carrot” to engage in constructive two-way dialogue.
- 5. Clarify strategic purpose and approach regarding transparency and ensure consistency going forward.** Convene philanthropy, NGOs, and industry to clarify focus and priorities of transparency work: forging alignment on transparency of what, for whom, for what purpose(s), keeping verification needs as a key priority. Invest in strategic opportunities aligned to this clarified purpose to drive greater transparency around progress on buyer commitments (and other priority areas for transparency).

*The evaluation team did not have time and resources to conduct robust evidence collection and synthesis on the GSM strategy work in Spain and Japan. However, through several KI interviews, NGO convening discussions, industry survey results, and review of foundation MEL data, we have high confidence in this recommendation.

Enable supply to meet demand for sustainable seafood:

Actions that the foundations can take to refine tactics in N American, European, and Japanese markets



Recommended priorities for strategic action and investment by the foundations to advance progress in this area include:

- 1. Expand support for independent seafood sustainability ratings and assessment efforts to drive transparency around the sustainability status of fisheries and aquaculture operations.** While the foundations have driven important progress in this area, more is needed to strategically increase the coverage of ratings and assessment efforts, as well as continued improvements to FIP assessments reported on FisheryProgress. Continue to support efforts to drive alignment and consistency (and even consolidation) across standards. This work provides key information to drive accountability across GSM initiatives and commitments, while also informing broader governance and policy progress.
- 2. Work with industry to strengthen commitments to fishery improvement.** Most industry requirements for FIPs only require launch (Stage 2) and/or grade A-C progress ratings, which comprise the vast majority of FIPs.¹ This limits incentives for further improvement in fishing practices and management. Stronger commitments, consistent messaging from NGOs on what is a “good” FIP, and accountability and support for improvements could help FIPs deliver on policy reforms and changes on the water. *See the FIP shallow dive (Annex 7) for additional insights.*
- 3. Play a focused, strategic role to advance progress on seafood traceability.** Support uptake of the GDST standards by industry and governments. Focus and leverage the Seafood Alliance for Legality and Traceability (SALT) to resolve key barriers to GDST standards adherence, particularly in “the first mile” of production. *See the T&T shallow dive (Annex 9) for additional insights.*
- 4. Provide seed investment to compelling new innovations and models to unlock persistent, critical challenges for effectiveness and scaling.** Many stakeholders observed that foundations are well-positioned to provide seed investments to research, develop, and test new models and approaches. Promising areas to consider include innovations around use of big data for efficient monitoring and verification, use of territorial and jurisdictional approaches, use of due diligence approaches as an alternative to human rights and labor practice audits, and partnership assurance models for standards verification, among others. Targeted investments in new areas should consider key hurdles to get beyond incremental progress in market transformation.



Recommended priorities for strategic action and investment by the foundations to advance progress in this area include:

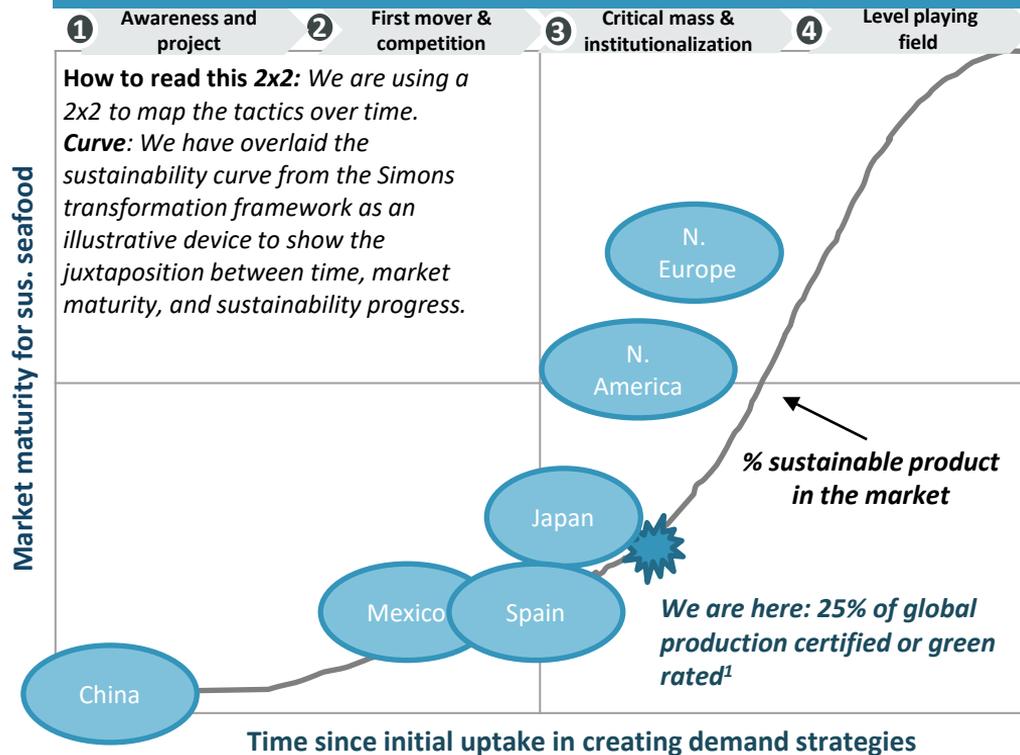
- 1. Continue to support advocacy work around import controls/trade policy and illegal, unreported, and unregulated (IUU fishing) to create backstop pressures for developing country engagement in market sustainability initiatives.** For priority producer countries, assess capacity to establish practices as required by import control policies and consider investments to strengthen systems and practices as needed.
- 2. Work with key NGO collaboration partners and the foundations' country programs to develop clear priorities and action plans for driving innovation and efficiencies in GSM approaches and tactics,** ensuring complementarity between building demand and enabling supply by identifying priorities (commodities, geographies) where markets and governance work can come together as needed to push through to Phase 4.
- 3. Explore opportunities to engage industry and governments in collective responses driving improvements in policy and governance.** The GSM movement has developed multiple platforms (many with support from the foundations) that engage industry stakeholders with other types of partners, including representatives from governments and international organizations and from NGOs. We see opportunities to incentivize and encourage participants in these platforms to engage with governments and fishery management organizations more fully to press for governance and policy reforms. See the upcoming "global approach" slides for additional ideas related to building collective action to support progress on policy and governance.
- 4. Support efforts to engage industry and governments around social responsibility, in alignment with more focused foundation priorities.** The foundations have supported important innovations over the past few years in exploring GSM approaches regarding human rights and labor abuses and advancing equitable opportunities for benefit for fisher communities and social livelihood issues. As discussed in the goals section, a key need is to determine the relative priority for philanthropy in focusing on environmental sustainability, mitigating unintended impacts, and addressing broader social issues. For human rights/labor issues, the approach should be guided by a "first do not harm/win-win" model, wherein the foundations and their partners (a) ensure environmental sustainability improvements do not come at a social cost and (b) focus on those enabling factors that advance both environmental sustainability and mitigation of human rights and labor abuses (e.g., traceability, transparency/accountability, catalyzing policy/governance improvements, ensuring alignment between the environmental and human rights/labor movement). For issues of equity and livelihoods (unless the foundations determine social livelihoods, coastal community resilience, and poverty alleviation to be major new focus areas), the focus for GSM interventions should be at a minimum on better understanding and mitigating unintended negative impacts from market-based approaches such as FIPs and certifications. *See the Social Responsibility shallow dive (Annex 8) for additional insights.*

Focus area 2 (increase leverage): Diverse markets are engaged in sustainable seafood, suggesting that attention to non-engaged or less mature markets could contribute to progress in sustainability of global production



Recommendations

While N Europe and N America are more mature, progress in sustainability lags possibly due to lack of demand in non-engaged or less mature markets



Considerations for global progress going forward

- Markets engagement in N America and N Europe can focus on securing the gains made in Phase 3 of the seafood market transformation and readying to move to Phase 4 of the transformation framework
- Other markets like Japan and Spain have engaged in the sustainability movement and appear to be demanding more sustainable seafood after deployment of adaptations of the tactics that are proving effective in N America and N Europe
- China is a fast growing and influential market that is only beginning to implement market-based tactics such as FIPs, and there is evidence that its purchasing power can potentially erode progress made that has focused on the N American and N European demand

Strategic questions:

- How can we adapt existing GSM tactics to enable efficient and faster deployment in new market contexts where appropriate, and/or share knowledge with local institutions to inform new strategies?
- How can the GSM field accelerate movement up the curve in China, and other markets, with the knowledge and tools that are in development?
- What progress needs to be made on enabling conditions (e.g., governance, enforcement capacity) to set up for market transformation?

Country approach: Determine which, if any, countries should be included in future GSM strategies to enable achievement of GSM goals for sustainability of global seafood production



Below are recommendations for considering which, if any, additional countries should be included in future GSM strategies:

- 1. Tier countries according to *importance* in driving global seafood sustainability.** Conduct landscape analysis to identify and prioritize countries that could substantially help tip global production toward sustainability. Develop a methodology for assessing trade flows, market dynamics, and interdependencies with other markets to create a tiered list of countries for consideration. **Conduct an in-depth analysis to explore implications of including and excluding China from future GSM strategies.** Packard has made some GSM and country program investment in China, including capacity building and support for FIPs, but China has not been part of Walton’s GSM strategy. A future assessment should be informative for the foundations’ GSM strategies even if the foundations choose not to invest in China GSM efforts.
- 2. For top tier countries, assess *probability of success* for market-based approaches and philanthropic investment needed.** This “market transformation pathway” analysis could be a combination of country specific context (e.g., enabling conditions, shorter or vertical supply chains, existing philanthropic and civil society landscape, species characteristics) and lessons learned from recent experiences adapting established GSM approaches and tools in new market contexts (e.g., Seafood Legacy and GSM efforts in Japan, adaptation of the UK SSC in Hong Kong, SmartFish’s work on buyer commitments in Mexico), as well as recent models for advancing GSM approaches that strengthen place-based governance, capacity-building, and policy initiatives in producer countries (e.g., Monterey Bay Aquarium’s work with the Partnership Assurance Model in Asia and MSC’s work with governments in Indonesia, Mexico, and other countries).
- 3. Use *importance* and *probability of success* given available foundation resources to determine which additional countries, if any, to include in future GSM strategies, with specific strategies for how to do so.** Adaptations of precompetitive collaborations like the UK SSC and Sea Pact could accelerate sustainability efforts with limited philanthropic investment in some markets, while other markets may require different approaches and roles for philanthropy.
- 4. Where applicable, further strengthen foundation connections between GSM and country program strategies to integrate market-driven approaches with country governance, capacity-building, and policy work that builds enabling conditions for market transformation.**



Ultimately, achieving market transformation will require even greater coordination and concerted collective action among industry, governments, and civil society to realize the full potential of voluntary actions within a frame of robust policy and governance.

“Industry, civil society, philanthropy, and government—we all hold unique roles and pieces of the solution. Until we figure out how to come together in powerful ways, we may achieve incremental gains but we won’t be transformational.” – KI

“So if we're going to create a better voice for more progressive improvements, how do we make it? There isn't a path....If we were to create a high-level stakeholder meeting, where we have industry and foundations and some NGOs, and we come up with great ideas, we don't have any way to make those ideas happen. If the idea involves something that industry can do privately, yeah. But if it involves changing the way that governments manage their fisheries or if it involves changing access to or changing oversight of vessels...anything where we need to go to our government and make our voices heard in order to change rules or laws in order to make it happen...There is no way and there's no path to do that right now.” – KI

While a more coordinated effort on a global scale may be a ways off, work can begin now to catalyze a shared vision and to shape and inform ideas for connecting stakeholders and strategies more deliberately in the future.

The Conservation Alliance brought NGOs together to establish a Common Vision to help North American buyers develop and implement sustainable seafood policies, which is a sign of progress in terms of NGO alignment of asks to US based industry. However, industry key informants call for a more comprehensive shared vision, led by industry in collaboration with NGOs and other stakeholders, and rallies diverse actors behind common goals and pathways to achieve them with clearer expectations for roles and responsibilities. The foundations can leverage their unique system-wide viewpoint and convening power to get critical actors to the table to discuss and align on a path forward.

We recognize that grand collective action approaches can be difficult to achieve and frequently do not live up to expectations. **We recommend a measured effort to begin conversations and learn from others in a step-wise approach to engage key stakeholders with the aim of defining mechanisms that can support mature seafood sustainability market transformation at a global scale.**



Recommended priorities for strategic action and investment by the foundations to advance progress in this area include:

- 1. Catalyze a participatory design process to develop a shared vision for the future of seafood sustainability, including policy changes needed to achieve it, and roles and responsibilities for industry, civil society, and governments to enable it.** Although industry voices converged on the need for a shared vision, there was no clear path identified for creating one. The foundations could convene small groups of leaders from different stakeholder groups to flesh out the need for a shared vision and a process for creating one. SeaBOS has engaged one set of industry "keystone actors" who could be valuable contributors to this process, alongside other perspectives from industry, NGOs, and governments. To gain traction, the process and the resulting shared vision should feel inclusive and broadly representative.
- 2. Assess capabilities and structures needed to drive critical policy changes.** GSM key informants strongly encouraged stronger linkage between market and policy-based interventions. Mobilizing industry stakeholders to engage in advocacy for policy change is a critical component of the foundations' theory of change and it is needed to enable progression to Phase 4 of the transformation framework. Progress to date does not reflect the reported industry appetite for policy advocacy in the GSM evaluation industry survey. Key informants suggest that industry is more likely to engage in advocacy efforts that are strategic and collective, and although some precompetitive collaborations have developed and successfully executed meaningful advocacy strategies, such capabilities appear to be the exception rather than the rule. **Further analysis is needed to identify need for specific and time-bound investments in existing or new precompetitive collaborations and/or creation of a more robust multi-stakeholder global partnership.**
- 3. Learn from market-based models to advance policy change and durable market transformation.** Identify other initiatives that are effectively engaging and leveraging diverse stakeholder groups at a global scale to advocate for policy change and make field-wide improvements toward end goals. For example, the Global Platform for Sustainable Natural Rubber and several global health partnerships (e.g., GAVI, Stop TB) may provide insights on how global partnerships with strong governance structures can enable effective engagement across a wide range of geographies and stakeholders. Lessons learned could inform both a long-term vision and potential implementation pathways for global, multi-stakeholder mobilization for policy changes to help transition to Phase 4 of the transformation framework and drive sustainable seafood practices at scale.

Achieving significant progress towards these recommendations will optimally require increased investment, but slower progress is feasible with status quo or reduced funding



At status quo or lower levels of investment in GSM activities, we recommend sharpening focus on getting to demonstrable durable impact at scale via solidifying attainment of Phase 3 (to support progress to Phase 4) market transformation for the supply chains feeding North America, EU, and Japan. We encourage the foundations to keep the following principles, reflections, and “must haves” in mind to maximize potential for impact and progress.

Principles and Reflections for Strategic Prioritization and Managing Tradeoffs

“Must have” investments over the next few years should include:

- 1. Protect key partners through the pandemic.** Support key NGO partners to weather the implications of the pandemic and preserve capacity to accelerate progress in the future.
- 2. Focus where there is momentum.** Focus on key initiatives across the portfolios where sustaining momentum is likely key to consolidating progress and preventing backsliding (e.g., GSM movement in Japan, accountability on buyer commitments).
- 3. Focus on advocacy and watchdog roles and activities that industry won’t fund** (e.g., accountability work, independent ratings programs).
- 4. Focus in targeted ways to consolidate progress, strengthen key tactics and tools, and document approaches in current GSM focal markets** (N America, Europe, Japan) and work to address key challenges. This includes emphasizing industry and government accountability, working with partners to advocate for accelerated progress on strengthening enabling conditions (e.g., first mile traceability and verification) and set-the-floor policy, and leveraging industry leadership.



Principles and Reflections for Strategic Reductions or Exits and Managing Tradeoffs

If resource reductions are needed across the portfolios to free resources for new investment or to lower overall investment:

- 1. Explore responsible investment reduction or exit opportunities with initiatives that have highest potential to be funded by industry or other actors, such as well-established certifications programs, PCCs, and FIPs.** These initiatives and programs are likely best positioned to secure enhanced funding from industry and government to sustain and expand operations. To free precious investment for other efforts, consider responsible reductions and/or exit. Some innovation work and assessments of recent partnerships in Asia and Latin America may be important areas for sustaining direct support to certifications organizations or for advocating for industry or peer funder investment. Be sure to proactively coordinate investment reductions or exit approaches with peer funders to minimize adverse impact on grantees and the field.
- 2. Conduct light-touch exploratory analyses** to inform more gradual transitions to broader global approach to GSM market transformation; reduce the pace of exploration of new country and market opportunities, including in Asia.
- 3. Consider greater prioritization within focus areas or geographic areas** based on refined goals and priorities (e.g., focus on fisheries and markets that are strategically relevant to biodiversity or other priority goals).
- 4. Limit investment in NGO collaborative initiatives to strategic places that have clear goals and roles** (including governance) with interim milestones for demonstrating progress to secure future funding; work with the Conservation Alliance and the Certification & Ratings Collaboration to set clear strategic work plans that support prioritized efforts, particularly if investment levels need to be reduced.
- 5. Expand efforts to attract new philanthropic investors and investments** to the GSM movement to foster more diverse funding sources.



Foundation roles and positioning

The foundations can enhance their ability to navigate the journey ahead by considering some shifts in their roles and strategic positioning (1 of 2)



Potential Shift to Consider	Explanation
Clearly communicate strategic priorities to grantees	To drive more accelerated progress, the foundations may want to be somewhat more explicit regarding strategic priorities and approach. Otherwise, it can be inefficient to align the individual priorities of grantee partners to ensure that the whole is greater than the sum of the parts, in terms of meaningful, demonstrable, durable impact on production and governance. Historically, the foundations' program officers have engaged in 1:1 strategic discussions with grantees and in collective forums but are said to avoid being overly directive. A stronger, more unifying strategic guide appears to be needed to ensure fundamental priorities receive the critical mass of effort required to efficiently get to impact.
Shift the relationship with industry	Most industry survey respondents expressed interest in engaging with the foundations to learn about and provide feedback on GSM strategy implementation. This can be an opportunity to invite ideas for improvement and adaptation of current approaches, while also exploring new and innovative ideas, particularly around priorities industry itself values but would not fund directly. In areas where the foundations have direct influence, such as precompetitive collaborations that have foundation support, the foundations should clearly assert their strategic priorities and expectations for accountability. Some industry representatives also suggest that closer and more direct collaboration with the foundations could yield more efficient and impactful use of NGO resources.
Seek to diversify and leverage funding for sustainable seafood work	Throughout the evaluation, key informants highlighted the narrow funding base for sustainable seafood work as a key constraint to transformational impact. Two critical actions could help to diversify and expand funding. The first is transitioning industry to understand and shoulder the true cost of sustainability work, including NGO services that have been free or a small fraction of the NGO service delivery cost, directly and sufficiently supporting FIPs/AIPs, and wholly supporting things like precompetitive platforms. Secondly, many say more private philanthropies should be encouraged to engage in this work and bilateral and multilateral funding for related work on fisheries, for example, could be more effectively leveraged.

The foundations can enhance their ability to navigate the journey ahead by considering some shifts in their roles and strategic positioning (2 of 2)



Potential Shift to Consider	Explanation
Be more explicit about goals and objectives, pathways to achieve them, and alignment of foundation strategies	<p>The foundations have advanced generally aligned portfolios toward similar theories of change, yet this evaluation had to invest significant effort to understand the actual relationship and complementarity between the foundations' strategies and investments. As two of the largest and most targeted funders operating in a funding landscape with very few committed players, efficiencies could be gained by laying out a unified theory of change framed around stated results (the current TOC just shows factors vs. results), including ultimate goals and measurable objectives. Using that as a shared map, the foundations could then differentiate their focus and roles, while still maintaining a clear and coordinated view of engagement, support, and adequacy of coverage of the overall priorities conveyed by the theory of change.</p> <p>Additionally, each foundation pursues its market transformation work via markets strategies and portfolios and work within priority countries. The intended complementarity and connective tissue between these was often difficult to detect, however. As "getting to Phase 4" requires effecting change in a wide array of factors all along the supply chain, greater clarity and intentionality appears to be needed regarding the intended synergies between country-focused and global markets work.</p>
Adopt more coordinated/aligned systems for tracking investments against strategy and monitoring progress	<p>Related to the above, the evaluation found it difficult to use existing grant documentation and monitoring data to assess portfolio alignment to strategic priorities, extent of attainment of intended outcomes or goals, and contribution of the foundations' efforts to progress that has been made in the sustainability of global seafood production. A more robust and aligned/shared system for tracking grantmaking against strategic priorities and monitoring progress and contribution is needed.</p>



Global Seafood Markets Strategy Evaluation Final Report

Annexes

ROSS
STRATEGIC



GLOBAL IMPACT ADVISORS

EON
IMPACT CONSULTING

	Slides
<u>Annex 1: Evaluation Approach, Methods, and Data Sources</u>	113-131
<u>Annex 2: GSM Strategy and Portfolio: Additional Materials</u>	132-147
<u>Annex 3: Sustainable Market Transformation Framework: Additional Materials</u>	148-155
<u>Annex 4: Deep Dive – Standards, Ratings, and Certifications</u>	156-213
<u>Annex 5: Deep Dive – Buyer Commitments</u>	214-273
<u>Annex 6: Deep Dive – Precompetitive Collaborations</u>	274-330
<u>Annex 7: Shallow Dive – Fishery Improvement Projects</u>	331-361
<u>Annex 8: Shallow Dive – Social Responsibility</u>	362-385
<u>Annex 9: Shallow Dive – Traceability and Transparency</u>	386-421
<u>Annex 10: Shallow Dive – Trade Policy and Import Controls</u>	422-444



Annex 1: Evaluation Approach, Methods, and Data Sources

- Approach to deep and shallow dives
- Confidence levels
- Key informant interviews
- Technical Working Group and NGO focus group sessions
- NGO survey and industry survey
- Data sources

The evaluation approach involved deeper and lighter touch investigations into GSM tactics

The team organized topical exploration and analysis for the evaluation into “deep” and “shallow” dives, reflecting the level of data collection and analysis.

Deep Dives:

- Deep dives are in-depth examinations of major areas of investment for Packard and WFF GSM strategies involving more extensive data collection (interviews, surveys, grants data, and documents) and analysis of progress, results, and future strategic options.
- The team selected these topics as case examples for focused inquiry, and served to help unpack how grantmaking, a market-based approach, and attendant changes in practice on the ground contributed to the foundations’ GSM goals.
- Deep dives include standards, certifications, and ratings (Annex 4), buyer commitments (Annex 5), and precompetitive collaborations (Annex 6).

Shallow Dives:

- Shallow dives are lighter touch examinations of areas of investment for Packard and/or WFF GSM strategies involving less extensive data collection, but still contributing to answering the same overarching evaluation questions, including progress, results, and strategic options.
- These analyses targeted a smaller selection of interviews, reflected grant data review, literature review, TWG and NGO convenings, and addressed the same questions included in deep dive interviews.
- Shallow dives include fishery improvement projects (Annex 7), social responsibility (Annex 8), traceability and transparency (Annex 9), and trade policy and import controls (Annex 10).

Approach to confidence assessment

- **The GSM evaluation team used a High-Medium-Low rubric to assess and convey confidence level in key findings**
 - *High* = robust set of evidence supports the finding; triangulation across multiple sources and/or types of sources supports the finding
 - *Medium* = moderate set of evidence supports the finding; more limited ability to triangulate (may be some mixed evidence, for example wider variations in KI perspectives), but key sources or types of evidence align in ways that give the evaluation team sufficient confidence to assert the finding; more research may be warranted to corroborate, validate or strengthen the finding in the future
 - *Low* = limited set of evidence supports the finding, but the evaluation team found the finding or explanation sufficiently compelling to include for consideration; more research may be warranted to corroborate, validate or strengthen the finding in the future
- **In the main synthesis report findings section:**
 - Assumed confidence level for synthesis report findings is “high” unless otherwise noted.
 - Explicit description of confidence level factors will be described for “medium” and “low” confidence findings.
- **In the deep and shallow dive sections:**
 - Each finding in the table indicates the evaluation team’s confidence level for the finding (high, medium, low).
 - Data sources have been included on slides (where applicable).

Approach to incorporate equitable evaluation principles

The evaluation team believes that well-designed and implemented evaluations can be a tool for advancing equity, including by increasing the impact of initiatives aimed at complex environmental and social challenges. We root our approach in the concepts of use and usability, tailoring projects to ensure that the activities, analyses, collected evidence, and discussions are authentically useful to those making strategic decisions about the path forward *and* to community partners who are working on the ground to catalyze change. We are guided by the [Equitable Evaluation Initiative](#), American Evaluation Association’s Evaluators’ [Ethical Guiding Principles](#), and continue to learn and be more intentional about incorporating equity into our evaluation practice.

Component	Equity Strategies
How we frame questions	<ul style="list-style-type: none"> The evaluation team did not start from a premise that there had been an impact or contribution from GSM, or that all impacts had been positive. We framed questions to consider other contributing factors and market context, and allowed interviewees to provide their interpretation of the role and impacts of GSM strategies.
How we listen	<ul style="list-style-type: none"> The evaluation team used active listening techniques and allowed for multiple ways that people may “tell their stories” through interviews, includes people’s understanding of the problems, of the foundations’ activities, and of the impacts and changes. Since people from different cultures/perspectives (including the evaluators) make different subjective judgments (e.g., on how well something is going), the evaluation team asked for evidence and examples of changes to calibrate any observations, as well as triangulated with other research.
How we collect and think about data and information	<ul style="list-style-type: none"> Interview protocols allowed for interviewees to participate through multiple remote means, at times convenient for them. Interviewees and focus group participants provided consent before any interview/meeting and if a recording would be made. Interviewees provided information confidentially, with information shared anonymously and/or aggregated in the report. We primarily used AI for transcription needs, but used human transcription services that appeared to pay workers more equitably.
How we define and analyze problems and solutions	<ul style="list-style-type: none"> Interviews, TWG discussions, and the NGO convening shaped how the evaluation team defined the key challenges and root causes for the GSM strategies, as well as provided ideas for framing the solutions and developing future strategy.
How we identify and engage stakeholders	<ul style="list-style-type: none"> Inclusivity of representation (race, gender, geography, sector) was considered in selecting interviewees and NGO convening participants. Grantees were involved in “sense-making” at an NGO convening and provided input for the recommendations through a survey; the foundations also plan for additional outreach and engagement.

The GSM evaluation team used a mixed method approach to data collection and analysis

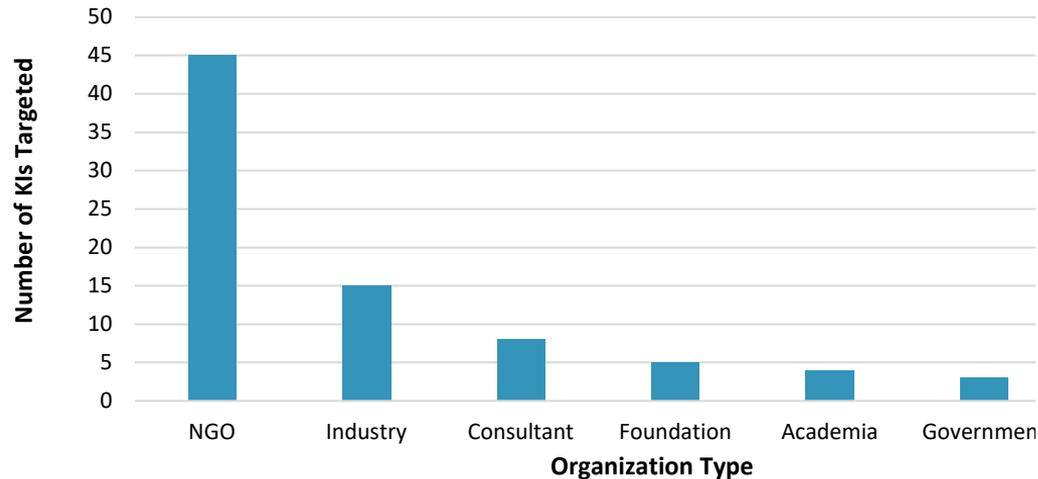
Overview of Data Sources and Methods

Data Source and Method	Description
Document review and analysis	Extensive review of grantee reports, studies, evaluations, and other GSM-relevant documents and publications
Grant portfolio mapping and analysis	Analysis of 2007-2019 grant data from Packard and WFF based on mapping to GSM theories of change; Annex 2 describes the grant portfolio analysis and methodology in more detail
Key informant interviews	Two rounds of single and group interviews with 81 individuals from NGOs, industry, foundations, government, academia, and other stakeholders; different interview questions were used in the two rounds, with the second round focused more on targeted information collection for deep and shallow dives
Focus groups and stakeholder workshops	<ul style="list-style-type: none">• Technical Working Group webinars, preliminary findings workshop (Feb 27), and 1:1 interviews• Facilitated sessions focused on the GSM evaluation at the Certification & Ratings Collaboration meeting (Jan 30); NGO Workshop on GSM Evaluation Preliminary Findings (Feb 28)• Participated in other workshops such as Draft Global FIP Review meeting (Dec 14); Packard OSF Evaluation Preliminary Findings Meeting (Jan 17); Oceans 5 IUU workshop (Apr 9)
Surveys	Two online surveys with distinct survey questions and audiences were conducted of Packard and WFF grantees (NGO survey, 41 respondents) and industry representatives from across the supply chain (Industry Survey, 52 respondents)

Key informant interviews

- The GSM evaluation team conducted individual and group interviews with 81 people representing NGOs, industry, government, academia, and other perspectives.
- The evaluation team adjusted the interview targets to address gaps and to capture opportunities to add new perspectives using snowballing techniques.

Key Informant Interviews



Interview counts include participants in a Technical Working Group, a facilitated session with the Certification & Ratings Collaboration, and an NGO workshop on GSM preliminary findings.

Key informant interviews (1 of 3)

- **Tobias Aguirre**, FishWise
- **Jacqueline Berman**, Strategy, Learning and Impact at International Center for Migration Policy Development (ICMPD)
- **Lori Bishop**, FishWise
- **Cecilia Blasco**, SmartFish
- **Rich Boot**, Fish Choice
- **Stephanie Bradley**, World Wildlife Fund US
- **Simon Bush**, Wageningen University
- **Jackie Caine**, Certification and Ratings Collaboration
- **Jim Cannon**, Sustainable Fisheries Partnership
- **John Claussen**, Packard Foundation
- **Bernd Cordes**, Moore Foundation
- **He Cui**, China Aquatic Product Processing and Marketing Association (CAPPMA)
- **Guy Dean**, Organic Ocean Seafood Inc
- **Bill DeMento**, High Liner Foods
- **Ally Dingwall**, Sainsbury's
- **Roberta Elias**, World Wildlife Fund US
- **Matthew Elliott**, CEA Consulting
- **Derek Figueroa**, Seattle Fish Co
- **Elena Finkbeiner**, Conservation International
- **Carl Folke**, Stockholm Resilience Centre
- **Phil Gibson**, Resiliensea Group
- **Ashley Greenly**, FishWise
- **Gunilla Greig**, World Bank / Swedish Fisheries Council
- **Han**, China Blue
- **Wakao Hanaoka**, Seafood Legacy Co. Ltd
- **Marah Hardt**, Future of Fish

*Key informant interviews include individual and group interviews/meetings.

Key informant interviews (2 of 3)

- **Andy Hickman**, Tesco
- **John Hocevar**, Greenpeace
- **Sarah Hogan**, Packard Foundation
- **Glenn Hurowitz**, Mighty Earth
- **Anton Immink**, Sustainable Fisheries Partnership
- **Teresa Ish**, Walton Family Foundation
- **Rob Johnson**, Sea Pact
- **Miguel Angel Jorge**, World Bank ProBlue
- **Jennifer Kemmerly**, Monterey Bay Aquarium
- **Keith Kenney**, McDonalds
- **Julie Kuchepatov**, Fair Trade USA
- **Jack Kittinger**, Conservation International
- **Logan Kock**, Santa Monica Seafoods
- **Tom Kraft**, Norpac Fisheries Export
- **Max Levine**, CEA Consulting
- **Meredith Lopuch**, Tavura, Ltd.
- **Indrani Lutchman**, Sustainable Fisheries Partnership
- **Hawis Madduppa**, Asosiasi Pengelolaan Rajungan Indonesia (APRI)
- **Patrick Mallet**, ISEAL Alliance
- **Andrew Mallison**, Global Aquaculture Alliance
- **Quentin Marchais**, Client Earth
- **Peter Mous**, The Nature Conservancy
- **Geoffrey Muldoon**, World Wildlife Fund US
- **Daylin Munoz**, Walton Family Foundation
- **Roxanne Nanninga**, Thai Union North America
- **Amanda Nickson**, Pew Charitable Trust
- **Chris Ninnes**, Aquaculture Stewardship Council
- **Kathryn Novack**, Sustainable Fisheries Partnership
- **Henrik Österblom**, Stockholm Resilience Centre
- **John Parks**, USAID
- **Brian Perkins**, Marine Stewardship Council

*Key informant interviews include individual and group interviews/meetings.

Key informant interviews (3 of 3)

- **Ed Rhodes**, NFI Crab Council
- **Kimberly Rogovin**, International Labor Rights Forum
- **Cathy Roheim**, University of Idaho
- **Sydney Sanders**, CEA Consulting
- **David Schorr**, World Wildlife Fund US
- **Stacy Schultz**, Fortune Fish & Gourmet
- **Andy Shen**, GreenPeace
- **Braddock Spear**, Sustainable Fisheries Partnership
- **Richard Stavis**, Stavis Seafood
- **Wally Stevens**, Global Aquaculture Alliance
- **Oliver Tanqueray**, Sustainable Seafood Coalition
- **Erin Taylor**, FishWise
- **Robin Teets**, NGO Tuna Forum
- **Huw Thomas**, The Cornish Shellfish Company
- **Caroline Tippet**, World Wildlife Fund US
- **Steve Trent**, Environmental Justice Foundation
- **Songlin Wang**, Qingdao Marine Conservation Society
- **Bill Wareham**, David Suzuki Foundation
- **Arlin Wasserman**, Changing Tastes
- **Herman Wisse**, Global Sustainable Seafood Initiative
- **Valeska Weymann**, GLOBAL G.A.P
- **Aiko Yamauchi**, Seafood Legacy Co. Ltd
- **Sally Yozell**, Stimson Center
- **Aaron Zazueta**, Independent Evaluator

The evaluation was guided by a Technical Working Group

- **A Technical Working Group (TWG)** was convened in an advising role for the evaluation.
- The TWG met three times, virtually and in person, in late 2019 and in 2020, as well as provided input individually to evaluation team members.
- TWG roles included:
 - Provide technical advice and support to the evaluation team and foundations
 - Monitor implementation of and “real time” learning from the evaluation
 - Identify knowledge gaps and research priorities to inform design and execution of the evaluation
 - Advise on use and dissemination of evaluation findings and insights

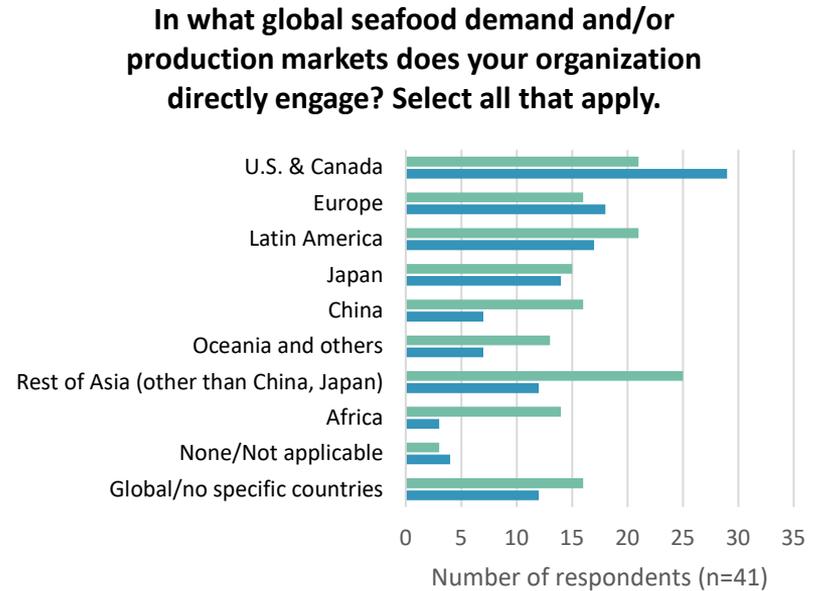
Name	Title	Organization
Jacqueline Berman	Senior Advisor	Strategy, Learning and Impact at International Center for Migration Policy Development (ICMPD)
Carl Folke	Environmental Scientist	Stockholm Resilience Center
Glenn Hurowitz	CEO	Mighty Earth
Meredith Lopuch	Independent Consultant	Tavura, Ltd.
Cathy Roheim	Senior Associate Dean	University of Idaho
Huw Thomas	Director	The Cornish Shellfish Company Ltd.
Aaron Zazueta	Consultant	Independent Evaluator, Team Lead on Packard OSF Evaluation

- The Seafood Certification & Ratings Collaboration unites five global programs working together to coordinate our tools and increase their impact so that more seafood producers move along a clear path toward environmental sustainability and social responsibility.
- Members include Aquaculture Stewardship Council, Fair Trade USA, Marine Stewardship Council, Monterey Bay Aquarium Seafood Watch Program, Sustainable Fisheries Partnership, Americas Region and Certification and Ratings Collaboration.
- In January 2020, the GSM evaluation team facilitated and observed a session during the Collaboration's annual meeting.
- Participants offered reflections on key evaluation questions, including both look back and look forward questions.
- Chris Ninnes, Julie Kuchepatov, Nicolas Guichoux, Jenn Kemmerly, Braddock Spear, Brian Perkins, and Jackie Caine participated in the session.

- Ten individuals representing NGOs with a focus related to sustainable seafood convened for an all-day in-person meeting in February 2020.
- The individuals represented organizations with topical focuses related to demand and supply side, certifications and ratings, social issues, and others.
- Attendees' geographical focus areas included North America, Latin America, Japan, and global.
- Participants offered reflections and input on topics related to the evaluation, including the current state of global seafood markets and the long-term vision for future success.

GSM evaluation NGO survey of grantees of Packard and/or Walton foundation

- 41 individuals responded to a survey that was distributed to past GSM grantees of Packard and/or WFF in February 2020
- Respondents reflected a diverse range of geographic engagement and market-related interventions

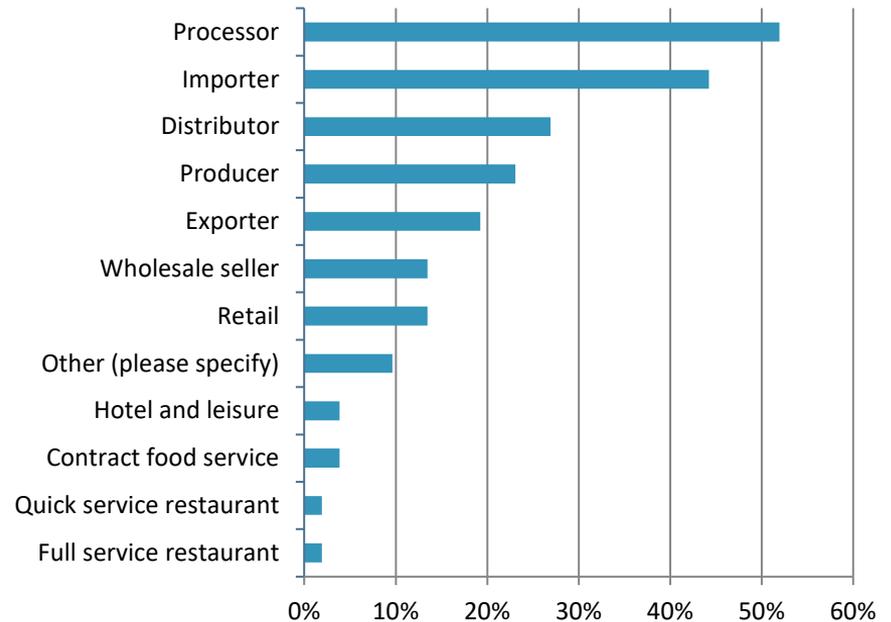


■ Production ■ Demand

GSM evaluation industry survey

- 52 individuals responded to a survey that was distributed to industry stakeholders; responses were submitted in February and March 2020
- 51% of respondents described themselves as processors, while 44% of respondents described themselves as importers
- 96% of respondents predicted it is likely or very likely that, in the next 5-10 years, “My company will encourage and work with suppliers and/or producers to advocate for policy changes for improved fishery and aquaculture governance”
- 90% of respondents said that their company partners with one or more NGOs in support of your seafood sustainability initiatives
- 80% of respondents agreed or strongly agreed with the statement, “My company is purchasing more seafood products that are fully traceable to the source than it did five years ago”

Which descriptions best match your line of business? Please select all that apply.



Data sources (1 of 5)

- Agnew, D.J., et. al. Estimating the Worldwide Extent of Illegal Fishing. 2009.
- AP. Seafood from Slaves. 2015.
- Awuchi, Chinaza, Awuchi, Chibueze. Impacts of Plastic Pollution on the Sustainability of Seafood Value Chain and Human Health. 5. 46-138.
- Beaumont, Nicola, et al. Global Ecological, Social and Economic Impacts of Marine Plastics. *Marine Pollution Bulletin*. 2019. <https://www.sciencedirect.com/science/article/pii/S0025326X19302061>
- Cannon, James, Pedro Sousa, Isidora Katara, Pedro Veiga, Braddock Spear, Douglas Beveridge, and Tracy Van Holt. Fishery improvement projects: Performance over the past decade. *Marine Policy* 97 (2018) 179–187.
- CEA Consulting. Business Commitments to Sustainable Seafood: Success Stories and Lessons Learned. October 2014.
- CEA Consulting. Closing the Gap with Sustainable Fisheries. An analysis for World Wildlife Fund. 2018.
- CEA Consulting. Global Fishery Improvement Projects Landscape Findings. Report to the David & Lucile Packard Foundation, The Gordon and Betty Moore Foundation, The Rockefeller Foundation, and The Walton Family Foundation. 2015.
- CEA Consulting. Global Landscape Review of Fishery Improvement Projects. March 2020.
- CEA Consulting. Global Ocean Trends: Reflections from CEA Consulting. 2019.
- CEA Consulting. OSMI Outcome 1.1 The Sector Map Data Compendium. 2017.
- CEA Consulting. Ocean Climate Connections Presentation. Prepared for the David & Lucile Packard Foundation. 2019.
- CEA Consulting. Our Shared Seas: A 2017 Overview of Ocean Threats and Conservation Funding. 2017.
- CEA Consulting. Our Shared Seas: Funding. 2019.
- CEA Consulting. Seafood Metrics Report Supplement: Industry Engagement Platforms. Report to the David & Lucile Packard Foundation. 2018.
- CEA Consulting. Seafood Metrics Report. 2017.
- CEA Consulting. Summary Reflections for the Ocean and Seafood Markets Initiative’s Advisory Community. Prepared for the David & Lucile Packard Foundation. 2017.

Data sources (2 of 5)

- Center for Biological Diversity. Ocean Plastics Pollution: A Global Tragedy for our Oceans and Sea Life. https://www.biologicaldiversity.org/campaigns/ocean_plastics/
- Changing Tastes. Levers and Rocks. 2017.
- Certification and Ratings Collaboration. Sustainable Seafood: A Global Benchmark Report. 2019.
- Certification and Ratings Collaboration. Sustainable Seafood Data Tool. 2020. <https://certificationandratings.org/sustainable-seafood-data-tool/>
- Conservation Alliance for Seafood Solutions. A Common Vision for Sustainable Seafood. 2017.
- Conservation Alliance for Seafood Solutions. Guidelines for Supporting Fishery Improvement Projects. 2019.
- Conservation Alliance for Seafood Solutions. Seafood Commitment Review. 2015.
- Conservation Alliance for Seafood Solutions. Seafood Commitment Review: A Comprehensive Look at Sustainable Seafood Policies Across the US and Canadian Retail Sector. 2017.
- Conservation Alliance for Seafood Solutions. Seafood Commitment Review Retail Sector. 2014.
- Conservation Alliance for Seafood Solutions. Theory of Change. 2019.
- Conservation and Community Investment Forum. Seafood Market Tracking Metrics Report. Commissioned by the David & Lucile Packard Foundation. 2008.
- Dallas, George and Hogan, Sarah. Global Seafood Markets Strategy Review Memo. 2017.
- Dallas, George and Hogan, Sarah. Strategy Review Retreat: Global Seafood Markets Strategy 2017-2022 Poster. 2018.
- David & Lucile Packard Foundation. Conservation and Science Program: Coronavirus Scenarios. 2020.
- David & Lucile Packard Foundation. Global Seafood Markets Strategy. 2017-2022.
- David & Lucile Packard Foundation. Grants database and spreadsheets with information on 2007-2019 global seafood markets strategy and related seafood market grants. 2020.
- David & Lucile Packard Foundation. Grantmaking and Monitoring Dashboard. Accessed October 2019.

Data sources (3 of 5)

- David & Lucile Packard Foundation. Ocean Program MEL Plan. 2017.
- David & Lucile Packard Foundation. Ocean Strategic Framework PowerPoint Presentation. 2016.
- David & Lucile Packard Foundation. Seafood Markets Strategy Review Memo. 2016.
- David & Lucile Packard Foundation. Tracking Change in the US Seafood Market. 2010.
- David & Lucile Packard Foundation global seafood markets grantees, various. Grant reports for organizations funded in 2017-2019.
- FAO. Fisheries and Aquaculture Department, Fish Stat Software for Fishery Statistical Time Series. 2018.
- FAO. Fishery Governance Fact Sheets. 2019.
- FAO. *The State of the World Fisheries and Aquaculture (SOFIA)*. 2018.
- FishChoice. FishChoice Strategic Framework. 2017.
- FishWise. Simplified Diagram of Seafood Supply Chains. 2017.
- Ganapathiraju, P. Estimates of Illegal and Unreported Seafood Imports to Japan. 2015.
- Gordon and Betty Moore Foundation, World Wildlife Fund, Wilderness Markets. The Case for Precompetitive Collaboration: A Study of the NFI Crab Council. 2019.
- Havier, Elizabeth, Iles, Alastair. Shaping the Aquaculture Sustainability Assemblage: Revealing the Rule-Making Behind the Rules. 2015.
- International Trade Centre. Trade Map. Trade data for fish and crustaceans, molluscs, and other aquatic invertebrates. 2019. <https://www.trademap.org>
- Intergovernmental Panel on Climate Change. *The Ocean and Cryosphere in a Changing Climate*. 2019. https://report.ipcc.ch/srocc/pdf/SROCC_FinalDraft_FullReport.pdf
- Kane, Jenny, et al. Seafood Alliance for Legality & Traceability (SALT): An Effort in Collaboration. 2018.
- Kittinger, et al. Committing to Socially Responsible Seafood. 2017.
- Lernoud, Julia, et al. The State of Sustainable Markets Statistics and Emerging Trends. 2017
- Lewis, Danielle. Sustainable Seafood at 20 Oceans of Progress: Looking back at the road ahead. 2017.
- Lewis, S.G and Moyle. The Expanding Role of Traceability in Seafood: Tools and Key Initiatives. 2017.

Data sources (4 of 5)

- Marine Stewardship Council. From Sustainable Fishers to Seafood Lovers: The MSC Annual Report. 2015-2016.
- Marine Stewardship Council. Global Impacts Report. 2017.
- Marine Stewardship Council. Teeming With Life: A Summary of the Marine Stewardship Council Strategic Plan. 2017.
- Marine Stewardship Council. Working Together for Thriving Oceans: The MSC Annual Report. 2018-2019.
- Martin, Thiel, et al. Impacts of Marine Plastic Pollution From Continental Coasts to Subtropical Gyres: Fish, Seabirds, and other Vertebrates in the SE Pacific. *Frontiers in Marine Science*. 2018.
- ORS Impact. Looking Back and Looking Forward: The Sustainable Seafood Movement at 20. 2017.
- ORS Impact. The Sustainable Seafood Movement at 20 Years. 2019.
- ORS Impact. Walton Family Foundation Oceans Program: Sustainable Seafood Movement Theory of Change Reflection and Considerations Regarding the Movement's Future Priorities and Indicators. 2017.
- Pauly, Daniel. Vanishing Fish: Shifting Baselines and the Future of Global Fisheries. 2019.
- Roheim, C.A., Bush, S.R., Ascher, F. et al. Evolution and Future of the Sustainable Seafood Market. 2018.
- Seafood Task Force. Fueling the Task Force Engine & Building Foundations for Longer-term Success. 2017.
- Seafood Task Force. Progress Report. 2018.
- Simons, Lucas. *Changing the Food Game: Market Transformation Strategies for Sustainable Agriculture*. 2014.
- Springboard Partners. Industry Perspective of the Next Phase of Sustainable Seafood. 2017.
- Walton Family Foundation. Environment 2020 Strategic Plan. 2018.
- Walton Family Foundation. Environment Focus: 2010-2014 Strategic Plan. 2014.
- Walton Family Foundation. Environment Program Deep Dive Memo. 2018.
- Walton Family Foundation. Environment Program Initiative: Chile Country Strategy. 2016.
- Walton Family Foundation. Environment Program Initiative: Incentivizing Sustainable Fishing through Markets. 2016.

Data sources (5 of 5)

- Walton Family Foundation. Environment Program Initiative: Indonesia Country Strategy. 2016
- Walton Family Foundation. Environment Program Initiative: Mexico Country Strategy. 2016.
- Walton Family Foundation. Environment Program Initiative: Oceans. 2016.
- Walton Family Foundation. Environment Program Initiative: Peru Country Strategy. 2016.
- Walton Family Foundation. Environment Program Initiative: US Country Strategy. 2016.
- Walton Family Foundation. Grants spreadsheet with information on 2007-2019 global seafood markets strategy and related seafood market grants. 2019.
- Walton Family Foundation. Oceans Monitoring Evaluation and Learning Dashboard. January 2020.
- Walton Family Foundation. Strategic Plan Environment. 2009.
- Walton Family Foundation. Summative Report of Walton Family Foundation's Environment Program 2016-2020. 2016-2020.
- Walton Family Foundation global seafood markets grantees, various. Grant reports for organizations funded in 2017-2019.
- Waxman Strategies. Driving Ecological Sustainability in Fisheries by Integrating Human Rights Issues. Version 2. A Report to the David and Lucile Packard Foundation. 2016.
- Wells, Pete. A Quarantine Surprise: Americans Are Cooking More Seafood. New York Times. 2020.
<https://www.nytimes.com/2020/05/05/dining/seafood-fish-coronavirus.html>
- World Wildlife Fund. Standards and Guidelines for Interoperable Seafood Traceability Systems. 2020.



Annex 2: GSM Strategy and Portfolio: Additional Materials

- Packard, WFF, and Conservation Alliance theories of change
- Methodology for grant portfolio analysis
- Supplementary information for the grants analysis

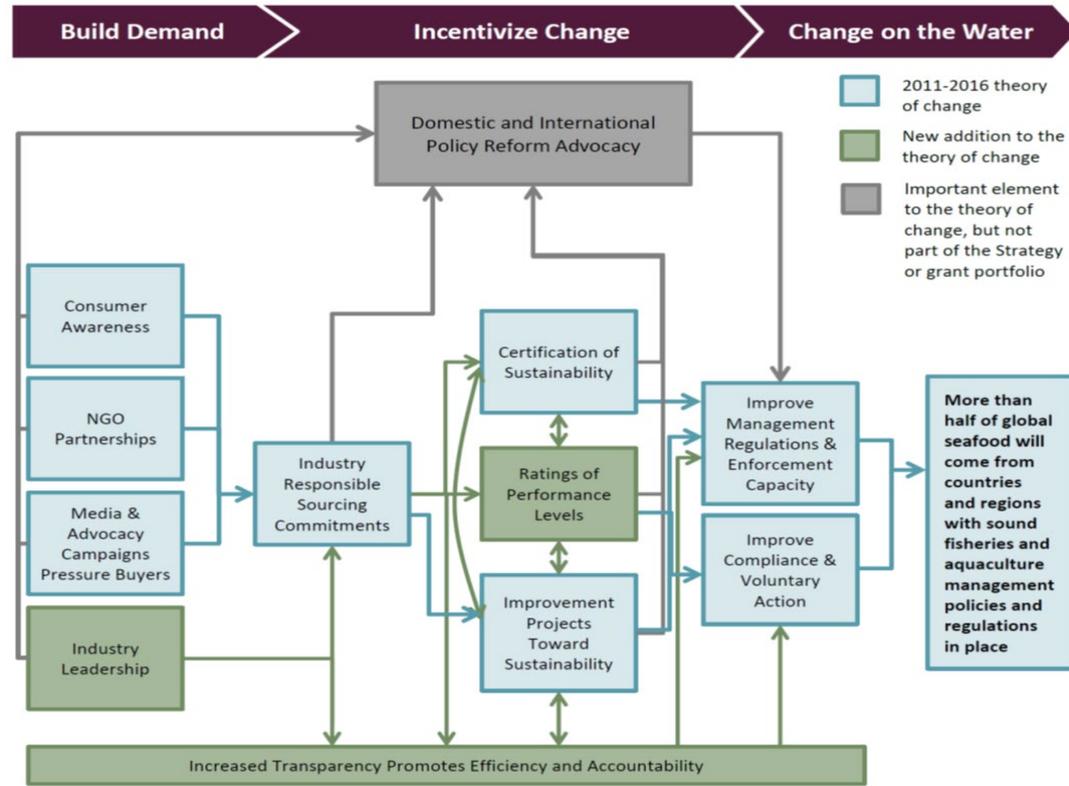
Relevant Evaluation Questions: 0, 1, 2



Packard, WFF, and Conservation Alliance Theories of Change Used in the GSM Portfolio Analysis

Packard GSM strategy theory of change

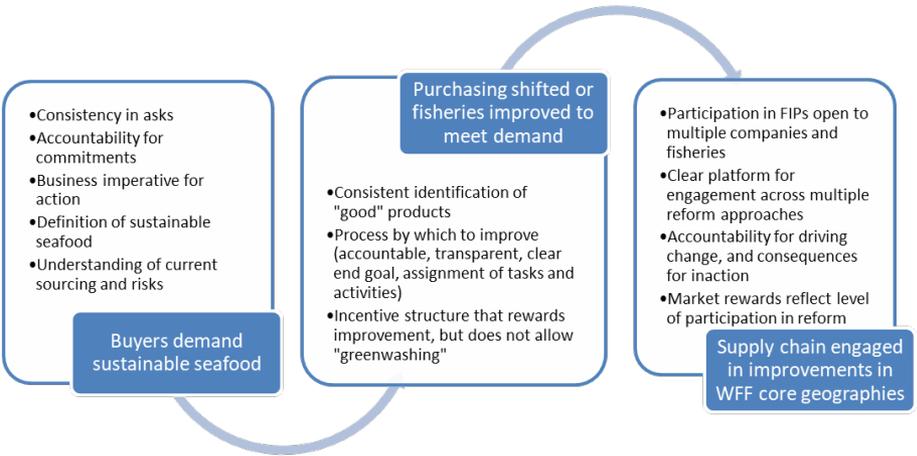
This diagram summarizes the theory of change supporting the Packard Foundation's 2017-2022 Global Seafood Market Strategy.¹ Packard's first GSM Strategy was launched in 2006, after foundational investments through its oceans program. Packard's current GSM Strategy is available [here](#).



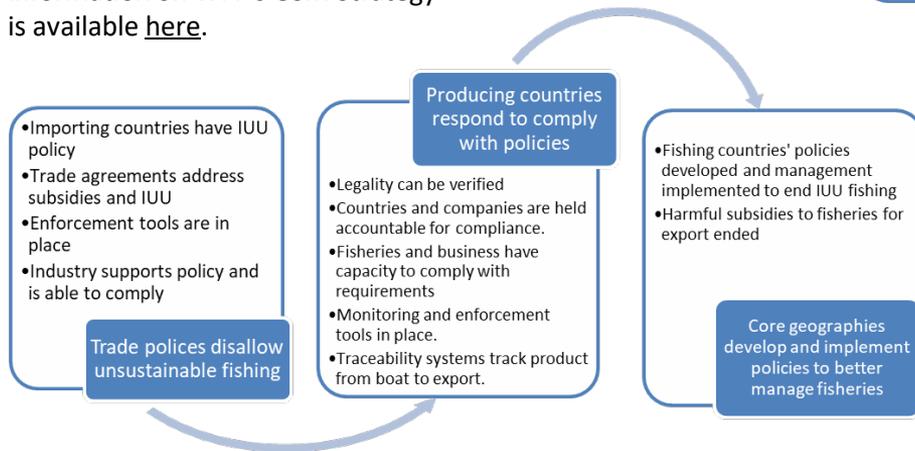
WFF GSM strategy theory of change

This diagram summarizes the theory of change supporting the WFF 2016-2020 Global Seafood Market Strategy.¹ More detailed “results chains” for the two main components of WFF’s GSM Strategy: (1) Build Demand for Sustainable Seafood, and (2) Trade Policies that Set the Floor are provided on the two slides following this one. More information on WFF’s GSM Strategy is available [here](#).

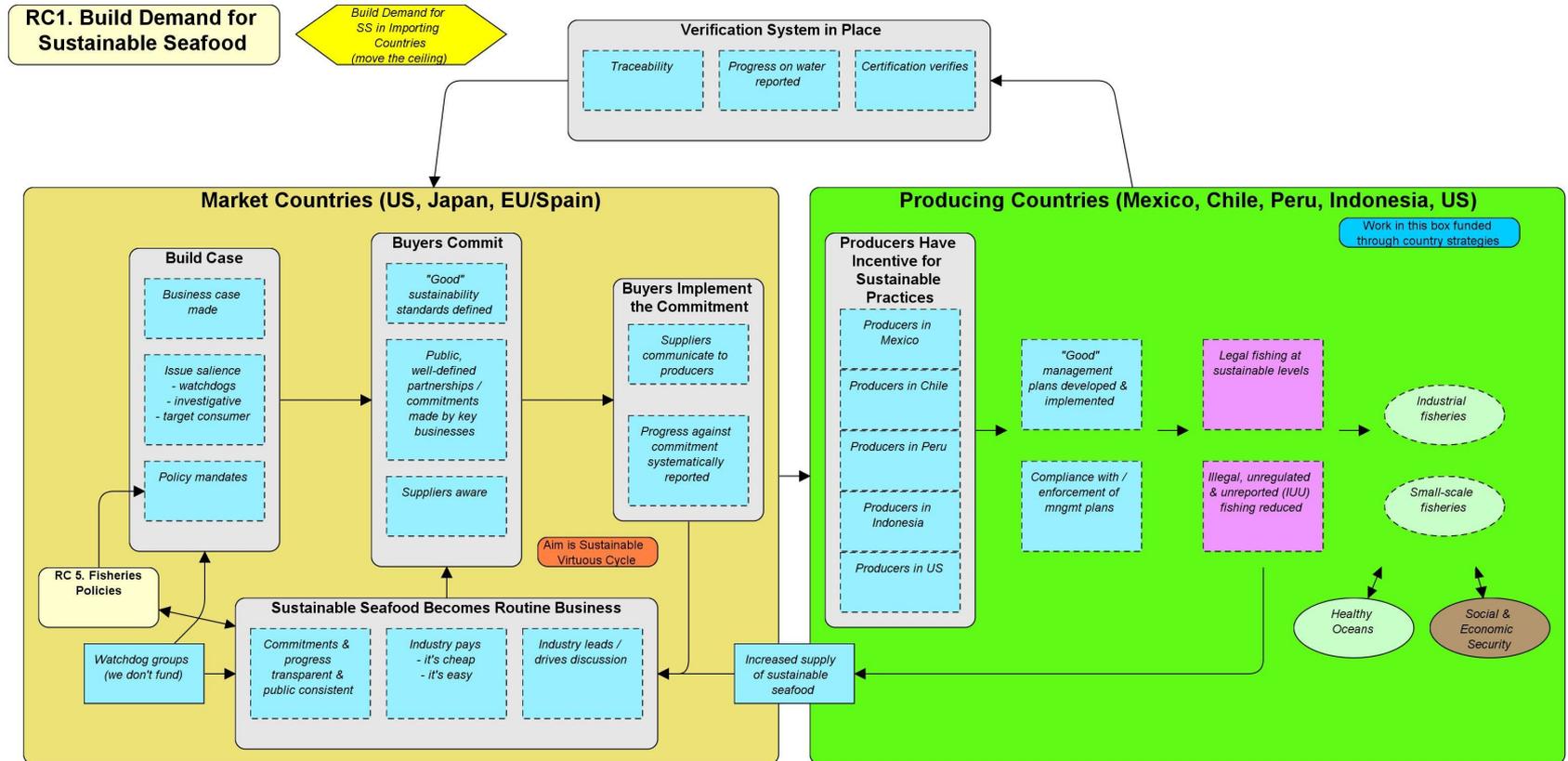
Theory of change for improving fisheries management through buyer demand.



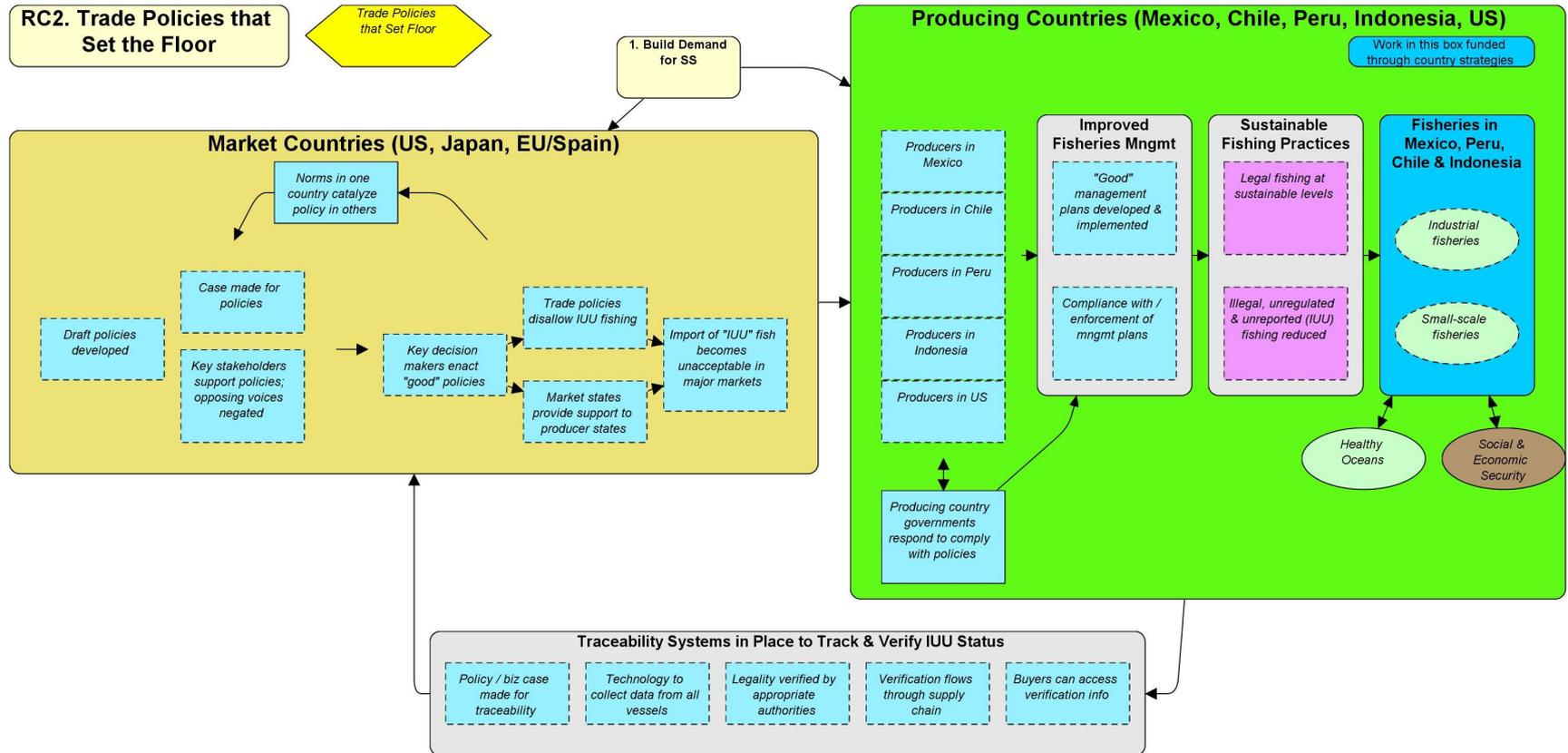
Theory of change for trade restrictions as an incentive to improve fisheries management.



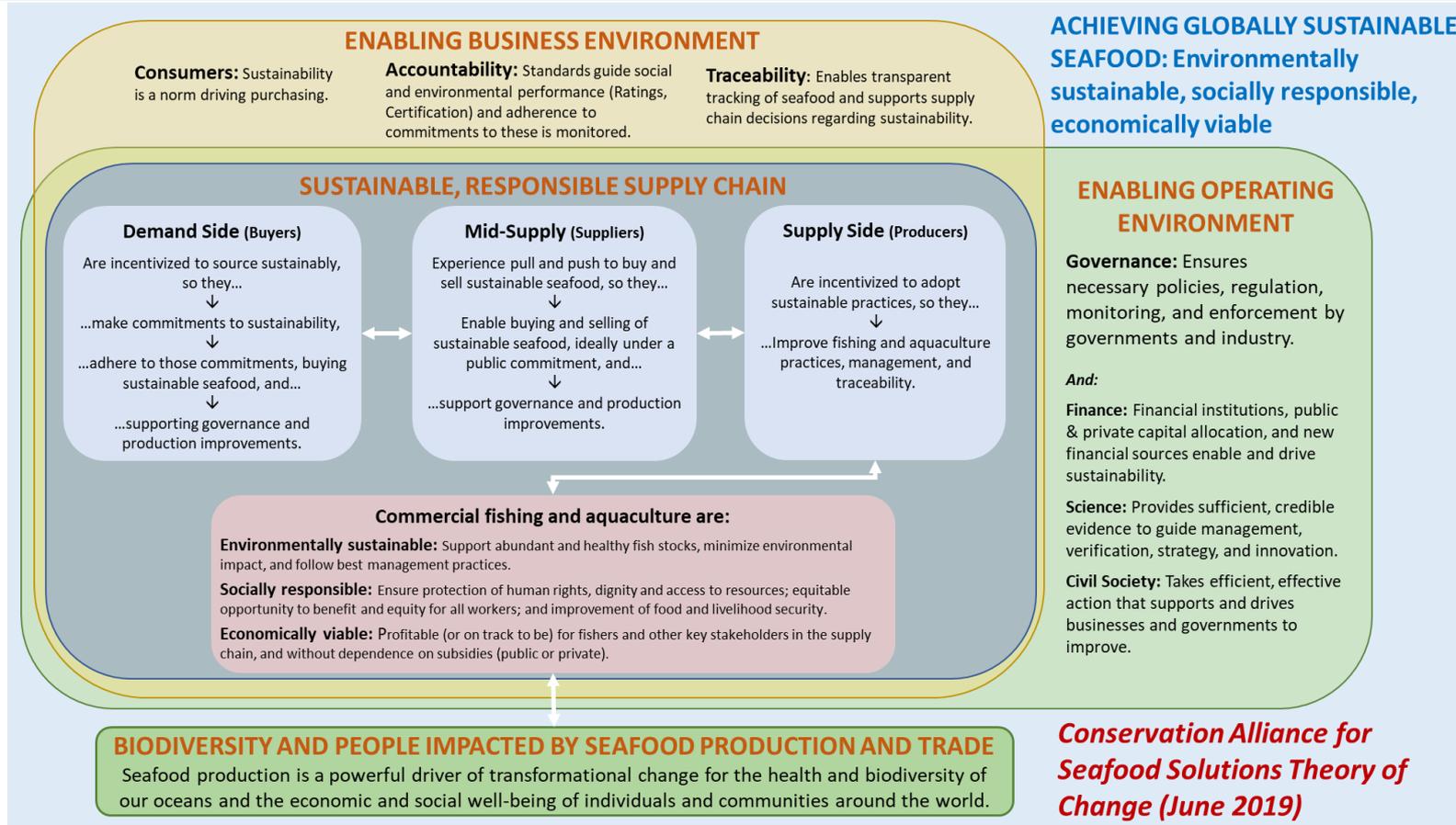
WFF GSM results chain: build demand for sustainable seafood



WFF GSM results chain: trade policies that set the floor



Conservation Alliance for Seafood Solutions theory of change





Packard and WFF GSM Grant Portfolios and Methodology for Portfolio Analysis

Packard GSM grant portfolio

Packard Foundation

- Packard GSM grant portfolio for this analysis includes approximately 750 grants distributed from 2007 to 2019:
 - Approximately 155 different organizations received grants during this period
 - Total funding over this period was approximately \$198m
 - Funding ranged from low of \$11.5m in 2011 to high of \$20.0m in 2008 and 2018
 - Includes market-related country program grants from 2014 to 2019
- Packard grants prior to 2017 categorized by Approach, Subapproach, and Country Programs
- Packard grants from 2017 to 2019 categorized by Approach, Sub-approach, and Outcome

Packard Outcomes Include:

- Fisheries engaged in FIPs demonstrate improved performance
- Identify a role for the Foundation in aquaculture improvement
- Deepen retail commitments
- Develop a platform for business accountability
- Formalize food service commitments
- Increase alignment among retail commitments
- NGO and precompetitive roundtable support collective action
- Support NGO and private sector leadership
- Certification and ratings programs create a pathway and incentives for all fisheries to improve toward sustainability
- Human rights and labor issues are integrated into sustainability standards for seafood
- Increase seafood supply chain transparency
- Key certification and ratings organizations increase sustainable and responsible seafood volumes
- Reduce market incentives for IUU seafood
- Strengthen fishery and aquaculture governance through market-supported advocacy and capacity
- Communications
- Capacity (leadership programs, OE supplements)
- Field (evaluation, special projects)

Packard Approaches Include:

- Capacity
- Communications
- Evaluation
- Finance and Capital
- Fisheries Certification Research
- Seafood Marketplace Incentives
- Fisheries Improvements
- Market Interventions
- Policy Reform
- Responsible Sourcing
- Sustainability Standards

Packard Sub-approaches Include:

- Aquaculture
- Arctic
- California Current
- Consumer Awareness
- International
- Joint Ocean Commission
- Major Buyer
- MSC Certification of Smaller Fisheries
- MSC Core and Collateral Support

Walton Family Foundation

- The WFF GSM grant portfolio for this analysis includes approximately 180 grants distributed from 2007 to 2019:
 - Approximately 74 different organizations received grants during this time period
 - Total funding over this time period was approximately \$115m
 - Funding ranged from low of \$1.5m in 2008 to high of \$20.0m in 2018
- The WFF grants for GSM are categorized by Strategy, Sub strategy (and Region)
- The WFF portfolio includes country program grants that support markets in Chile, Indonesia, Mexico, Peru, and the US

WFF Strategies Include:

- Markets
- Seafood Marketplace Incentives

WFF Substrategies Include:

- Policy and Programs
- Supply Chain
- Capacity
- Aquaculture

Approach for combining the Packard and Walton grant portfolios for combined analysis

Approach for Combining Portfolios:

- Packard grant funding for 2017-2019 was assigned to 18 outcomes (see Table) plus country programs; grant funding prior to 2017 was assigned to grouped outcome categories.
- All WFF grants were retroactively coded to Packard’s list of grant outcomes along with an additional outcome for financing.
- This meant that the grants could be compared to each other using the common list of outcomes.
- The outcomes were grouped into categories for ease of analysis.

Assumptions:

- Grant funding was assigned based on the grant reference year; multi-year grants are included in the analysis but grant duration is not factored in as an attribute.
- For grants that funded multiple outcomes, including general support grants:
 - Packard grant funding was divided equally across all relevant outcomes.
 - WFF grant funding was estimated based on the proportion of funding to each outcome.

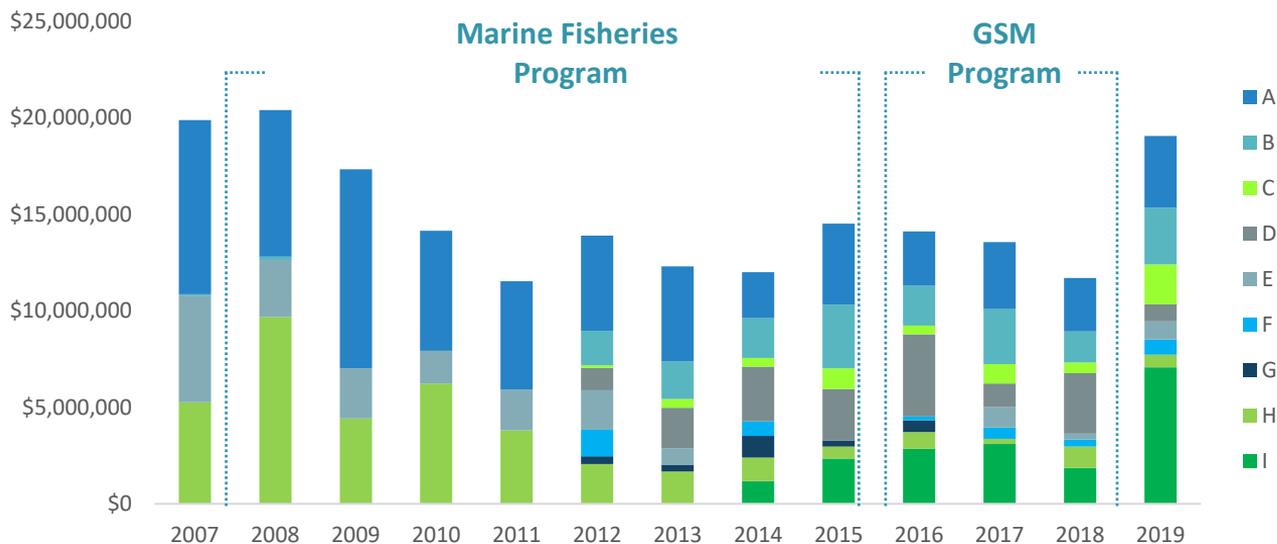
A	Buyer Commitments	Deepen retail commitments
		Develop a platform for business accountability
		Formalize food service commitments
		Increase alignment among retail commitments
		Reduce market incentives for IUU seafood
B	Certification & Ratings	Certification and ratings programs create a pathway and incentives for all fisheries to improve toward sustainability
		Human rights and labor issues are integrated into sustainability standards for seafood
		Key certification and ratings organizations increase sustainable and responsible seafood volumes
C	Industry & NGO Collective Action	NGO and precompetitive roundtable support collective action
		Support NGO and private sector leadership
		Capacity (leadership programs, OE supplements)
D	FIPs/AIPs	Fisheries engaged in FIPs demonstrate improved performance
		Identify a role for the Foundation in aquaculture improvement
E	Governance	Strengthen fishery and aquaculture governance through market-supported advocacy and capacity
F	Transparency	Increase seafood supply chain transparency
G	Financing	Alternative financing for sustainability
H	Other	Communications
		Field (evaluation, communication, special projects)
I	Country Programs	Packard Only – Includes Japan Marine Grants



Supplemental Information for Grants Portfolio Analysis

Early Packard investments (2007-2011) concentrated on buyer commitments, governance, and other grants; beginning in 2012 investment diversity increased

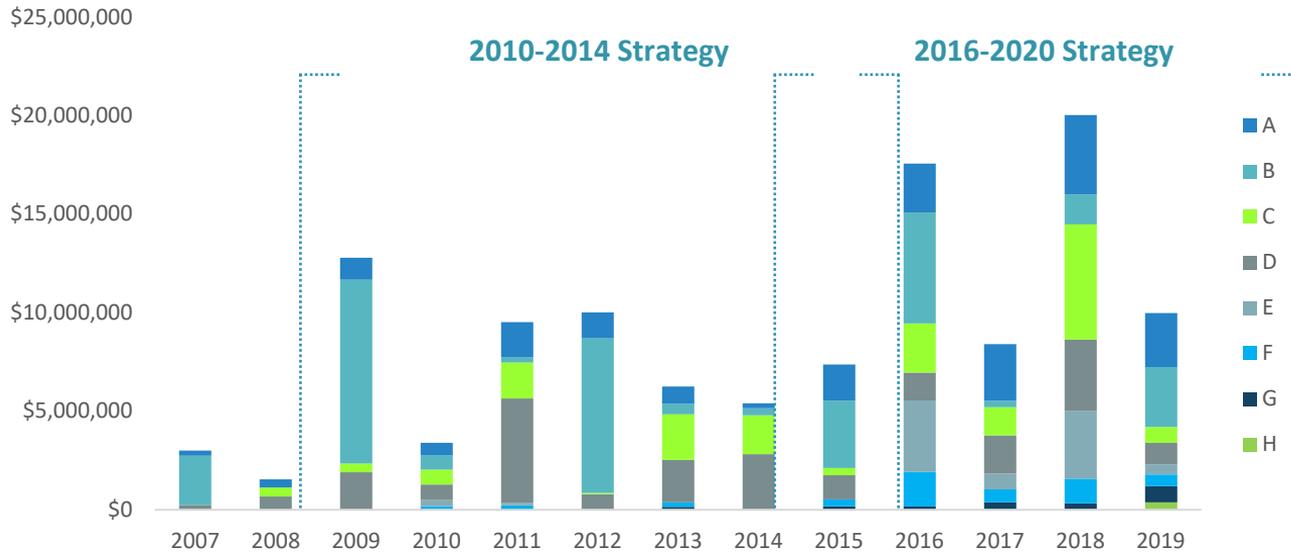
- Higher funding for buyer commitments and industry/NGO collective action early in the Marine Fisheries Program, transitioning to FIPs/AIPs starting in 2012
- Certification and ratings received low funding amounts until 2012 and then received mostly consistent funding from 2012 on.
- Market-related country program grants appear in the Packard funding mix starting in 2014.



A	Buyer Commitments
B	Certification & Ratings
C	Industry & NGO Collective Action
D	FIPs/AIPs
E	Governance
F	Transparency
G	Financing
H	Other
I	Country Programs (Packard)

Walton has invested less in FIPs in recent years and more recently in industry and NGO collective action and governance-related outcomes

- Certification & Ratings funding relatively higher every few years – in 2009, 2012, and 2016
- FIPs funding relatively higher earlier – in 2011, 2013, and 2014
- Emphasis on Industry & NGO Collective Action and Governance recently – in 2016 and 2018
- 2009, 2016, and 2018 funding level increases relative to adjacent years may reflect multi-year grants (grants are assigned based on reference year).

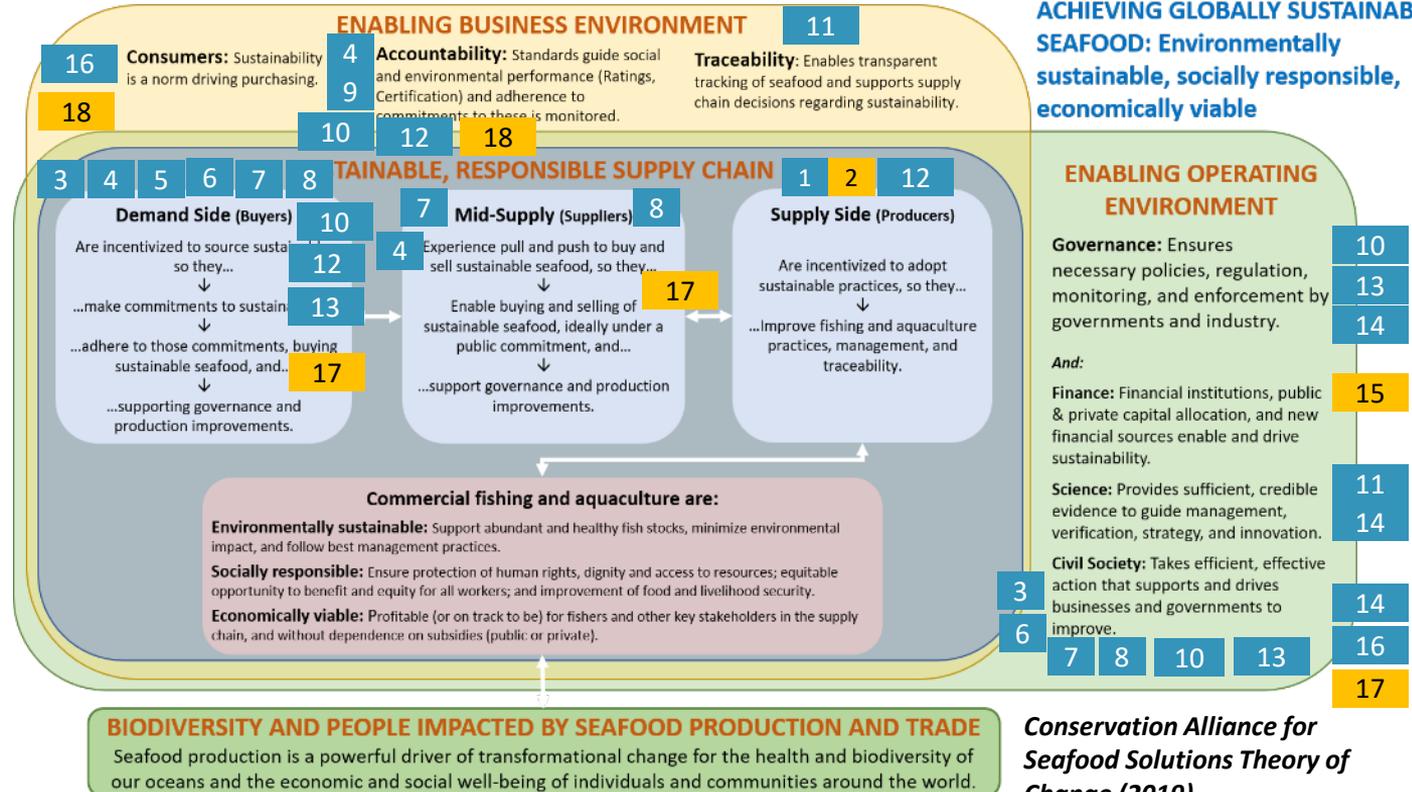


A	Buyer Commitments
B	Certification & Ratings
C	Industry & NGO Collective Action
D	FIPs/AIPs
E	Governance
F	Transparency
G	Financing
H	Other
I	Country Programs (Packard)

How the grant outcomes map to the Conservation Alliance for Seafood Solution's theory of change

Specific Outcomes Funded by Grants

1. Fisheries engaged in FIPs demonstrate improved performance
2. Identify a role for the Foundation in aquaculture improvement*
3. Deepen retail commitments
4. Develop a platform for business accountability
5. Formalize food service commitments
6. Increase alignment among retail commitments
7. NGO and precompetitive roundtable support collective action
8. Support NGO and private sector leadership
9. Certification and ratings programs create a pathway and incentives for all fisheries to improve toward sustainability
10. Human rights and labor issues are integrated into sustainability standards for seafood
11. Increase seafood supply chain transparency
12. Key certification and ratings organizations increase sustainable and responsible seafood volumes
13. Reduce market incentives for IUU seafood
14. Strengthen fishery and aquaculture governance through market-supported advocacy and capacity
15. Alternative financing for sustainability**
16. Communications
17. Capacity (leadership programs, OE supplements)*
18. Field (evaluation, special projects)*



ACHIEVING GLOBALLY SUSTAINABLE SEAFOOD: Environmentally sustainable, socially responsible, economically viable

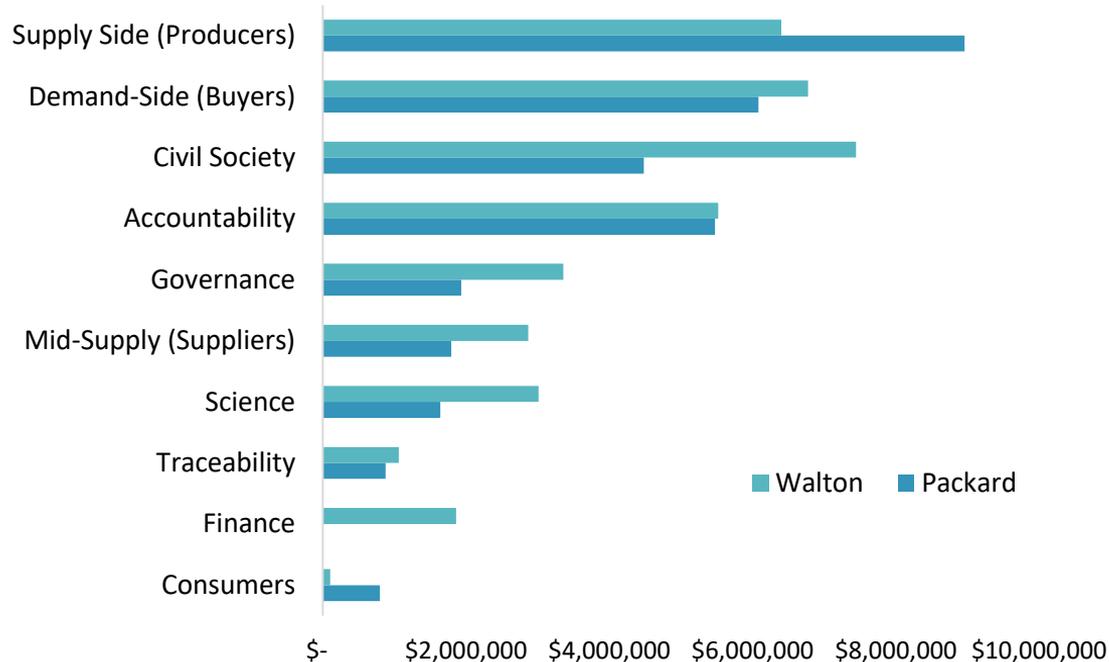
Conservation Alliance for Seafood Solutions Theory of Change (2019)

*Outcomes 2, 17 and 18 are only relevant to Packard grants

**Outcome 15 is only relevant to WFF grants

The mapping of funding to the Conservation Alliance TOC elements highlights different areas of emphasis within the supply chain, but does not suggest major TOC alignment issues

Distribution of Packard and WFF GSM Funding Across the Conservation Alliance TOC Elements, 2017-1019



- Packard & WFF have relatively consistent funding across the Conservation Alliance TOC elements, with some differences for supply side, civil society, & finance
- Top areas of funding for both foundations include supply side (producers), demand side (buyers), civil society, and accountability
- This shows less funding for governance, especially for Packard, consistent with the positioning of policy in the TOC
- Producer funding appears more significant in this chart than in the grouped outcome chart, which may be because a certifications and ratings outcome is included in this category



Annex 3: Sustainable Market Transformation Framework: Additional Materials

- Sustainable market transformation framework
- Experience from other agricultural sectors
- Status of seafood in the market transformation framework
- Political, economic, and social systems context for market transformation

Sustainable market transformation framework: overview

- Lucas Simons has developed a framework for understanding food system market transformation towards sustainability; he argues that many of the agricultural products move through the same phases of evolution, from awareness to first mover to institutionalization and finally to level the playing field.
- We hypothesize that the global seafood market is in Phase 3 of the Simons market transformation framework.
- Four critical transitions have happened since the collapse of the cod fisheries, including:
 - Enabling broader engagement through development of sustainability definition and certifications and ratings (e.g., MSC, MBA Seafood Watch)
 - Combination of major buyer commitment, public pressure, and NGO alliance pave the way for broader set of buyer commitments
 - Collaborations bring industry together and signal movement toward institutionalization of sustainability norms amongst major industry players
 - Early signs of movement toward leveling the playing field (e.g., Thai Union)
- Other sectors and products have reached phase 4 and some are actively in Phase 3 or later in Phase 3. There's potential to gather further insight from these other sectors in their movement through Phase 3 and into Phase 4, in particular the transition to broader industry engagement and ownership, as well as public sector ownership through regulatory and policy reform.

What can we learn from market transformation in agricultural markets?

Lucas Simons' 2015 book *Changing the Food Game: Market Transformation Strategies for Sustainable Agriculture* presents a four-phase framework for understanding the journey to sustainability that agricultural markets appear to follow.¹ This framework aligns with other models for sustainable market transformation that the evaluation team has observed, and we find it to be a useful frame for thinking about GSM Strategies in context.

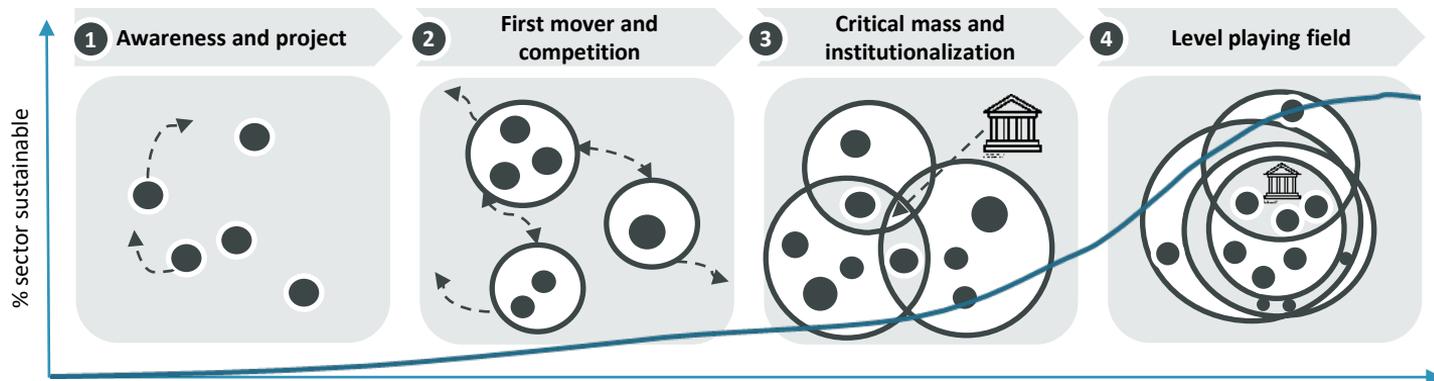


“Everything that happens on the oceans happens 10 years after it happens on land with agriculture and forest”

– GSM Evaluation KI Interview



The Simons framework shows how comparable agricultural markets have followed a common path to increase sustainability which likely has relevance for global seafood markets



Major event, crisis, or call to action occurs

- **Crisis** or event draws attention to an issue
- Industry denial and downplay of the issue
- Accumulation of **pressure**
- First mover companies respond with **initial projects**

- Pressure continues to increase
- Companies realize they need to go **beyond self interest**
- Multiple actors contribute – **NGOs join companies**
- **Standards** are set

- Certs and standards continue to grow
- **Doubters arise** – will certs and standards fix the problem?
- Concerns about future
- Companies realize they need to collaborate

- Late adopters / laggards are an issue
- **Policy reform** needed
- International lobby moves to institutionalize
- Gov'ts cooperate
- Gov't codifies practices

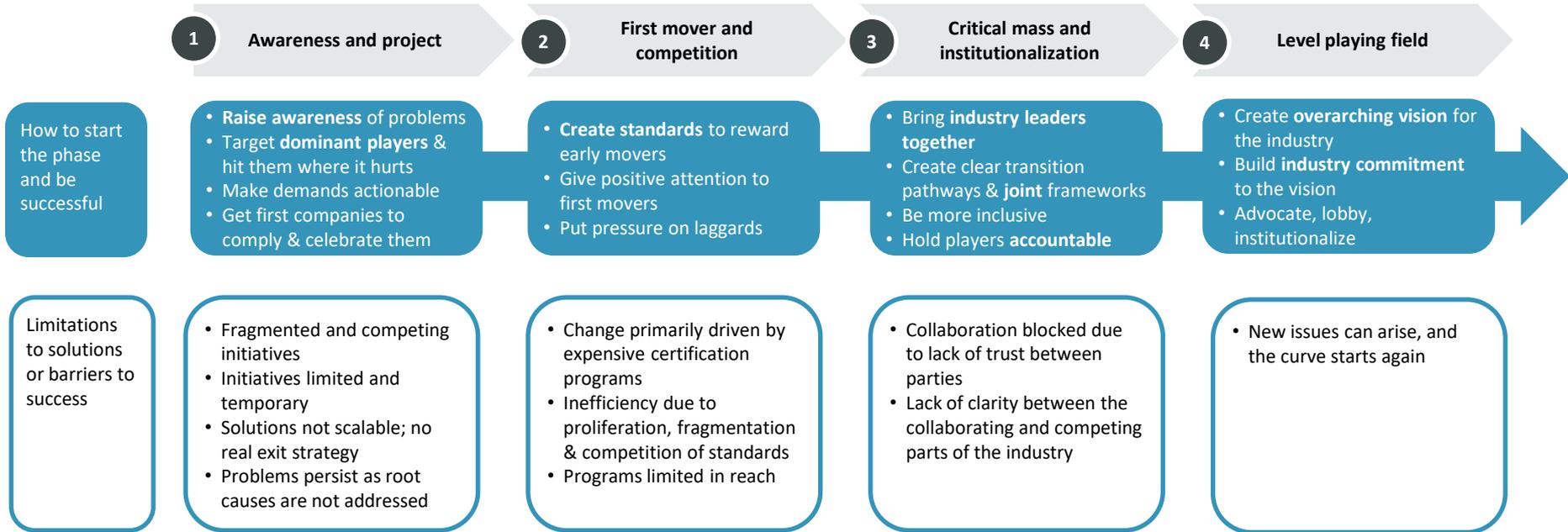
- **Raise awareness** of problems
- Target **dominant players** & hit them where it hurts
- Make demands actionable
- Get first companies to comply & celebrate them

- **Create standards** to reward early movers
- Give positive attention to first movers
- Put pressure on laggards

- **Bring industry leaders together**
- Create clear transition pathways & **joint frameworks**
- Be more inclusive
- Hold players **accountable**

- Create **overarching vision** for the industry
- **Build industry commitment** to the vision
- Advocate, lobby, institutionalize

Across markets, Simons identifies common limitations and barriers to progressing through each phase



Several agricultural sectors' market transformations have lined up with the Simons framework

1

Awareness and project

Tactics

- Build consumer and buyer awareness
 - 1998: BBC documentary on child/forced labor & other media coverage
 - 2002: Oxfam Novib report: "Douwe Egberts Buys from Slave Plantations"
 - NGO campaigns hurt brand reps -> Douwe Egberts, Kraft began to pay attention
 - 1997: WWF report: *The Year the World Caught Fire*
 - 2000: Greenpeace report *Funding Forest Destruction* revealed major banks investing in industry, pressure on banks increases
- Create demand
 - Late 2000's: Large cocoa companies start sustainability programs – competition among buyers high
 - 2004: Douwe Egberts commits to purchasing sus. coffee, became leader, others follow

2

First mover and competition

Tactics

- Develop clear definitions and metrics
 - Competing certifications (UTZ, Fairtrade, Rainforest Alliance, etc.)
 - Competition among standards to be largest, most credible (Rainforest Alliance, UTZ, 4C, etc.)
 - 2000's: RSPO and ISPO launched**
- De-risk participation
 - 2009-2011: WCF launches programs funded by NGOs and companies
 - 2003: 4C initiative brought together stakeholders to discuss def. of sustainability
 - 2002: WWF held multi-stakeholder meeting – became RSPO**
 - 2000's: Banks sign list of conditions for investment in palm oil; large companies signed onto RSPO

3

Critical mass and institutionalization

Tactics

- Find efficiencies
 - 2013: WCF convened multi-stakeholder Technical Working Committee to discuss instit. issues, met regularly
 - 2012: IDH served as neutral facilitator for convening to discuss industry vision**
 - 2015/16: Global Coffee Platform (GCP) formed
- Align & consolidate demand
 - 2014: CocoaAction formed – strategy for industry, more companies joining**
 - 2016: GCP presents Vision2020 for sector

W/in 5 years of rollout of RSPO, 14% of global production was certified – Big success!

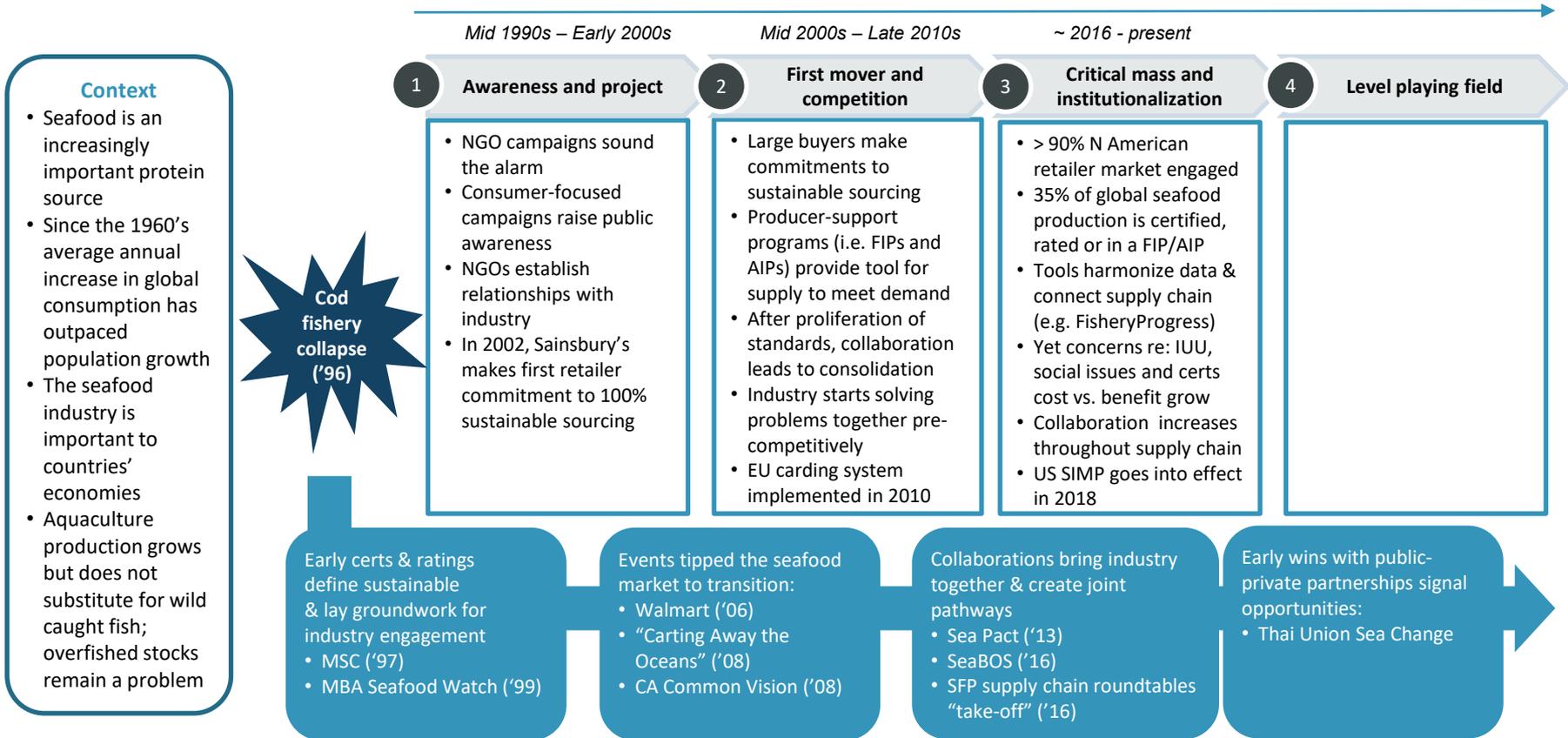
4

Level playing field

By 2015, 16% of the world's cocoa area was certified by one of the major voluntary standards

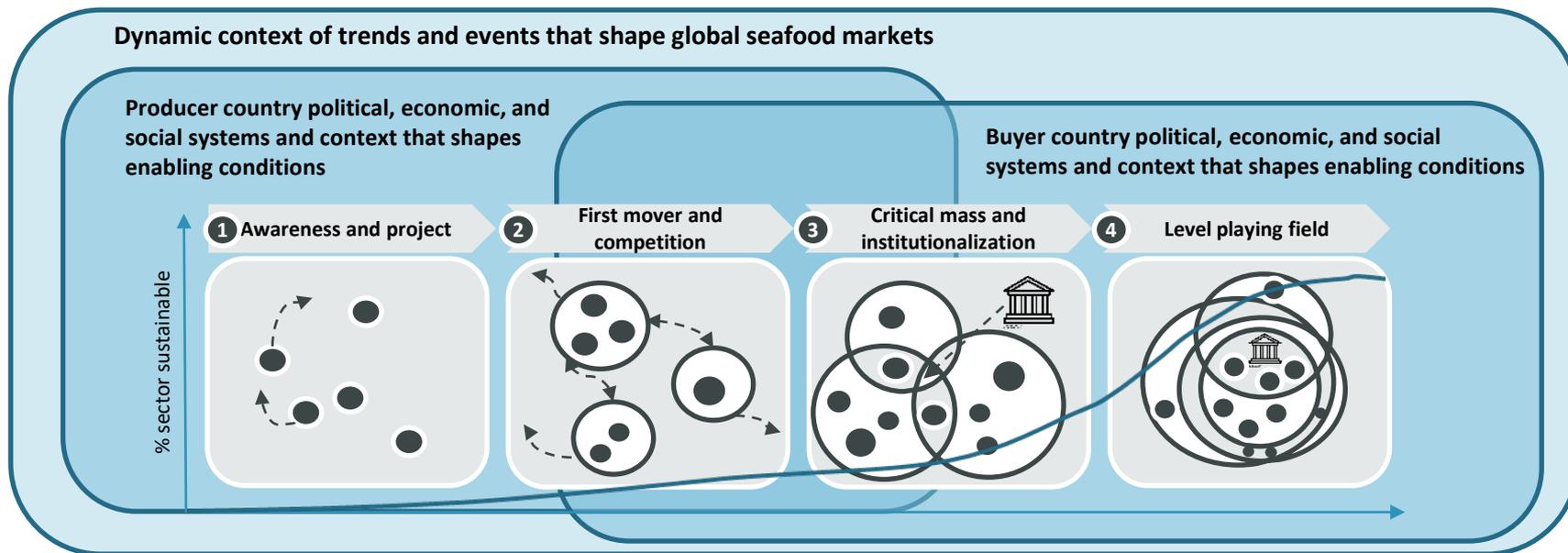
By 2013 (~20 yrs later), the market share of sustainable coffee was 50%

We can see the market transformation process playing out in seafood as well



Market transformation journeys are nested in dynamic and inter-related political, economic, and social systems that shape their ability and pace to transform

Market transformation journeys take place in the context of nested systems that shape enabling conditions in producer and buyer countries; these conditions can be further influenced by dynamic contextual factors that affect global seafood markets.¹ Some key informant interviewees noted the importance of “enabling conditions”—such as governance, availability of information and data, legal and regulatory systems, and institutional capacity in a local area, region, or country—in determining whether and the extent to which market transformation occurs. Systemic changes in these underlying conditions may be needed to enable market-focused approaches to work or to accelerate progress through market transformation changes. Transformation journeys often do not follow smooth pathways due to complex interactions with these broader systems and dynamics.





Annex 4: Deep Dive – Standards, Ratings, and Certifications

- Executive summary
- Overview of evidence
- Definitions, theory of change, and portfolio overview
- Key actors and their motivations
- Where we are today: market transformation framework
- Assessment of progress, contributions, and durability
- Context for future action: challenges and opportunities
- Strategic options for philanthropy

Relevant Evaluation Questions: 2, 5, 6, 7, 8, 9, 11, 12

- The foundations have played an instrumental role in supporting and funding the development and continued evolution of sustainable seafood standards, ratings and certifications programs over the past 20 years, including major initiatives such as the Marine Stewardship Council (MSC), the Aquaculture Stewardship Council (ASC), and Monterey Bay Aquarium’s (MBA) Seafood Watch Program, among others.
- Industry uptake of sustainable seafood certification programs has rapidly grown over the past decade; as of March 2019, MSC reported 11.8 million tons of certified catch, or 15% of total global wild capture production across 41 countries; ASC-certified seafood volumes grew 28% from 2018 to 2020.
- Some certifications programs now appear to have viable business models, with stable and growing revenues from industry fees and other sources.
- As standards and programs proliferated, the foundations have played a critical role in catalyzing and enabling coordination, alignment and collaboration, which has worked best when goals and roles were clear.
- Seafood sustainability ratings programs have greatly expanded their coverage (approaching 47% of global seafood production in 2020), playing a key information infrastructure role to support “sentinel” (with a broad view across fisheries and aquaculture operations) accountability and transparency to foster market and policy action.
- Seafood ratings and certifications programs are turning greater attention to supporting fisheries improvements in emerging markets (e.g., Asia, Latin America) and on social, human rights, and labor issues.

- Key challenges put consolidation and institutionalization of standards, ratings, and certifications at risk:
 - Despite progress in coordination across programs, tools are not framed as an integrated toolbox, fostering some competition and missing opportunities for “on-ramp” connections across programs
 - Downward seafood price pressures due to discount supermarkets and other factors and rising costs of expanding certifications to new fisheries may increase cost challenges for programs
- The proliferation of seafood standards, ratings and certifications programs has been a concern to some key informants, although many recognized progress in aligning definitions and standards in recent years; many indicated that concern about “market confusion” is a red herring, although they also noted that continued progress on alignment and some consolidation is needed.
- Addressing key needs could accelerate market transformation to Phase 4:
 - Drive innovation and efficiencies (e.g., enhanced use of technology and data, area or jurisdictional approaches) into ratings and certifications programs to lower costs and enhance verification.
 - Incorporate human rights and labor issues into standards and certification programs.
 - Expand partnerships between ratings and certifications programs and targeted industry and government partners to enhance connections with work to strengthen governance, capacity, and policy frameworks; for example, build off work supported by MBA and the Asian Seafood Improvement Collaborative and MSC (partnerships in Indonesia and Mexico).



Overview of Evidence

This is an assessment of the foundations' approach to supporting standards, ratings and certifications, as well as impact of that approach and key considerations for future investments

Evidence base:

- Certification & Ratings Collaboration Global Benchmark Report (June 2018) and data tool, along with numerous other studies and reports cited throughout the deep dive
- Other online materials (e.g., seafood standards, ratings and certifications programs websites and reports)
- Grant documents
- 15 interviews with substantial focus on standards, ratings, and certifications programs, including with nine NGO leaders whose organizations support standards, ratings and/or certifications work
 - Supplemented by perspectives on standards, ratings and certifications from the full suite of GSM key informant interviews, including industry, government, NGOs, academia, and others
- GSM evaluation surveys:
 - Seafood industry survey (52 respondents)
 - NGO/grantee survey (41 respondents)
- Focus group with the steering committee of the Seafood Certification & Ratings Collaboration on January 30
- Topic of discussion at TWG and NGO convenings for the evaluation (February 27-28, 2020)
- Supplemental information and thinking provided by the foundations



Definitions, TOC, and Portfolio Overview

Standards, ratings, and certifications programs each play unique but connected roles in many food and agricultural sector sustainable market transformation journeys, including for sustainable seafood

Unpacking and differentiating the unique features and roles that standards, ratings, and certifications play in market transformation strategies enables clearer assessment of past progress and future potential. Defining terms...

Standards

Standards **define what constitutes responsible practices or sustainable fisheries.**

Standards set the bar for performance, and they undergo regular review and revision to ensure the latest science and best management practices are incorporated.

ROLE: Standards enable a common understanding of responsible practice or performance expectations. They provide the foundation for ratings and certifications.

Ratings

Ratings programs use established standards to **assess seafood sources to provide information on the full spectrum of low-to-high performance for fisheries and aquaculture.**

ROLE: Ratings information can be used to identify opportunities for producers to pursue improvement projects and certifications, as well as to help businesses evaluate sourcing options.

Certifications

Certification programs **directly engage with fisheries or farms and require them to address social and environmental challenges to improve and meet the certification standard.** Certifications also engage with the supply chain to verify the sustainability or responsibility and origin of certified products.

ROLE: Certifications are used by producers to provide assurances to buyers and consumers that their seafood is from sources that adhere to standards.

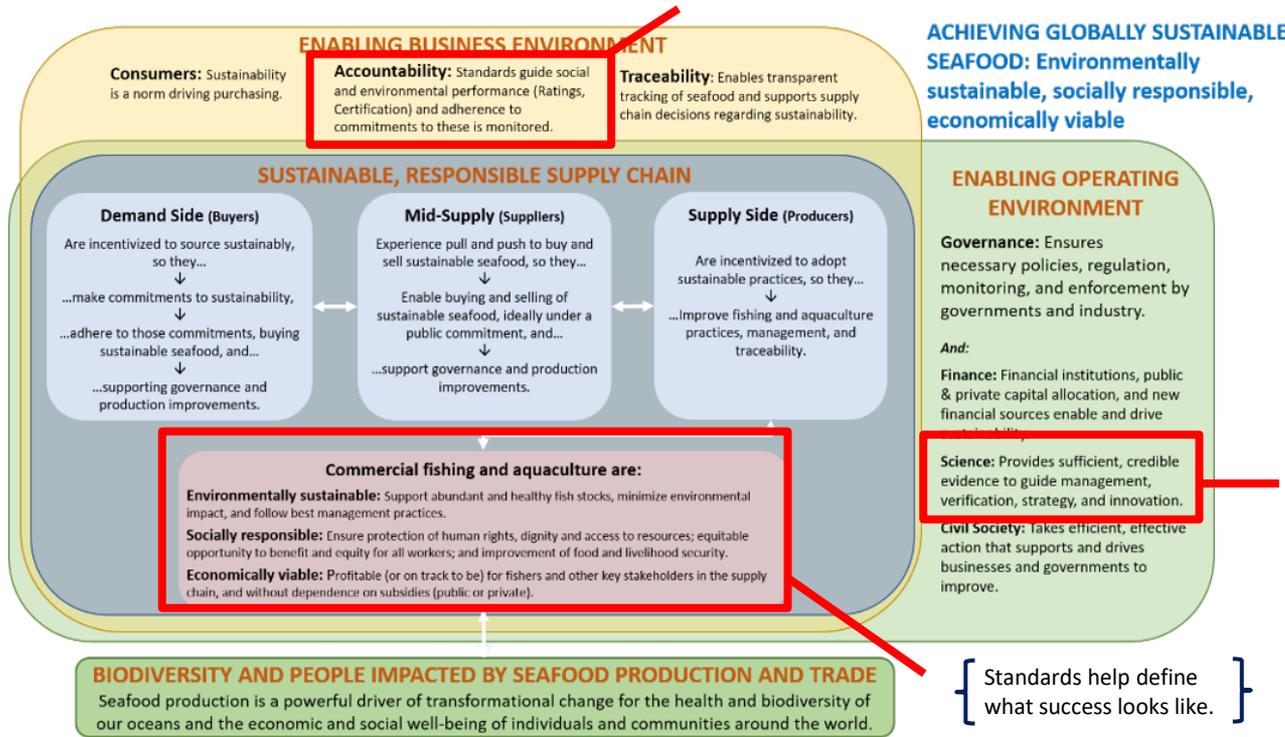


Labeling

Plays a key role in **communicating to buyers and consumers** that products are certified to standards or come from well-rated sources, fostering awareness and demand and enabling choice at points of sale.

Standards, ratings, and certifications play key roles in the enabling business and operating environment for GSM theories of change articulated by foundations and NGOs

Standards, ratings, and certification programs guide industry and fishery management performance and support transparency and accountability. They provide valuable information that enables market forces to work for sustainability.



NGOs participating in the *Conservation Alliance for Seafood Solutions* developed a theory of change for global seafood markets initiatives, which references important roles for standards, ratings, and certifications. Standards, ratings, and certifications programs generate valuable information that supports transparency, accountability, decision-making, management, and policy-setting.

Standards, ratings, and certification programs provide valuable science-based information resources to support decisions in the private sector, public sector, and civil society.

The foundations' latest strategies include investments to sustain and enhance standards, ratings, and certifications programs to support and incentivize efforts to meet demand for sustainable seafood

Packard GSM Strategy 2017-2022

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. Sustainability standards have helped to define sustainable seafood for the seafood industry and governments alike. **Certification and ratings programs create a pathway and incentives for all fisheries to improve toward sustainability.** Outcomes include:

- 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 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.

WFF Oceans Initiative – Markets Strategy 2016-2020

To achieve [WFF's seafood markets program goals], the foundation must (1) build demand for sustainable seafood in the largest seafood-consuming markets that source from fisheries in our core geographies, and (2) **create and maintain tools that help define and measure sustainability in key fisheries.** Goals for 2020 include:

- **Ensure the accessibility of high-quality certifications** that recognize and incentivize continuous improvement and increase their use in small scale and developing world fisheries.

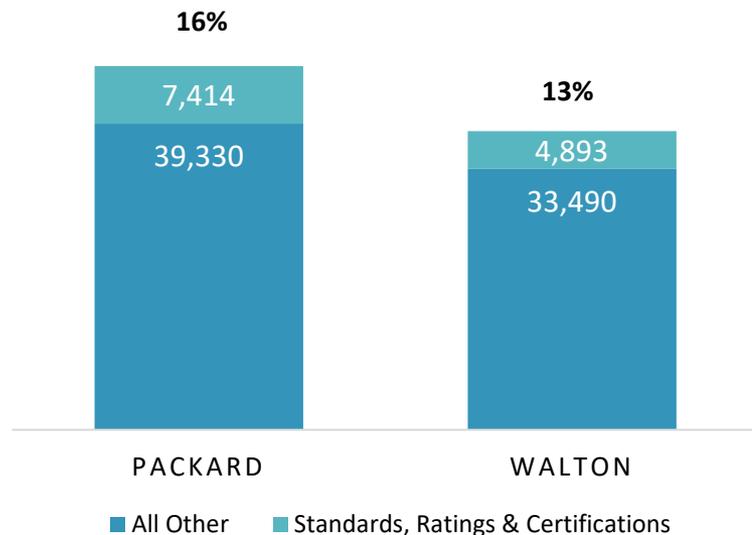
WFF's seafood markets theory of change for improving fisheries management through buyer demand includes a key component of "purchasing shifted or fisheries improved to meet demand." This includes: (1) **consistent identification of "good" products**, (2) process by which to improve (accountable, transparent, clear end goal, assignment of tasks and activities), and (3) incentive structure that rewards improvement, but that does not allow "greenwashing."

This deep dive analysis examines the role and evolution of GSM Strategy tactics to advance standards, ratings, and certifications programs as market-based tools that define and incentivize consistent, credible pathways for fisheries and aquaculture operations to improve towards sustainability.

Standards, ratings, and certifications have been a key building block in the foundations' GSM strategies for strengthening tools, pathways, and incentives for meeting sustainable seafood demand

Standards, Ratings & Certifications have been an important GSM component, receiving ~15% of total foundation investment in 2017-2019

2017-2019 GRANT AMOUNTS (\$000) MAPPED TO STANDARDS, RATINGS & CERTIFICATIONS



Key informants cited standards, ratings, and certifications as critical elements of market-based seafood sustainability strategies

“Standards are essential. Without them, we don’t have agreement on what success looks like—what is a sustainable fishery or what is responsible practice. FAO fisheries guidelines set a useful foundation, but more work was needed to apply these to different fishery contexts. Standards enable ratings and certification programs, which in turn enable transparency, comparisons, and accountability.” - KI

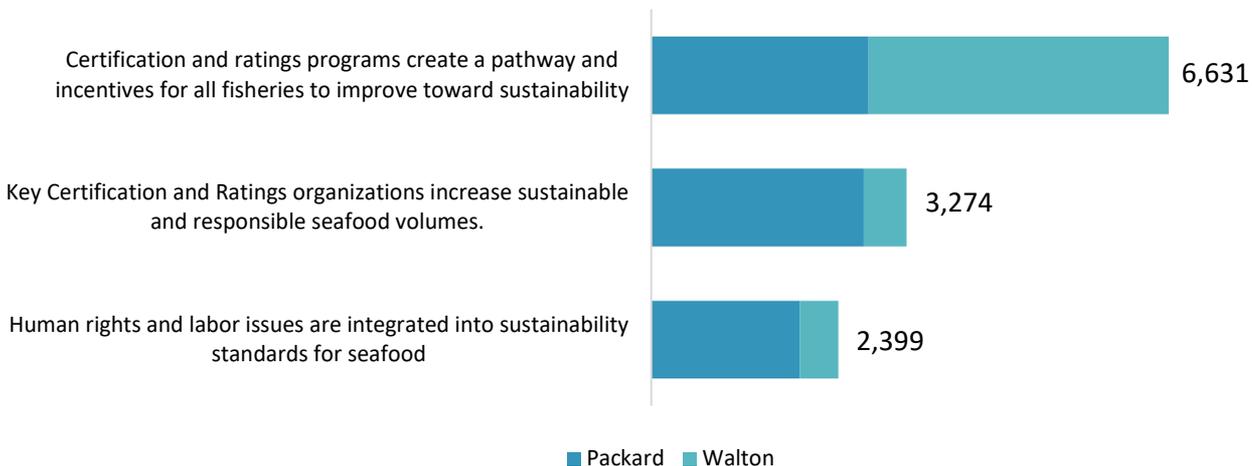
“It took a while, but seafood sustainability ratings and certifications programs have caught on and hit their stride, helping many seafood buyers demonstrate they are meeting their commitments. We are now focused on harmonization and adaptation, keeping them relevant to emerging issues, adapting them for new places and contexts.” - KI

“Standards for ratings and certification programs can also provide useful platforms for national commitments and policies.” - KI

The foundations have invested in the continued development, coordination, and scaling of selected seafood standards, ratings, and certifications programs and collaborative initiatives in recent years

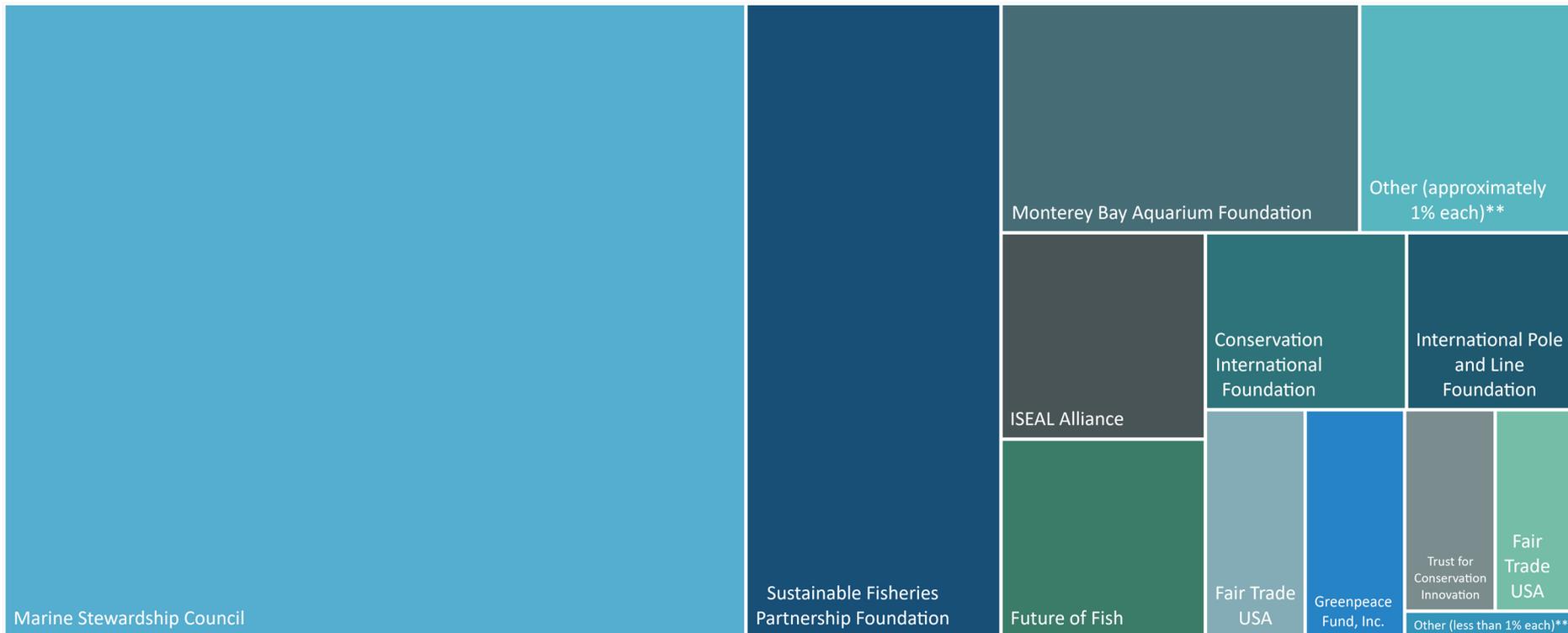
GSM grants analysis shows most investment in supporting the continued development and coordination of standards, ratings, and certifications programs and their efforts to scale sustainable and responsible seafood volumes, with more emergent focus on integrating human rights and labor issues into standards and programs (particularly by Packard).

2017-2019 GRANT AMOUNTS (\$000) MAPPED TO OUTCOMES



Marine Stewardship Council (MSC) and Monterey Bay Aquarium's Seafood Watch are major grantees in this area, and the foundations supported the Certification & Ratings Collaboration in recent years (2017-2019)

The tree map below illustrates relative percentage of funding to grantees within the category of Standards, Ratings, and Certifications from 2017-2019



* Includes: International Labor Rights Forum, Waxman Strategies, Yayasan Masyarakat Dan Perikanan Indonesia, Fishwise

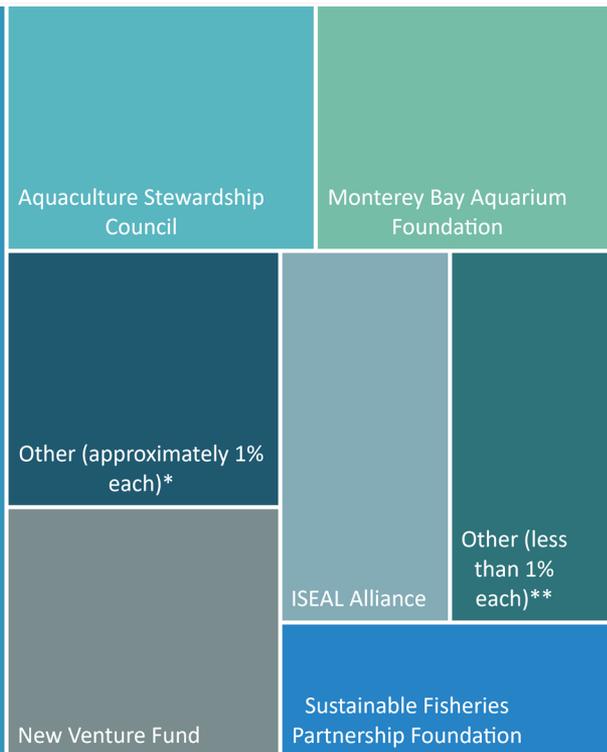
** Includes: FishChoice

Sources: Packard Fluxx Data Excerpt; WFF Grant Spreadsheet

Over the longer-term (2007-2019), MSC has been the dominant grantee, followed by Aquaculture Stewardship Council (ASC), Monterey Bay Aquarium and others

This tree map illustrates relative percentage of funding to grantees within the category of Standards, Ratings, and Certifications from 2007-2019

Marine Stewardship Council

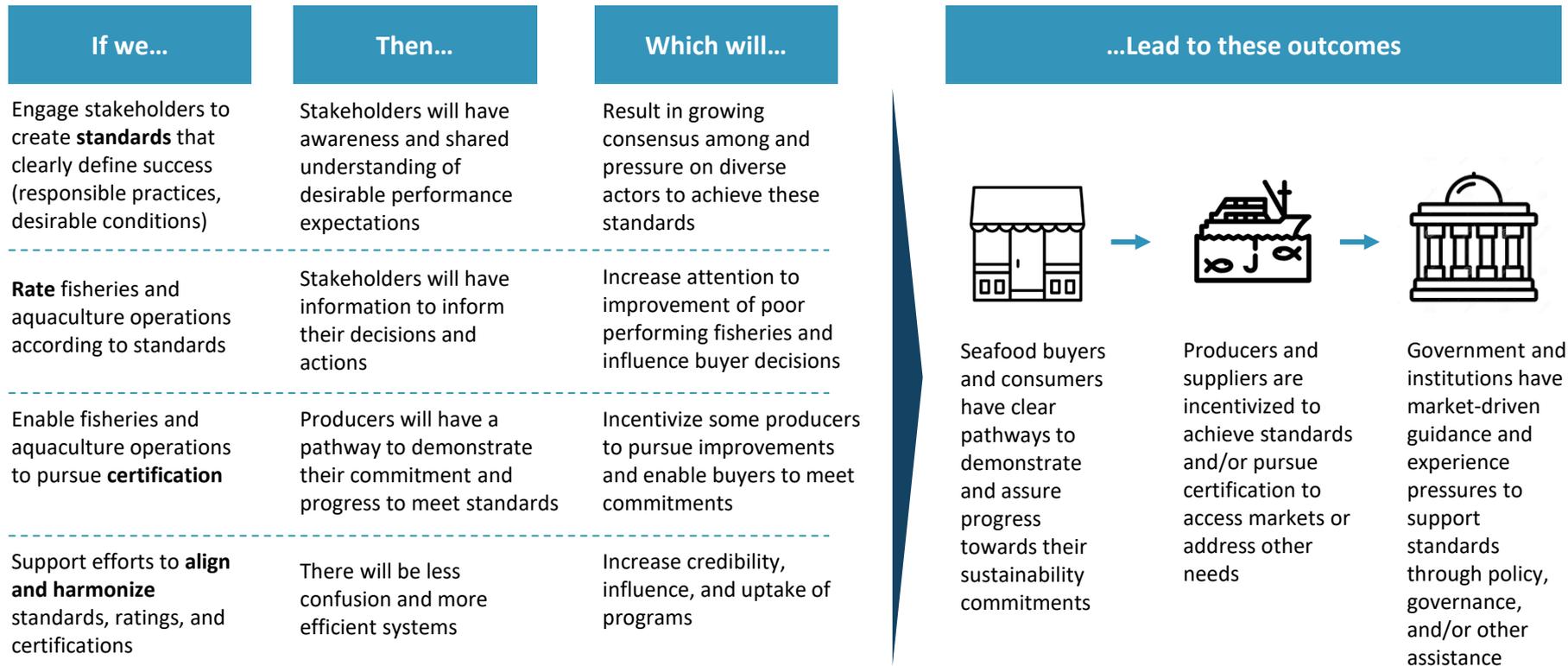


* Includes: Future of Fish, American Bird Conservancy, Comunidad y Biodiversidad, A.C., Conservation International Foundation, New England Aquarium Corporation, International Pole and Line Foundation, Blue Ocean Institute, Inc.

** Includes: Fair Trade USA, Greenpeace Fund, Inc., RESOLVE Inc, Fair Trade USA, Resources Legacy Fund, Fishwise, University of Washington, Yayasan Masyarakat Dan Perikanan Indonesia, Waxman Strategies, Cayetano Heredia Foundation, Springboard Partners, International Labor Rights Forum, University of Miami, University of Maine at Machias, University of Connecticut, Storrs, Stanford University, FishChoice, Taxpayers for Common Sense

Sources: Packard Fluxx Data Excerpt and Packard pre-2017 grants record; WFF Grant Spreadsheet

The foundations' standards, ratings, and certifications theory of change is based in the need for market infrastructure and tools to recognize and incentivize sustainability and responsible practice



Key informant interviews suggest that critical assumptions in this TOC have played out: standards, ratings, and certifications provide information vital to enabling business and operating environments

“Inclusive, expert-informed efforts to develop and update ratings and certifications standards enable stakeholders to continually evolve and improve our common definition of success. This takes time and is complex as we wrestle with diverse issues such as human rights and social issues or streamlined, risk-based approaches for small fisheries.”
- KI

Theory of change assumptions:

Standards foster shared agreement of success and shape the terms of engagement in markets, management regimes, and policies.

Credible, independent information is needed to assess sustainability status, performance, and progress in wild capture fisheries and aquaculture.

“Our approach has always been that our fisheries improvement programs need to have as a goal meeting the conditions of MSC certification. But our goal is a sustainable fishery and not necessarily certified sustainable fishery. ...the certification process, the costs of having MSC labels on cans, and so on, so it becomes a business decision to work when we're at a point where we can or could meet the bar of MSC certification. Even if we decide not to pursue certification, the MSC standard guides our work.”- KI

“Looking back I don't think the most durable success of MSC is the fisheries that they're certified. I think it is being a platform that...created debate around what global norms should be for sustainable fisheries. [Even for]...fisheries which have no hope of being certified, they have still got some sort of roadmap and tools and means by which to understand what sustainability means in any way, shape, or form.”- KI

“Think about Walmart in 2006. It had made a commitment to having all of their supply MSC certified by a certain date and...it just became obvious, that they weren't gonna be able to make that happen without improvement projects. MSC was key to helping these commitments translate into actions.”- KI



Key Actors and Their Motivations

Over the past 25 years, many actors have emerged to develop and support seafood sustainability standards, ratings, and certifications

The foundations have played an instrumental role in supporting and funding the development of two pre-eminent programs – the Monterey Bay Aquarium’s Seafood Watch ratings program and the Marine Stewardship Council’s certification programs. These two programs were early movers and have grown their impact and reach substantially over the past 20+ years, as other ratings and certifications organizations and programs have proliferated alongside these models to address diverse place-based needs, aquaculture operations, seafood sector social sustainability issues, industry risk mitigation needs, and other specific needs and interests.

The foundations have also catalyzed and supported efforts over the past five years to enhance coordination, alignment, improvement and collaboration among key ratings and certifications programs through initiatives and organizations such as the Certification & Ratings Collaboration and ISEAL Alliance.

Major actors involved in seafood standards, ratings, and certifications are briefly profiled in this section, along with reflections on their strategic focus and motivations.

Ratings Programs	Certification Programs	Collaborations and Supportive Institutions
		

Monterey Bay Aquarium Seafood Watch program is widely viewed as the leading seafood sustainability ratings program, driving seafood market awareness and accountability

Monterey Bay Aquarium's Seafood Watch program aims to help consumers and businesses choose seafood that's fished or farmed in ways that support sustainability and environmental conservation goals.

Seafood Watch emerged in 1999 as one of the first seafood sustainability ratings programs. In 1997, the MBA opened its first major exhibition devoted to a conservation topic, "Fishing for Solutions," which highlighted major threats to ocean ecosystems, such as overfishing, bycatch of unwanted species, and habitat destruction. The success of pocket consumer guides to sustainable seafood choices led to the development of the Seafood Watch program. While Seafood Watch is global in scope, priority attention has been given to fisheries that support US seafood markets.

Seafood Watch rates fisheries using a three-tier system: Best Choice (green), Good Alternative (yellow), or Avoid (red). Seafood Watch maintains science-based standards for aquaculture, fisheries and salmon-specific fisheries that guide fishery assessments. The fishery standard focuses on criteria related to: (1) impacts on the species under assessment, (2) impacts on other capture species, (3) fishery management effectiveness, and (4) impacts on the habitat and ecosystem. Fishery ratings assessments last for 3-5 years with interim scans and updates.

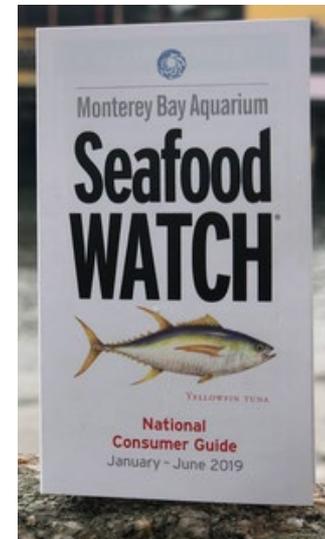
Seafood Watch recognizes and supports eco-certification programs such as MSC and ASC. Seafood Watch uses a benchmarking process to verify certification programs' alignment with Seafood Watch ratings standards. Seafood Watch also supports initiatives and partnerships to support fishery improvements, such as the Asian Seafood Improvement Collaborative.

"Ratings programs such as Seafood Watch help to incentivize businesses to pursue certification or FIPs, while holding fisheries accountable for performance."- KI

"Even if we disagree with some Seafood Watch fishery ratings, they influence our actions and decisions and help to hold us accountable to them."- KI

"Seafood Watch helps to fuel and support demand for seafood sustainability. It is a pretty visible brand."- KI

Monterey Bay Aquarium Seafood Watch



MSC is widely viewed as the “gold standard” sustainable fisheries certification program and eco-label, first developed to engage the private sector in marine conservation in Western industrial fisheries

MSC is the most widely implemented and well-known seafood sustainability standard, certification program, and eco-label, designed to engage the private sector in marine conservation and fisheries management.

The MSC was founded in 1996 by WWF and the consumer goods company Unilever as a market-based solution to respond to the 1992 collapse of the Grand Banks cod fishery in Canada. For more than 20 years, MSC has provided a science-based certification and labeling program based on FAO’s Code of Conduct for Responsible Fisheries. MSC’s certification standards—for wild-capture fisheries and chain of custody—were piloted and refined through a process involving expert and industry input, and the first fishery was certified in 2000.

MSC is widely regarded as the “gold standard” of environmental conservation focused seafood standards and certification programs. MSC certification provides assurance that fish stocks are being harvested at a sustainable level, that impacts on marine ecosystems are minimized, and that fisheries are well managed. MSC certification has been widely deployed in industrial fisheries in North America, Europe, and waters near Antarctica, and is slowly expanding in some emerging economies and the Global South. MSC fisheries use independent certification bodies to certify fisheries for up to 5 years with annual audits.

MSC recently developed a **seaweed standard** with the ASC that promotes environmentally sustainable and socially responsible use of seaweed resources.

“MSC certification gave industry and NGOs a practical tool for addressing buyer sustainability commitments.”- KI

“Even though MSC has struggled in some areas—such as penetration in small scale fisheries—the on-going review and revision process helps MSC evolve in useful ways.”- KI

“MSC certification progress has become our industry’s proxy indicator for measuring private sector seafood sustainability progress.”- KI



Place-based seafood certification programs have arisen in some areas as an alternative to MSC which seek to capture unique branding opportunities and local control

Notable place-based (or territorial) certification program examples include:



Alaska Responsible Fisheries Management (RFM)

Launched in 2010-2011

Third-party certification program for wild-capture fisheries in Alaska based on FAO guidelines. Includes two standards: Fisheries Standard and Chain of Custody (CoC) Standard. Organizations in the supply chain undergo a CoC audit to receive their CoC certification, which is valid for three years with annual surveillance audits.



Audubon Nature Institute's Gulf United for Lasting Fisheries (G.U.L.F.)

Launched in 2012

Third-party certification program for wild-capture fisheries in the Gulf of Mexico based on FAO guidelines. Independent certification bodies certify fisheries for 5 years with annual audits. G.U.L.F. offers Marine Advancement Plans, modeled after FIPs, but tailored to the [G.U.L.F. Standard](#). Louisiana blue crab and oyster fisheries are G.U.L.F. certified.



Iceland Responsible Fisheries Management (RFM)

Launched in 2009

Third-party certification program for wild-capture Icelandic fisheries based on FAO guidelines, including a CoC standard. An independent certification body certifies fisheries for 3 years with annual re-assessments. Seven fisheries have been certified: Cod, Golden Redfish, Haddock, Saithe, Ling, Tusk and Summer-spawning Herring.



Marine Eco-Label Japan (MEL)

Launched in 2007

Third-party certification program for wild-capture fisheries, aquaculture, and CoC aligned with FAO guidelines. An independent certification body certifies fisheries. MEL is promoted by the Japan Fishery Association (JFA) and aims to provide an affordable certification option for local Japanese fishery cooperatives and small and medium-sized businesses.

“As MCS certified catch grows, this success erodes the unique and differentiated brand value of MSC certification. Some place-based certifications programs see value in keeping their programs separate and unique. They are selling the place, not just conformance with a standard.” - KI

“Our fisheries are distinct; they display unique life histories and ecosystem functions that don't really fit well into existing standards. We thought it made sense to do our own thing.” - KI

Standards and certifications programs have also proliferated for aquaculture operations, although they differ substantially from wild fisheries programs in focus and drivers

Industry-led aquaculture certification programs have largely been driven by food safety and disease management risk mitigation needs from aquaculture operations, although environmental impacts and social issues have also been drivers. Notable aquaculture certification program examples include:



Aquaculture Stewardship Council (ASC)

Launched in 2010

Third-party certification program for aquaculture farms and supplier chain of custody based on FAO guidelines, focusing on environmental and social criteria. ASC grew out of WWF US-supported multi-stakeholder Aquaculture Dialogues which began in 2004 and resulted in standards for 12 species (which has expanded to 17 species groups).



Best Aquaculture Practices (BAP) Certification Program

Launched in 1997/1998

Industry-led (Global Aquaculture Alliance) third-party certification program for aquaculture hatcheries, farms, feed mills, and processing plants based on FAO guidelines. Independent certification bodies certify each step in the production chain, with standards focused on food safety, environmental, social welfare, animal health and welfare.



Global G.A.P. Aquaculture Certification

Began 2003-2007

Third-party certification program for aquaculture supply chains based on FAO guidelines, largely focused on shrimp and Norwegian salmon and expanding to finfish, crustaceans, mollusks. Independent certification bodies certify each step in the production chain, with standards focused on food safety, environmental, social welfare, animal health and welfare.

“Aquaculture standards and certification programs are probably more similar to other agricultural product certification programs than to wild capture fisheries certification programs.” - KI

“Aquaculture sector risk profiles have driven rapid growth of certification. You can see this play out in the fact that industry-driven efforts such as BAP focus on the full value chain and include diverse risk areas such as food safety, disease management, labor practices, and animal welfare.” - KI

Fair Trade developed a certification model that emphasizes social and economic sustainability, as an on-ramp or alternative to MSC and ASC certification for smaller and medium-sized fisheries

Fair Trade launched its wild capture fisheries standard and certification program in 2014, creating a certification option for smaller fisheries that has a strong social livelihoods and human rights focus.

Fair Trade is widely known for its work to advance certification and labeling programs that benefit workers and farmers since its inception in 1998. Fair Trade developed social, economic, and environmental criteria for inclusion in six standards:

1. *Standards for Structural Requirements* outline the duties and requirements for parties involved in Fair Trade, including the Certificate Holder (CH), the Fishing Association (FA), and the Fair Trade Committee (FTC).
2. *Standards for Empowerment & Community Development* guide how the CH and the FTC will collect, manage, and disburse the Fair Trade Premium (price premium returned to the community) to the benefit of the community and the fishery.
3. *Standards for Fundamental Human Rights* prevent discrimination, abuse, forced labor and human trafficking, protect children, and ensure workers have the freedom to organize.
4. *Standards for Wages, Working Conditions & Access to Services* help standardize and improve wages and benefits, and working conditions including health and safety and working hours.
5. *Standards for Resource Management* ensure that fisheries are management legally and responsibly, and require documentation, data collection, stock assessments, biodiversity/ecosystems protections, and proper waste management.
6. *Standards for Trade Requirements* provide a framework for tracking Fair Trade products and ensure Fair Trade agreements between fishermen, the Certificate Holder, and others are bound by a contract.

In October 2018, Fair Trade entered an **MOU** with the Aquaculture Stewardship Council (ASC) to pilot Fair Trade's requirements in some ASC-certified fish farms.

"Fair Trade's model is relevant for small and medium-sized fisheries in emerging economies where we need to find ways to capture more value for fisher livelihoods."- KI

"Fair Trade has been an important addition to the seafood sustainability standards and certification "toolbox," but accelerating uptake has been slow and difficult."- KI

"Some of the recent efforts to develop "social FIPs" may be taking attention away from Fair Trade's potential role as an on-ramp or alternative to MSC."- KI



A similar collaborative effort emerged among seafood ratings organizations to enhance coordination, drive alignment, and promote sustainable seafood

Established in 2016, the Global Seafood Ratings Alliance (GSRA) is a collaboration of seafood rating organizations focused on ensuring healthy oceans and freshwater bodies by supporting sustainable production of wild and farmed seafood.

The Alliance works to improve the effectiveness and efficiency of Seafood Rating Organizations (SROs) and to increase the standing and leverage of SROs within their spheres of influence and globally.

A key aim of GSRA is to harmonize SRO fisheries and aquaculture environmental sustainability ratings assessments worldwide. The Alliance is working to align the assessment approaches of all member organizations in order to create consistency across each organization's individual methodology. The first step was to develop guidelines for the core elements or principles which must be considered when evaluating the environmental performance of both wild and farmed products (completed in 2019). A next step will be to incorporate performance thresholds for each element as well as the process requirements for conducting these assessments.

Ultimately, the Alliance aims to pursue a Global Seafood Sustainability Standard (common methodology) which will be adopted by member organizations so that seafood, regardless of origin or destination, is evaluated against the same core principles for environmental sustainability, while also accommodating unique considerations for each region and/or culture.

"While we found a lot of alignment across programs, through this process, many of us have identified some gaps in our ratings and assessment standards. For example, we didn't address impacts of escapes and predator and wildlife interactions in our aquaculture assessments. We are moving to address this gap." - KI

"We used the Alliance's core elements in the development of our seafood sustainability assessment and education program." - KI



As seafood ratings and certifications programs proliferated and matured, the foundations saw a need to enhance coordination and supported launch of the Certification & Ratings Collaboration

In 2015, the Seafood Certification & Ratings Collaboration began uniting five global programs to coordinate information, tools, and initiatives to achieve greater impact in moving the seafood industry toward environmental sustainability and social responsibility.

While the collaboration was primarily driven and funded by the foundations, participants widely noted that they see need and value—and have made some progress—in the following areas of the collaboration’s mission:

- **Advance an efficient, coordinated toolbox for measuring and improving fishery and aquaculture performance.** Connect tools and fill gaps to help fisheries and aquaculture follow clear paths for improvement. Work together to increase the efficiency of programs’ internal systems for data, auditing, and traceability. Develop guidance to enhance alignment around emergent needs, such as the development of the Framework for Social Responsibility in the Seafood Sector.
- **Communicate clearly with seafood producers and buyers about ratings and certification tools and the pathway to sustainability.** This includes coordinating outreach to industry in key markets such as the US and Mexico.
- **Analyze and track the global landscape of sustainable seafood.** Make integrated program progress data available through the Sustainable Seafood Data Tool. Publish the synthesis report Sustainable Seafood: A Global Benchmark to create a more comprehensive picture of the sustainable seafood landscape.
- **Collaborate to fill gaps and scale impact.** The Collaboration is exploring how to align efforts to support producers to improve their performance, as well as strengthen national policies that govern fisheries and aquaculture management.

“We are in a really dynamic environment right now. We have each developed our programs and are generally hitting our stride in scaling them. But we face a lot of pressures to improve efficiency and to adapt to rapidly evolving needs and contexts. Having a place for us to coordinate is likely increasing in importance.”- KI

“The Certification & Ratings Collaboration has developed some useful tools and products and helped us to get to know each others’ programs better. Now that we have more coordinated data, we need a phase shift to think through how we want to work together.”- KI

“Collaboration is really important, but it takes time and energy. We have work to do to sort out what our optimal collaboration approach should be.”- KI

CERTIFICATION AND RATINGS COLLABORATION



ISEAL Alliance plays a key role in supporting efforts to improve the effectiveness and efficiency of sustainability standards, ratings, and certification programs, drawing from insights from other sectors

ISEAL is the global membership association for credible sustainability standards and has been working with key seafood sector certification programs since about 2000.

ISEAL works to strengthen the effectiveness and efficiency of sustainability standards (and ratings and certification programs) and develop opportunities for innovation that increases the uptake of credible standards in critical regions. Key areas of work with the seafood sector have included:

- **ISEAL maintains Codes of Good Practice on standard setting, assurance, and measuring impacts**, as well as related interpretation and guidance. The codes define credible practice for sustainability standards based on emerging global consensus. MSC, ASC, SFP, and Seafood Watch have all made use of these codes.
- **Administering an innovations initiative and fund** that provides support to seafood sustainability organizations such as MSC and ASC to develop, test, and/or implement innovative approaches and practices. Innovation areas that ISEAL is helping the seafood certification sector address include: data collection, management, and use (including use of geospatial data and worker-defined data); use of regional multi-stakeholder partnerships to enhance governance and use of market-based tools; approaches for integrating social standard monitoring into systems; and use of jurisdictional or cluster approaches to enhance program efficiencies (particularly for aquaculture).

“ISEAL has been supportive in helping the seafood standards, ratings, and certifications community strengthen the role these tools play in driving improvements. The connection between standards, certifications, and ratings with FIPs is really important for using market tools to drive continuous improvement.”- KI

“ISEAL is helping us work on upping our game around data management. Data integration can drive us towards assurance, monitoring, evaluation, and certification being one and the same, based on a foundation of data and information.”- KI



“ISEAL Alliance has played an important role in helping to drive alignment and good practice in seafood sector sustainability standards and certification programs. For example, Patrick Mallet [ISEAL] chaired the GSSI process committee and worked tirelessly to ensure that the GSSI benchmarking process aligned with ISEAL’s Code of Good Practice.”- KI

GSSI has grown as a platform to support benchmarking and alignment of certification programs, driven by industry retailers and international organizations

GSSI was launched in 2016 to benchmark sustainable seafood certifications schemes to ensure confidence and promote improvement.

GSSI has been driven and supported by major seafood buyers/retailers. As seafood certifications programs proliferated, buyers/retailers sought assurances that schemes are credible and meet minimum standards to counter “greenwashing” concerns. 90+ retailers support GSSI and pledge to recognize GSSI-benchmarked schemes when sourcing certified seafood. This precompetitive collaboration is currently financed half by industry partners, with remaining investment from FAO, IDH (sustainable trade initiative), and the German Development Agency (GIZ).

GSSI’s Global Benchmark Tool provides formal recognition of seafood certification schemes that successfully complete a transparent benchmark process, underpinned by FAO Guidelines (FAO Code of Conduct for Responsible Fisheries, FAO Ecolabeling Guidelines for fisheries and aquaculture, and FAO Technical Guidelines for Aquaculture Certification). As of April 2020, 9 certification programs have been benchmarked and GSSI-recognized.

GSSI provides an engagement platform for certifications programs, retailers, FAO, and other international and government institutions. GSSI works in partnership with FAO and its member states to operationalize and champion internationally agreed guidelines and certification programs. Several NGO partners noted this unique platform connecting governments, industry, and NGOs could be useful in future efforts to harmonize and adapt standards, ratings, and certifications programs and to link them to government policy and governance initiatives.



“We have seen GSSI increasingly referenced in company sourcing guidelines.” - KI

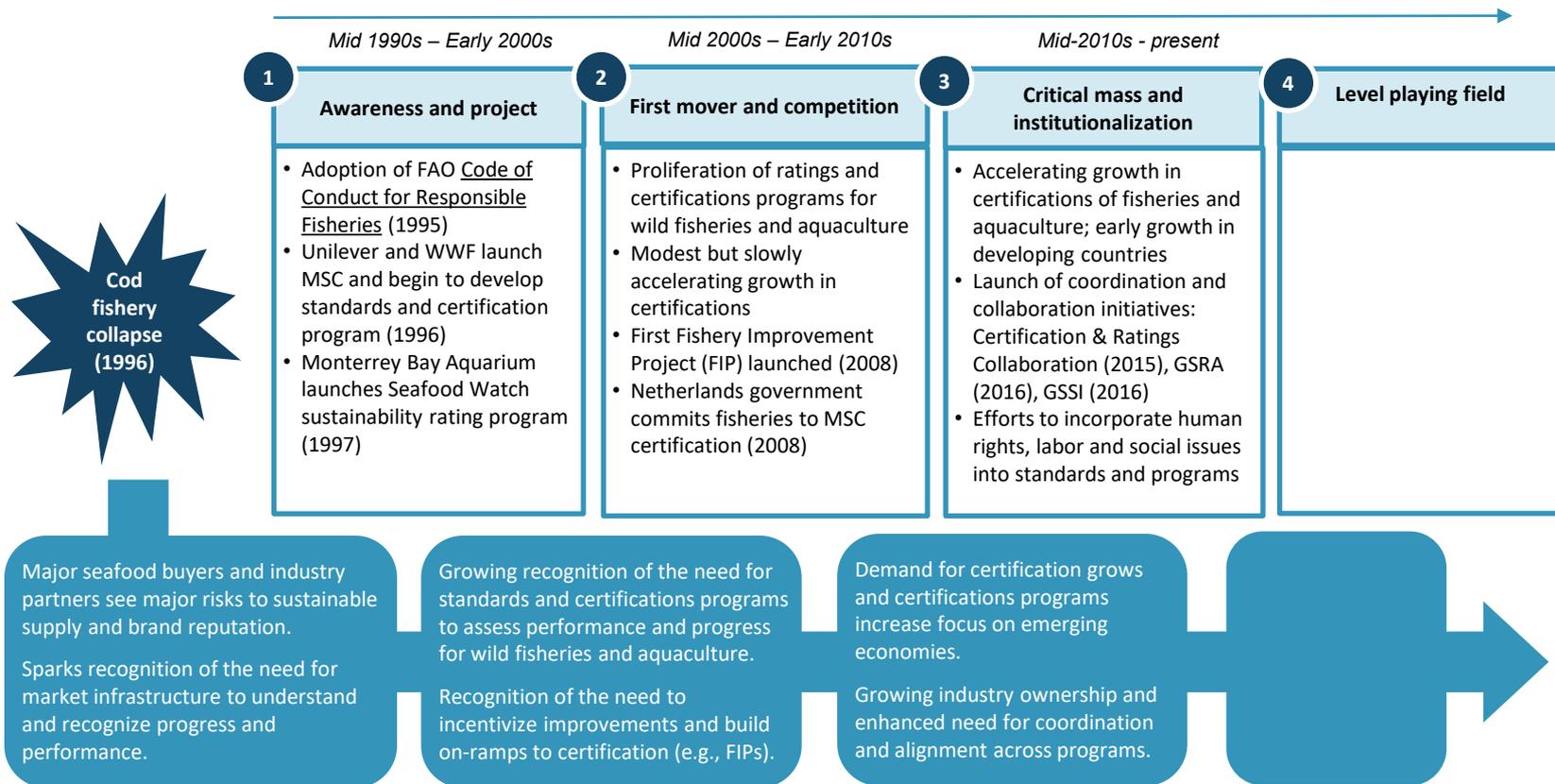
“Our media analysis found declining mention of credibility concerns for GSSI-recognized programs.” - KI

“Despite perceptions of GSSI as EU-focused, there is major and growing engagement of US and emerging economy partners.” – KI



Where We Are Today: Market Transformation Framework

Standards, ratings and certifications programs have generally progressed (particularly in N America and Europe) into the “critical mass and institutionalization” phase (3) of market transformation





Assessment of Progress, Contributions, and Durability

For the 2017-2020 period, meaningful progress has been made towards the Packard Foundation's targeted outcomes relevant to standards, ratings and certifications

Packard Foundation MEL Outcomes and Progress

Packard 2018 MEL Outcomes Self-Assessments and Rationales (Supplemented by GSM Evaluation Team updates in italics on current indicator status)

Key Certification and Ratings organizations increase sustainable and responsible seafood volumes



- MSC certified 13.3% of global wild-caught seafood by end of 2017 *Evaluation team assessment is that reaching 20% indicator target by 2020 will likely be a stretch but close (at 15% as of March 2019).*
- ASC certified 1.4 million tonnes (2018). *ASC certifications have grown to 1.94 million tonnes by April 2020 (~28% increase).*
- Seafood Watch on track to increase coverage of ratings from 32% to 50% of global seafood production by 2020. *As of early 2020, at ~47% including currently under ratings assessment.*
- Fair Trade certified landings volume rose to 4,169 metric tons (2017), up from 708 metric tons (2016). *Certified volume rose to ~5,000 tons in mid-2018.*

Certification and ratings programs create a pathway and incentives for all fisheries to improve toward sustainability



- Seafood Certification & Ratings Collaboration developed performance frameworks for wild capture fisheries (*and aquaculture, since the Packard MEL update*) ratings and certifications programs to assess differences and similarities between leading seafood standards.
- Some progress has been made in using the frameworks and analytic results to enhance alignment. *Since the 2018 Packard MEL update, partners have made progress in addressing some flagged issues in standards revision processes, developed an "improvement verification tool" to help FIPs measure and communicate results at lower end of performance spectrum (working with FisheryProgress to launch in 2020.)*

Human rights and labor issues are integrated into sustainability standards for seafood

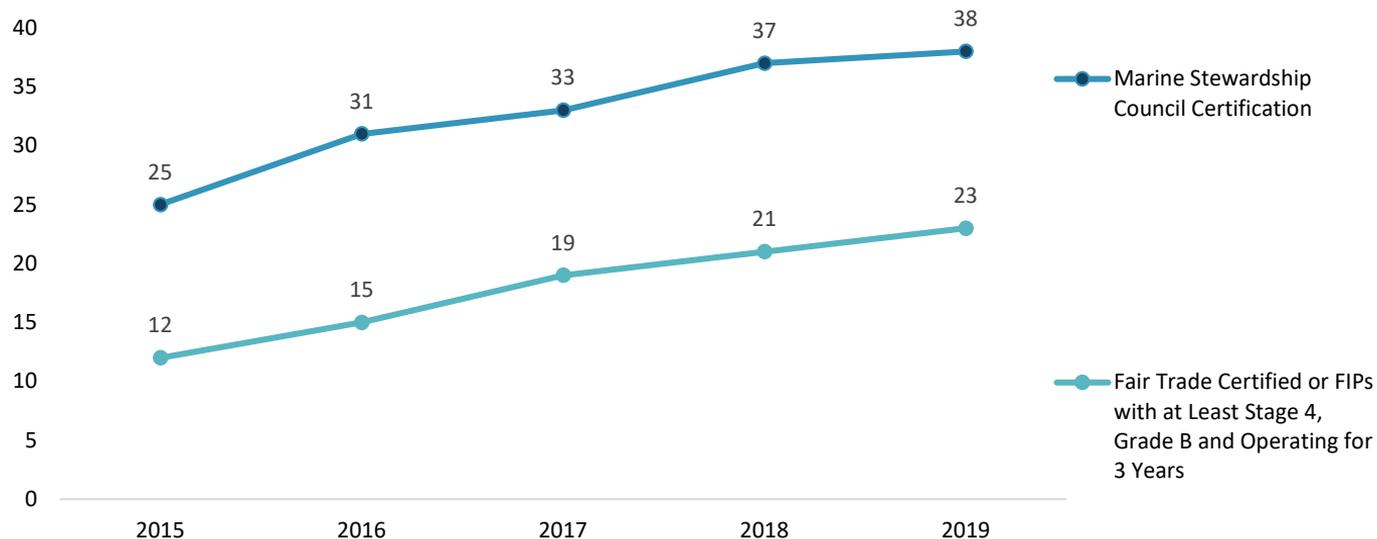


- Seafood Certification & Ratings Collaboration released its *Framework for Social Responsibility in the Seafood Sector* in 2018.
- Progress on communications plan implementation and uptake and influence on seafood sectors efforts to address human rights and labor issues in standards, ratings and certifications programs

For the 2015-2019 period, meaningful progress has been made towards the Walton Family Foundation's targeted outcomes relevant to standards, ratings and certifications

WFF 2015-2019 MEL Outcomes

Number of fisheries with sustainable seafood certification in WFF's priority countries



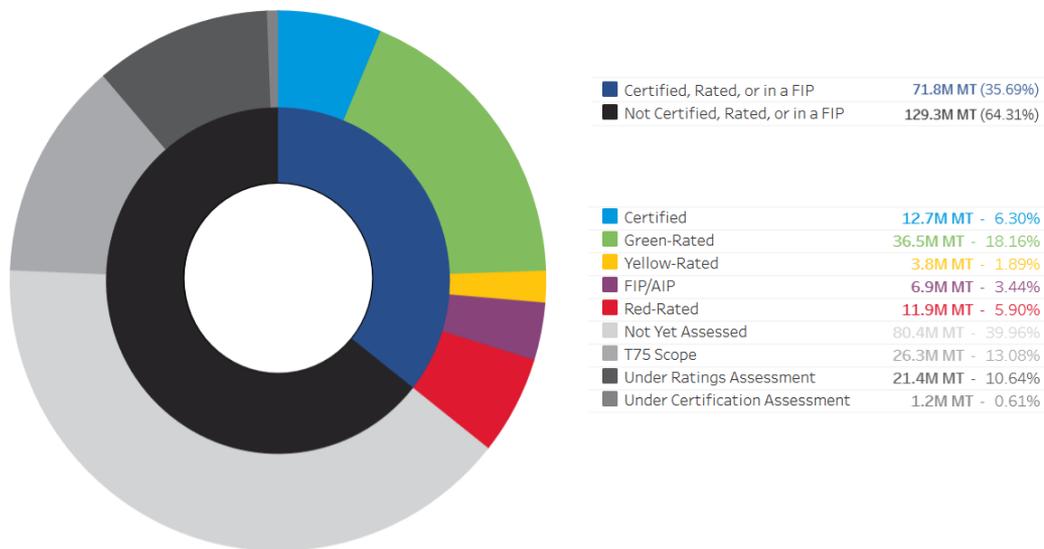
WFF priority countries:

- US
- Mexico
- Chile
- Peru
- Indonesia

A primary indicator of progress for the GSM movement has been the volumes of green rated and certified seafood production from wild capture fisheries and aquaculture operations

25% of global seafood production is rated sustainable by the five major partners in the Seafood Certification and Ratings Collaboration.¹ About 8% of global production is rated red or yellow, indicating that improvements are needed to achieve sustainability.² 3.4% of global production is currently engaged in a public FIP/AIP, but 64% of production remains unassessed or not yet engaged in improvements by members of the Collaboration.²

Volumes of Global Seafood Production Rated/Certified²



The [Sustainable Seafood Data Tool](#) developed by the Seafood Certification & Ratings Collaboration in 2018 with funding from the foundations is the most comprehensive integrated source of information on the status of seafood ratings and certifications progress, although the data is not as current as that reported by specific programs.

Global Wild Capture Production²

- 13.19% is certified (12.32%) or green-rated (0.87%)
- 7.95% is yellow or red-rated
- 7.29% is in a FIP

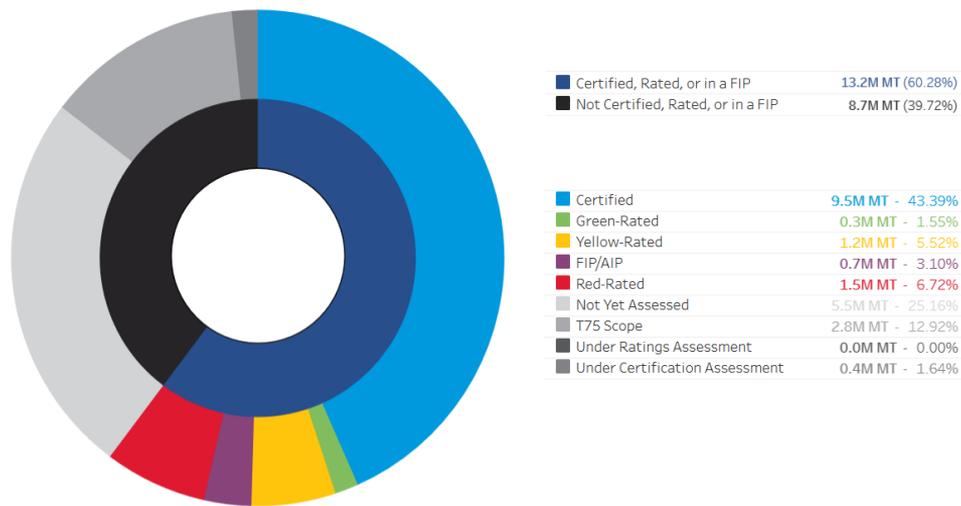
Global Aquaculture Production²

- 33.75% is certified (1.3%) or green-rated (32.4%)
- 7.66% is yellow or red-rated
- 0.27% is in an AIP

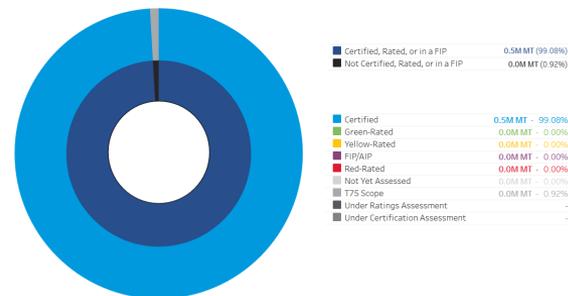
Stakeholders frequently pointed to the status of seafood production in North America and Europe as a key indicator of progress for the GSM movement

More than 43% of wild capture seafood in North America and Europe is certified by members of the Seafood Certification & Ratings Collaboration, including MSC.¹ The US is at 89.7% certified, rated, or in a FIP; Europe is at 51.49% certified, rated, or in a FIP. There is diversity across countries: the Netherlands has nearly 100% of wild capture seafood volumes certified, while Spain has 2.64% certified and 36.5% in FIPs.

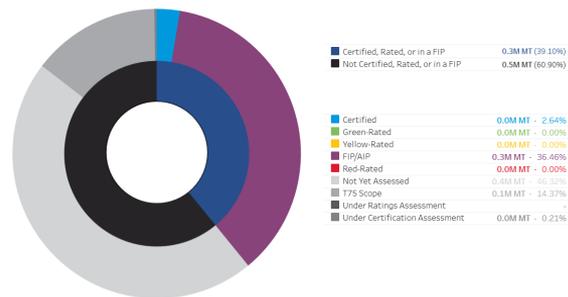
Status of Wild Capture Seafood Production in N America and Europe¹



Netherlands Wild Capture Seafood Production¹



Spain Wild Capture Seafood Production¹

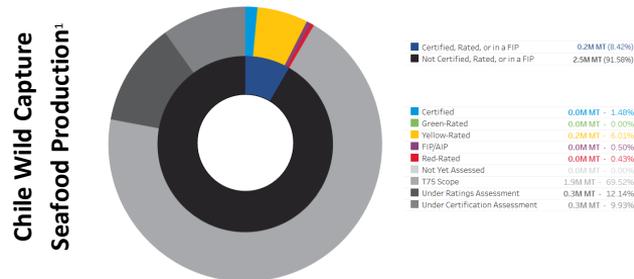
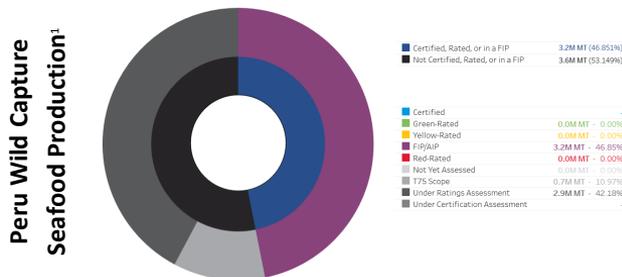
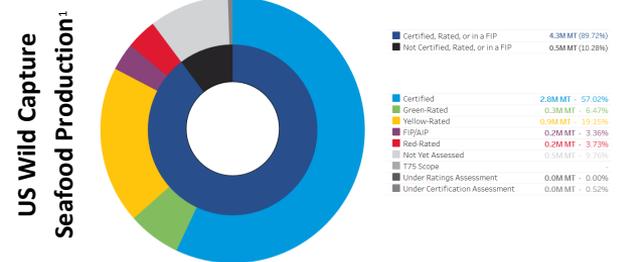
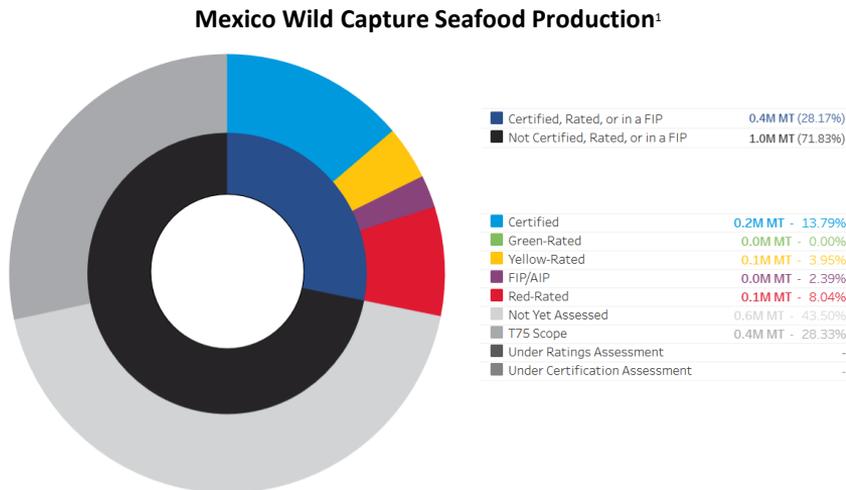


“Large commodity fisheries that were original targets of the work are now largely well managed, such as salmon, whitefish, and fisheries in the Global North.”
– NGO convening participant

The foundations' focal countries in the Americas vary widely regarding status of wild capture ratings, certifications, and FIP engagement, although there are signs of progress beyond the US

The country level picture varies substantially for wild capture production in the Americas.¹ The US is at 89.7% certified, rated, or in a FIP with 57% certified; Mexico is at 28.17% certified, rated, or in a FIP with 13.79% certified; Peru is at 46.85% in a FIP; and Chile is at 8.42% certified, rated, or in a FIP with 1.48% certified.

Note: Unfortunately, time series data is not currently available on the Sustainable Seafood Data Tool to show how ratings and certifications levels have changed in recent years. In addition, the data may not fully capture current progress through 2019 (see [methodological note](#)).



Substantial progress has been made in advancing seafood ratings in aquaculture

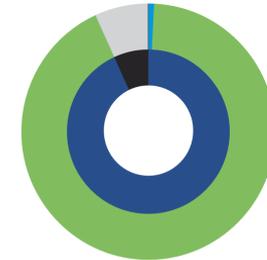
Status of Global Farmed Seafood Production¹



Certified, Rated, or in a FIP	45.9M MT (41.68%)
Not Certified, Rated, or in a FIP	64.3M MT (58.32%)

Certified	1.46M MT - 1.33%
Green-Rated	35.73M MT - 32.42%
Yellow-Rated	1.07M MT - 0.97%
FIP/AIP	0.30M MT - 0.27%
Red-Rated	7.37M MT - 6.69%
Not Yet Assessed	41.13M MT - 37.32%
T75 Scope	4.79M MT - 4.35%
Under Ratings Assessment	18.02M MT - 16.36%
Under Certification Assessment	0.33M MT - 0.30%

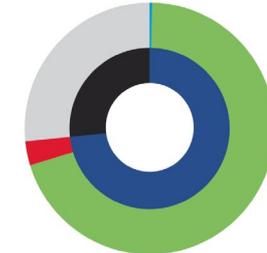
US Farmed Seafood Production¹



Certified, Rated, or in a FIP	0.4M MT (93.23%)
Not Certified, Rated, or in a FIP	0.0M MT (0.79%)

Certified	0.00M MT - 0.79%
Green-Rated	0.41M MT - 92.43%
Yellow-Rated	0.00M MT - 0.00%
FIP/AIP	0.00M MT - 0.00%
Red-Rated	0.00M MT - 0.00%
Not Yet Assessed	0.00M MT - 0.00%
T75 Scope	0.00M MT - 0.00%
Under Ratings Assessment	0.00M MT - 0.00%
Under Certification Assessment	0.00M MT - 0.00%

Indonesia Farmed Seafood Production¹



Certified, Rated, or in a FIP	12.2M MT (73.43%)
Not Certified, Rated, or in a FIP	4.4M MT (26.57%)

Certified	0.00M MT - 0.38%
Green-Rated	11.60M MT - 80.90%
Yellow-Rated	0.00M MT - 0.00%
FIP/AIP	0.00M MT - 0.00%
Red-Rated	0.51M MT - 3.29%
Not Yet Assessed	6.61M MT - 36.67%
T75 Scope	0.00M MT - 0.00%
Under Ratings Assessment	0.00M MT - 0.00%
Under Certification Assessment	0.00M MT - 0.00%

China Farmed Seafood Production¹



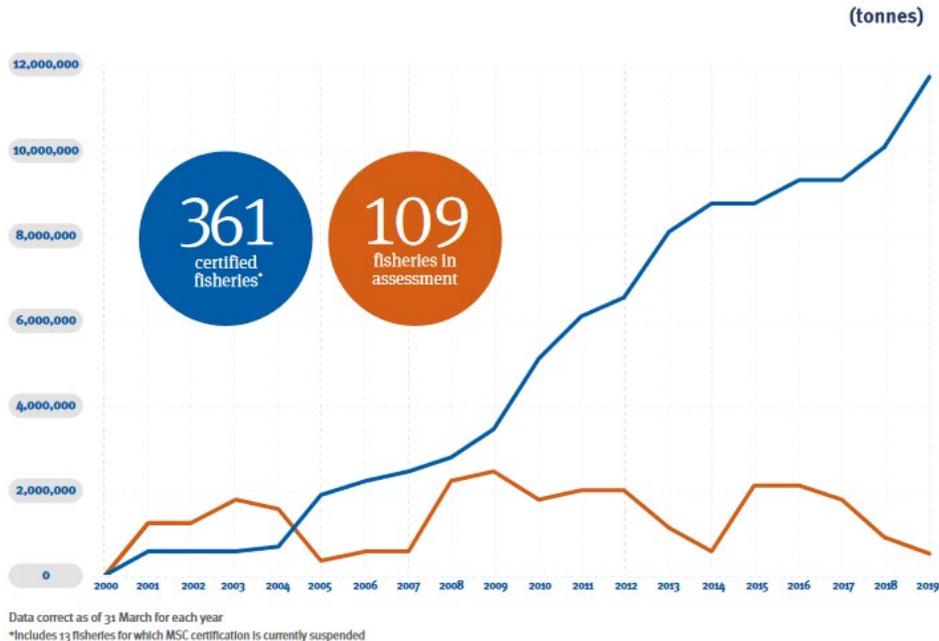
Certified, Rated, or in a FIP	25.5M MT (40.02%)
Not Certified, Rated, or in a FIP	38.2M MT (59.99%)

Certified	0.00M MT - 0.00%
Green-Rated	20.39M MT - 32.01%
Yellow-Rated	0.30M MT - 0.30%
FIP/AIP	0.30M MT - 0.47%
Red-Rated	4.50M MT - 7.19%
Not Yet Assessed	21.10M MT - 33.29%
T75 Scope	0.00M MT - 0.00%
Under Ratings Assessment	18.02M MT - 28.29%
Under Certification Assessment	0.03M MT - 0.01%

Stakeholders also commonly pointed to the growth of MSC certification as a key indicator of progress for the GSM movement

As of March 2019, MSC reported 11.8 million tonnes of certified catch, or 15% of total global wild capture production across 41 countries.¹

Volume of MSC Certified Catch¹



“When you look at figures like 95% of the Icelandic fishing industry being certified to the MSC standard 83% of the US fisheries by volume being certified to the MSC standard, the standard is actually having a very powerful effect, in terms of encouraging fisheries to be doing the right thing.” – Focus group participant

“We have achieved a very mature environmental certification market for fisheries in North America and Europe. There is more we can do on social and economic issues, but we are in a very different place than we were 15 years ago. We have begun to focus much more on other places and challenges.” – Focus group participant

“22% of global tuna catch by volume is now in MSC certification and another 8% is now in MSC assessment.” - KI

“Global whitefish catch in the MSC program rose from 52% in 2017 to 62% in 2018.” - KI

Major certifications and ratings programs have also made progress in tracking and assessing the extent to which their programs have resulted in changes in fisheries – primarily on responsible practices

MSC has expanded its reporting on the number and types of improvements required by fisheries to secure and/or maintain certification

In 2018, MSC reported that its certified fisheries have made more than 1,400 improvements since MSC's launch.¹ MSC reports that 92% of certified fisheries make at least one improvement.² Between 2016 and 2018, MSC certified fisheries completed 288 "conditions" or improvements.² Of these:

143 conditions related to minimizing environmental impact (Principle 2 of the MSC Fisheries Standard), including:

- MSC certified fisheries funded or participated in **65 new scientific research projects**, including mapping the sea floor.
- MSC certified fisheries have taken **24 technical actions**. Among these are gear modifications for reducing bycatch and the creation of new marine protected areas (MPAs).
- **54 assessments of fishery impact** were completed. Among these assessments is the mapping of fisheries' pathways which enable researchers to compare a fishing area with nearby habitats and measure the fishing impact.

In a 2018 survey, 49% of **ASC -certified farms** reported that they have improved working conditions and **46% reported they have reduced their impact on the environment** since achieving certification.¹

75 conditions related to sustainable fish stocks (Principle 1 of the MSC Fisheries Standard) and **70 conditions related to effective fisheries management** (Principle 3 of the MSC Fisheries Standard).

MSC's Research Team analysis says that of the 288 conditions in 2016-2018:

- 16 improvements benefitted marine mammals
- 33 improvements benefitted sharks and rays
- 9 improvements benefitted marine reptiles
- 44 improvements benefitted habitats
- 36 improvements benefitted seabirds

As of 2018, **Fair Trade USA's** nine certified fisheries had generated over **\$1.25 million in community development funds** for local environmental, educational, and other projects in small and medium-sized fisher communities.¹

Despite significant progress in advancing ratings and certifications programs, the evaluation team did not find data to translate this progress into aggregated impacts on fishery stocks or ecosystem health

Certifications—and the associated adherence to established standards for responsible practice—are widely used as a proxy measure of progress and impact.

Key informants widely expressed confidence that changes in practices—shifts to responsible practices outlined in standards—is a positive, desirable outcome of standards, ratings and certifications work. However, input from key informant interviews and discussions at the GSM NGO convening indicated that the data and science is not adequate to rigorously translate these data explicitly to impacts in fishery stocks or ecosystem health.

Most ratings and certifications standards include some assessment of fishery stocks and impacts on the habitat and ecosystem to inform assessments of responsible practice.

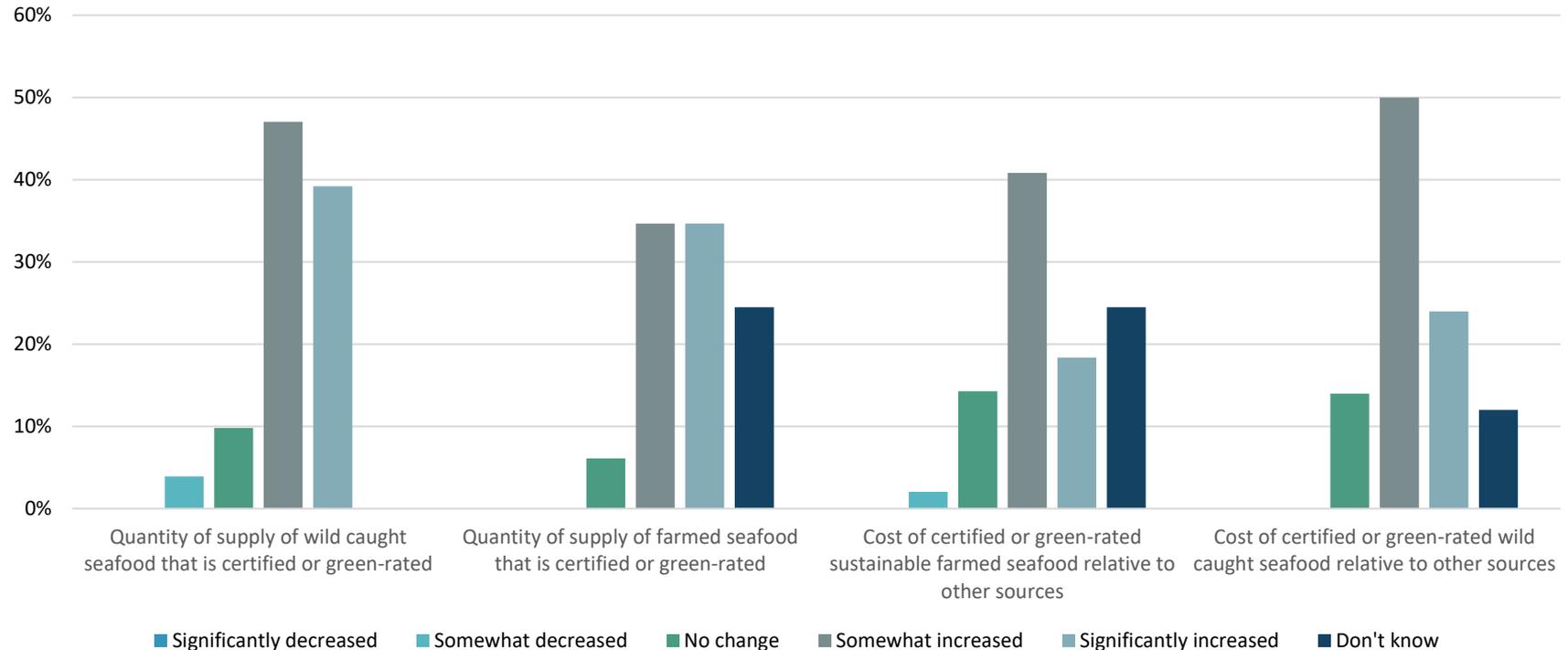
“There are some good case studies that tell the story of how certifications programs support fish stocks, but it is challenging to aggregate these results or to get at clear causation. For example, the MSC-certified red king crab fishery in the Barents Sea was required to show strong management and science-based harvest control rules which we think helps to maintain healthy, sustainable stocks. But it is really hard to get at the actual changes in the water.” – KI

“One confounding challenge is that there are many, many factors that affect the health and status of fish stocks and the ecosystems that support them. So even if certifications programs were driving huge improvements—such as reduced by-catch—other factors such as mangrove habitat destruction, climate change-induced water temperature changes, or myriad other factors make it difficult to connect our work to absolute, aggregates changes in fish stocks. That said, we know our work is important and making a difference. Using certified or green-rated fisheries as a proxy for our collective progress makes sense given the data we have.” – NGO convening participant

“I don’t have a good sense of how much difference seafood certifications programs have had to date regarding impacts on the water. To what extent have we been primarily certifying fisheries that were already well-managed and only needed some better paperwork? I know we have developed FIPs as an improvement pathway to certification, and there are some good anecdotes of where they have led to changes on the water. But I don’t think we are equipped to say what all this means for fish stocks and the health of fisheries.” – KI

Industry representatives observe that the quantity of certified and green-rated seafood available to meet demand has increased over the last 5-10 years, and that the cost has increased somewhat

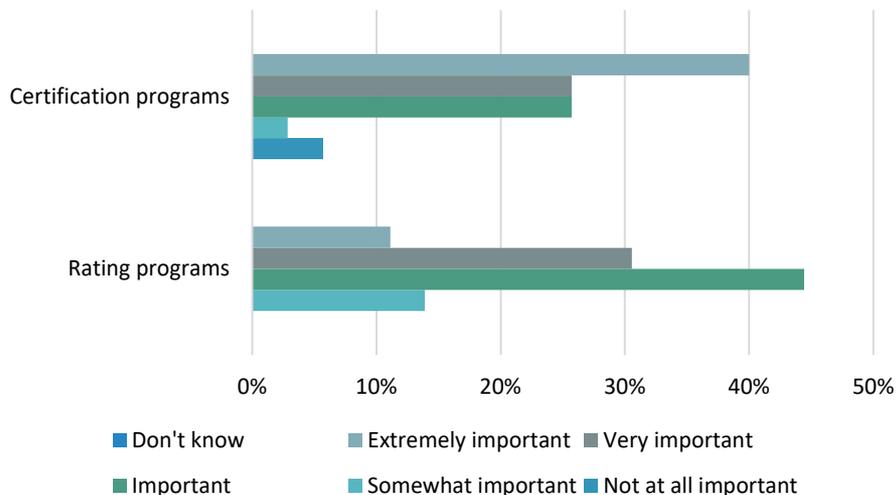
What changes have you observed in the last five to ten years regarding the supply of sustainable seafood that your company has access to?



NGO survey respondents say that certifications and ratings programs are important contributors to changes to date in the sustainability of the global seafood supply

42% of NGO survey respondents rated certification programs as “extremely important” or “very important” in contributing to changes to date in the sustainability of the global seafood supply

66% of NGO survey respondents rated ratings programs as “extremely important” or “very important” in contributing to changes to date in the sustainability of the global seafood supply



NGO survey respondents shared examples for how certifications programs have contributed to progress

“The early adoption of MSC and other standards and certifications in the northern latitude whitefish fisheries was a pretty good example of how it can work with market demand and production transformation. This of course happened in the highest capacity governance situations we have on the planet, so it was somewhat more achievable. But even that had it's limitations.”

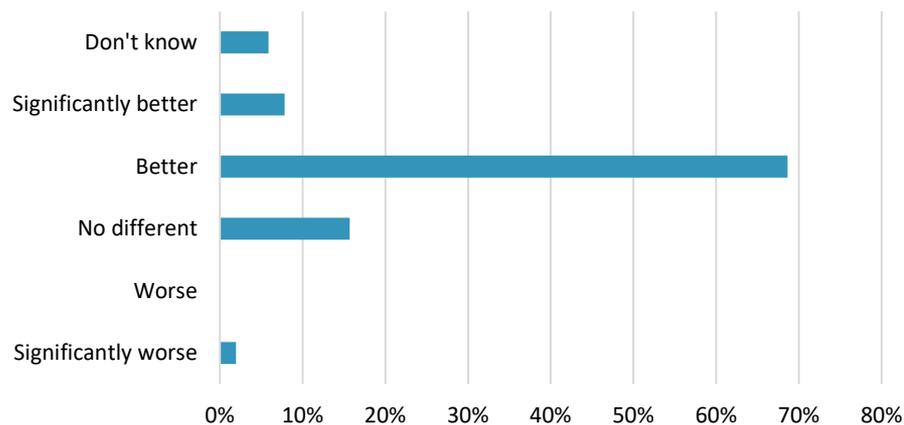
“The market’s commitment to MSC-certified tuna helped drive creation of ISSF, which has played a major role in increasing the global status of tuna from 70% healthy in 2011 to 81% in 2019. In Ecuador, the encouragement of US buyers led the government to create a national management plan for one of its largest fisheries (mahi mahi), bringing it up to the level of international best practice. In India and Vietnam, MSC certification of artisanal clam fisheries (and the resulting positive market response) opened the door to improved fishery management of numerous other fisheries across both countries via FIPs, in partnership with the government.”

“Engagement of Spanish buyers has increased incentives for South American fisheries and octopus and squid fisheries to engage in FIPs and seek certification. Over the last 5 years, about 18-20 fisheries have transition from FIPs into MSC certification for full assessment.”

Industry representatives perceive that NGOs have made progress in recent years to improve the alignment of definitions and standards for sustainable seafood that underpin programs

A key focus of the foundations in recent years has been to support greater coordination and alignment among ratings and certifications programs through the Certification & Ratings Collaboration, Conservation Alliance for Seafood Solutions and other platforms

76% of industry survey respondents said that NGO alignment on the definition of and standards for sustainable seafood is “better” or “significantly better” than five years ago



Industry survey respondents reflected on the importance of advancing further alignment and consistency on definitions and standards

“More progress is needed to agree on standards and have the same definitions between all stakeholders including NGOs.”
– Industry survey respondent

“[Progress is needed to] set a minimum standard on environmental and social aspects for all the world players.”
– Industry survey respondent

“[One of the most important areas for collective action and progress over the next 10 years is to make further progress around...] agreement on a set of standards and adoption of those standards throughout the industry.” – Industry survey respondent

“There is significant value in standardized approaches. GSSI benchmarking has helped with this.” – Industry survey respondent

Key informants from NGOs and industry widely affirmed core benefits of seafood sustainability standards, ratings and certifications programs

Four common benefits were cited as key to increasing the supply of sustainable seafood to meet buyer and consumer demand.

1

Standards establish clear expectations and norms for responsible practice

Many key informants noted that they perceive that awareness of responsible practices for seafood production have greatly increased over the past decade as standards have gained traction and visibility.

“Once we have clear norms for responsible practice, we can build them into organizational cultures, standard operating procedures, programs, policies, and regulations and enforcement.” – Industry KI

2

Ratings enable transparency to drive accountability and incentivize improvement

66% of NGO survey respondents noted the importance of ratings programs for driving progress. Several key informants referenced the “sentinel” role (a landscape-level watchdog role) that ratings programs play in enabling advocacy pressure and accountability through transparency.

“Ratings can create pressure for action—by governments and industry. We need that forcing function.”
– NGO KI

3

Certifications support industry and consumer engagement and ownership

Some key informants observed that certifications enable interested buyers and consumers to make good on their commitments, providing pathways for engaging them in seafood market sustainability decisions and behaviors.

“Without certification programs, I struggle to see how we would efficiently engage full seafood supply chains in supporting improvement efforts on the water.” – Industry KI

4

Seafood sustainability programs are “best in class” in their focus on improvement pathways, both within certification programs and through use of FIPs and other efforts

A few experts who are familiar with standards, ratings and certifications programs in other agricultural and commodity sectors indicated that the seafood sector provides a compelling model for building “improvement pathways” and incentives into the standards and programs. Key attributes cited include:

- Certifications programs require regular assessments and audits to identify and require implementation of needed improvements
- Fishery Improvement Projects (FIPs) and AIPs provide a coordinated approach to prepare interested fisheries for possible future certifications
- Complementary programs, such as Fair Trade’s seafood program, which engage smaller fisheries and may provide on-ramps to MSC certification
- Major certifications and ratings programs, such as MSC and Seafood Watch, are investing more in preparatory and readiness work with fisheries

Seafood standards, ratings and certifications programs appear to be reaching a level of maturity that substantially increases their durability

MSC and several industry-driven certifications programs for wild fisheries and aquaculture operations appear to have reached critical mass of industry participation that enables more stable and viable business models supported by revenue from the seafood industry.

“Certifications and ratings programs have reached a **critical mass**. While there are **risks of backsliding**, demand and industry support for major programs such as MSC give them **staying power** that should persist even though they will need to continue to evolve.”
– KI

“MSC’s **financials are looking pretty good**. They are sitting on cash and assets, although markets can be volatile. Similarly, industry-led certification programs in the aquaculture sector such as BAP and GlobalG.A.P. appear to have sustainable revenue flows to sustain and grow operations.” – KI

Note: The evaluation team largely completed data collection before the market implications for the seafood industry of the global Covid-19 pandemic had begun to manifest significantly, so key informant perspectives have not likely included consideration of these factors.

Perhaps the most durable success of standards, ratings, and certifications work is the creation and amplification of clearer definitions and norms for responsible practice and sustainability.

“I don't think the **most durable success** of MSC are the fisheries that they're certified. I think the most durable success of MSC is being a platform which has **created debate [and agreement] around what global norms should be for sustainable fisheries** and how that's been taken up in all of the...ways. [For example,] the benchmarking tools that they've developed for FIPs and standards...a translation of the standard into...an Excel sheet which fisheries can then measure themselves against. And they might be fisheries which have no hope in of being certified but have still got some sort of roadmap and tools and means by which to understand what sustainability means in any way, shape, or form.”
– KI

Despite progress and maturity, some important aspects of seafood standards, ratings and certifications work are likely more vulnerable without robust philanthropic support

Ratings Programs and Accountability Activities: As a non-voluntary assessments, ratings programs and NGO “watchdog” activities serve a more conventional, independent civil society role that tends to be largely supported by philanthropic resources from individuals and foundations.

Innovation Initiatives and New Models: While some innovation and continuous improvement efforts are likely to be essential for the evolution of quality standards and certifications programs supported by revenue from industry, others may be more vulnerable such as innovations that aren’t core to industry needs or development of new models that push issue frontiers.

“The whole system—including both industry and government-driven fisheries management programs—depends on strong, independent civil society and NGO oversight to hold actors accountable for progress.” – KI

“We need to innovate more. Industry may drive better use of data and technology to drive down costs. But industry will not likely drive innovations that address the needs of small fisheries, or fisher community development and livelihoods such as what Fair Trade is working on. Philanthropic investment fills key gaps here.” – KI

NGO and Cross-Sector Collaboration and Collective Action: Effective coordination and collaboration among NGOs and other partners requires resources beyond those that are likely to be available through industry-funded initiatives.

“We now have the information and data to do much more effective targeting of opportunities to use market-based tools, particular in emerging economy contexts. We have laid important foundations for more productive collaboration among NGOs, but making use of what we have built will require continued investment.” – NGO convening participant



Context for Future Action: Challenges and Opportunities

Challenges: some key informants raised some overarching challenges—or limitations—associated with seafood sustainability standards, ratings and certifications programs

Primary focus on responsible practice, not necessarily sustainability or ecosystem health

Many key informants noted that while fishery or aquaculture commodity-focused standards typically include focus on ecosystem impacts of seafood production, the standards are not designed to assess the overall sustainability of fisheries. Many noted that consideration of ecosystem impacts, coupled with standards' focus on norming of responsible practices, move seafood producers in the right direction towards sustainability. Science and data were identified as limiting factors to fully connecting how responsible practices translate into fishery stock and ecosystem health.

Mixed fisheries were raised as one challenging area where commodity-focused standards and certifications programs struggle to address—particularly related to ecosystem health.

Proliferation of standards, ratings and certifications programs

The proliferation of seafood standards, ratings and certifications programs has been a concern to some key informants, although many recognized progress in aligning definitions and standards in recent years. While a few key informants indicated that they believe there are too many standards, rating, and certifications programs and that this dilutes their influence and progress, most key informants indicated that concerns about “market confusion” and redundancies are overblown. Most anticipate, however, that there will be more consolidation in the coming years, but that it will be very difficult for the foundations to dictate change. Most noted that continued progress on alignment and some consolidation is needed.

“We sometimes use the term “sustainability” when what we really are targeting is responsible practice. It is important to keep the difference in mind, but we shouldn’t be paralyzed by this. Market focus on responsible practice is vital to make progress towards sustainability.” - KI

“Unfortunately a lot of standards and certifications programs are not optimally suited—in their current configuration—to address the unique needs of smaller, mixed species, near-shore fisheries, which are also important for conserving ocean biodiversity.” - KI

“Different certifications and ratings programs have evolved for real reasons. Don’t get wrapped up focusing on mergers and consolidation. Focus on alignment and building a complementary toolbox and the economics of business models drive consolidation.” - KI

“As the amount of MSC certified seafood increases in the market, it does become less of a differentiator. I think this is why we still see some place-based programs like in Alaska to capture branding value.” - KI

Challenges: some key informants raised some overarching challenges associated with seafood sustainability standards, ratings and certifications programs

Framing as competing tools versus integrated, complementary toolbox

Several leaders of ratings and certifications programs talked about the need to think and talk even more about how various standards and programs need to evolve to be framed as an integrated toolbox, with each tool intended for different needs and contexts, but with on-ramps to other tools as things evolve.

“I really wish that our community would think about our collective work as an integrated toolbox. We still talk about competing tools and MSC being the gold standard. Instead with should be talking about our programs as an integrated toolbox. We need to get there.” - KI

Certification Costs

Cost barriers for industry to pursue certification emerged as a barrier less than we expected, with most costs appearing to be associated with FIPs as opposed to certification. A few key informants mentioned that limitations of the number of experts available with Conformity Assessment Bodies (CABs) to do certifications and ratings assessments can have cost issues.

“While certification costs matter, and are important to drive down through innovation, FIPs and improvement work is the more costly element. That said, cost pressures will likely grow in the future.” - KI

Diminishing returns for marginal investment in some markets

A few key informants working with certifications programs for wild capture fisheries or aquaculture operations observed that while the number of certified fisheries and farms are likely to continue substantial growth over the next few years, the total volumes certified may not rise as fast. They attributed this to an argument that much of the “low-hanging fruit” has been picked and that the marginal volume returns of certifying fisheries and farms in some markets is beginning to decline. This may translate into higher transaction costs ahead per unit of progress.

“We are seeing diminishing returns from adding new aquaculture farms, increasing costs per unit of certified product volume. This is leading us to look for innovations such as enhanced use of data and analytics, and area or jurisdictional approaches to integrate landscape level governance reforms.” - KI

Current efforts to address these and other challenges were viewed by many interviewees as an important area of contribution by the foundations.

Opportunities: some key informants identified key opportunities to advance the scaling, efficiency, and effectiveness of seafood sustainability standards, ratings and certifications for market transformation

Innovative uses of data and technology

Many key informants indicated that they see opportunities to enhance the use of data to identify and monitor improvement opportunities and to enhance verification and transparency.

“We see a lot of opportunity to strengthen our use of data to reduce costs, increase verification, and support transparency.” - KI

Continued alignment across standards

Several key informants identified the importance of work to further harmonize standards and procedures across seafood ratings organizations, building on work to date by the Global Seafood Ratings Alliance. Global Sustainable Seafood Initiative (GSSI) was frequently mentioned by key informants, although perspectives varied on its potential role in supporting alignment across standards and certifications programs, although some cited its value of having government and FAO at the table. Some key informants observed that candid discussions are needed to chart the Seafood Certification & Ratings Collaboration’s future role around aligning participating programs.

“We need to push harder on consistency—not just coordination. We are losing some of our focus and energy to drive that push. It may be difficult for that to come from within the NGO movement.” - KI

Driving progress in using standards, ratings and certifications around key commodities

Several key informants noted that commodity-focused industry workgroups, such as those supported by the Sustainable Fisheries Partnership (SFP) with foundation and industry support, can be a powerful tool for accelerating progress that connects with certifications and ratings programs.

“The Seafood Certification & Ratings Collaboration has been an important platform to coordinate between SFP’s work with commodity-focused industry collaborations and certifications and ratings programs. Now that we have better and more coordinated data, we hope to do better targeted of opportunities for using market tools in new places.” - KI

Major certifications and ratings programs have also made progress in forging innovative partnerships with government, industry and NGO partners to link GSM approaches with policy, governance and capacity-building

These programs could offer compelling models and insights for expanded work in developing countries to connect standards, ratings, and certifications initiatives and tools with place-based governance, capacity-building, and policy development partnership. Examples include...

MSC has been expanding its work with regional, local and national governments in the Global South to help improve governance and enabling conditions to support the use of market-based approaches including standards and certifications programs.¹

Fish For Good. With support from the Dutch Postcode Lottery, the MSC launched a multi-country project in 2017 designed to support outreach to fisheries in **Indonesia, Mexico and South Africa** with the aim of moving them into sustainability. The project is based on a Pre-Assessment Project model that works with fisheries at the start of the improvement process, based on MSC experience from France, Japan, Spain, Italy, and UK that speeded removal of obstacles to improving fishery performance.

In **Indonesia**, MSC is working with Ministry of Marine Affairs and Fisheries on tuna management improvement and to align these efforts with the national priority for well managed target species and to promote an ecosystem approach for fisheries management.

In a separate project, MSC has worked in **Thailand** with the Thai Department of Fisheries to bring in MSC staff for training around sustainability and certification.

Monterey Bay Aquarium's Seafood Watch Program has been working with the Asian Seafood Improvement Collaborative (ASIC) and other partners to expand use of standards and ratings tools in collaborative partnerships with industry and NGOs in countries including Thailand and Vietnam to improve shrimp aquaculture operations and assurance models.²

Key partners have worked to develop alternative Partnership Assurance Models that can create transformational change for small-scale aquaculture producers in Asia. These new standards assurance models are designed to adjust to local contexts, involve multiple stakeholders, extend beyond the farm by farm approach, and meet buyer and customer assurance requirements.

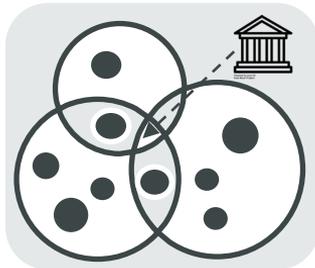
ASIC is supporting fisheries across several Asian countries to implement market-based standards and assurance processes, based on MBA ratings systems, for shrimp, fish, and crab. These tools are designed to recognize producers who have implemented responsible and sustainable practices without the costs, process overhead, and time required for most conventional seafood certifications programs.



Strategic Options for Philanthropy

Challenges for standards, ratings and certifications program in the context of the market transformation framework and potential paths forward given transition needs

3. Critical mass and institutionalization



4. Level playing field



Phase 3 Challenges to Address

- Expand uptake of certifications programs in new places (Asia, Latin America, other countries)
- Expand application of ratings to selected non-rated fisheries
- Continue harmonization of ratings programs
- Incorporate social and human rights issues into standards in ways that add value and reduce risks
- Shift mindsets from “competing tools” to “integrated toolbox”
- Improve efficiencies to reduce costs

Phase 4 Transition Needs

- Continue progress on alignment of ratings and certifications standards and framing as integrated toolbox
- Continue progress on efficiencies, including use of data and technology
- Use data to identify priority places to target market tools and to expand ratings coverage
- Incorporate social, human rights and labor issues into standards and certifications in productive ways
- Enhance focus on integrating standards, ratings and certifications into country governance and policy frameworks through partnerships and capacity building

Potential Paths Forward for Philanthropy

- Double down on addressing key challenges and improvement opportunities for building “critical mass and institutionalization” of standards, ratings and certifications (strengthen Phase 3 progress)
- Lean into work in emerging economies to connect standards, ratings and certifications work with governance, policy and capacity building
- Key equity consideration: Consider the extent to which foundations want to drive progress on social and livelihoods issues through certifications versus FIPs and engagement with development partners

Summary of findings: current market transformation phase for standards, ratings and certifications and the foundations’ role in driving the market to this phase



Standards, ratings and certifications are currently in the Critical Mass and Institutionalization phase (Phase 3 of the market transformation framework)

#	Finding	Explanation	Slides	Confidence
1.1	The foundations have played an instrumental role in supporting and funding the development of sustainable seafood standards, ratings and certifications programs over the past 20 years.	<ul style="list-style-type: none"> The foundations were instrumental in the development of two pre-eminent programs – MBA’s Seafood Watch ratings program and MSC’s certification programs—among others (e.g., Fair Trade). Support for technical assistance (e.g., ISEAL) to support development. 	172-174, 177-180	H
1.2	Industry uptake of sustainable seafood certification programs has rapidly grown over the past decade and some programs now appear to have viable business models.	<ul style="list-style-type: none"> MSC certification of global wild capture seafood production grew to 15%; certification rates top 80% of production in many North American and Northern European markets. MSC and most industry-driven certification programs have growing operations supported primarily by industry fees. 	185-192	H
1.3	As standards and programs proliferated, the foundations played a critical role in catalyzing and enabling coordination, alignment, and collaboration, which worked best when the collaborative initiatives had clear goals and roles.	<ul style="list-style-type: none"> Foundations pushed for more NGO coordination and supported the Certification & Ratings Collaboration, among other platforms. Efforts have produced multiple tools and collaboration projects. Standards are moving toward greater consistency and alignment. 	197-199	H
1.4	Seafood sustainability ratings programs have greatly expanded their coverage, playing a key information infrastructure role to support “sentinel” accountability and transparency to foster market and policy action	<ul style="list-style-type: none"> Coverage of ratings programs approaching 47% of seafood production. Seafood ratings organizations play active role at key tables in the GSM movement and among industry and government actors to support transparency around fishery performance. 	185-199	M
1.5	Seafood ratings and certifications programs are turning greater attention to supporting fisheries improvements in emerging markets (e.g., Asia, Latin America) and social, human rights, and labor issues.	<ul style="list-style-type: none"> Robust improvement elements have been developed to complement certifications programs, including in-program continuous improvement and FIPs. Ratings programs engage in Partnership Assurance Model. Substantial activity by programs to incorporate/address human rights labor, and social issues. 	204, 177	M

Summary of findings: current challenges to address in future standards, ratings and certifications strategies



Standards, ratings and certifications strategies should address key challenges that could inhibit further progress or cause backsliding in Phase 3

#	Finding	Explanation	Slides	Confidence
1.6	Key challenges put consolidation and institutionalization at risk:			
1.6.1	Despite progress in coordinating and aligning across the many ratings and certifications programs, there is still considerable fragmentation and programs/tools are not framed as an integrated toolbox	<ul style="list-style-type: none"> • Even if the market does not drive consolidation in standards, ratings, and certifications programs, key informants widely acknowledged the need for more progress to improve consistency and coordination across programs. • Trust and engagement could be enhanced by more integrated framing of the relationship of various programs (e.g., tools for different contexts, on-ramps to MSC). 	201-203, 172-181	H
1.6.2	Innovation is needed to further drive down costs	<ul style="list-style-type: none"> • Downward seafood price pressures from discount supermarkets (among other market forces) may limit how much buyers are willing to pay for certifications. • Innovation in uses of information and technology, particularly for assessment and verification, are needed to reduce costs, particularly to support expansion in new markets 	201-203, 180	M
1.6.3	Continued support for early-stage implementation is needed in key markets to support transition to sustainable business models	<ul style="list-style-type: none"> • Key informants highlighted need for targeted philanthropic investment in key markets, such as Japan, Spain, and Mexico, to reach critical mass of progress. • Enhanced data availability opens opportunities to target specific commodities and fisheries in developing countries that may be ripe for market leverage for improvement. 	201-203	M

Summary of findings: strategies to enable transition to the next phase of transformation



Strategies that address a few key gaps could lead to progression to “level the playing field” and to deeply integrate standards (and supporting market tools) into policy and governance frameworks guiding markets (phase 4 of the Lucas Simons framework)

#	Finding	Explanation	Slides	Confidence
1.7	Addressing key needs could accelerate evolution to level the playing field (phase 4):			
1.7.1	Drive innovation and efficiencies into ratings and certifications programs to lower costs and enhance verification	<ul style="list-style-type: none"> Many key informants see opportunities to enhance the use of technology and data analysis to improve efficiencies and reduce costs, while improving program effectiveness Some programs, including aquaculture certifications programs, are exploring enhanced use of area or jurisdictional approaches to reduce costs of verification 	201-203	H
1.7.2	Incorporate human rights and labor issues into standards and certification programs; assess scaling strategies for using certifications to address broader social issues	<ul style="list-style-type: none"> Major area of need for industry to safeguard against reputational risks, although there are substantial risks to standards and certifications program if they do not get it right (particularly given limits of audit approaches versus other techniques such as due diligence measures) Work is needed to assess the scaling potential and pathways of early work on models to integrating social and livelihoods issues into standards and certifications programs (e.g., Fair Trade), versus addressing through other mechanisms such as “social FIPs” and bilateral and multilateral donor and coastal poverty alleviation and development programs. 	197-203	H
1.7.3	Expanding partnerships between ratings and certifications programs and targeted government partners to enhance capacity and integration into policy and governance systems	<ul style="list-style-type: none"> Build off work supported by MBA (partnerships in Thailand and Vietnam with the Asian Seafood Improvement Collaborative) and MSC (partnerships in Indonesia and Mexico) to connect seafood standards, ratings and certifications systems and tools with governance, capacity-building, and policy frameworks in key countries and places. Numerous data sources, and key informants, indicated that the frontier (and phase 4 goal) for standards, ratings, and certifications programs is to connect and integrate them with governance and policy systems in developing countries and emerging economies. This will require substantial focus on capacity building to support progress. 	204	H

Look forward: How should standards, ratings and certifications programs evolve to support market transformation?

Strategic question	Short answer	Explanation
Are seafood sustainability standards, ratings, and certifications needed in the future to support progress in North American & European fisheries?	Yes	<ul style="list-style-type: none"> • There is broad industry and government support for seafood sustainability standards and certifications programs in Northern European and North American markets. • Key certifications programs such as MSC are deeply integrated into these market and are vital to meeting buyer commitments • Standards and certifications programs can be integrated with policy, governance, and regulatory approaches to move beyond voluntary systems
Are seafood sustainability standards, ratings, and certifications needed in the future to support progress in Asia, Latin America, and developing countries?	Yes, with some caveats	<ul style="list-style-type: none"> • Standards provide an essential foundation for market and policy engagement across markets; certifications programs can drive improvement in targeted areas and commodities that are well-suited to this tactic (e.g., export commodities, aquaculture) • Some innovative approaches to adapt ratings and certifications tools for small scale fisheries may offer promising opportunities to expanding use of tools in the Global South, such as through the work supported by MBA and the Asian Seafood Improvement Collaborative. • Ratings are key to transparency that enables prioritization of places to focus efforts, and to create pressure for both market and policy action.
Is philanthropic funding needed to sustain seafood certifications programs into the future?	Not necessarily, with caveats, responsible exit considerations, and exceptions	<ul style="list-style-type: none"> • Most of the major wild capture and aquaculture seafood sustainability certifications programs are well-established and appear to have viable business models (including MSC, ASC, BAP, Global G.A.P.), at least for developed country market contexts. [Note: this evaluation has not assessed the potential magnitude of Covid-19 financial implications for fee-based certifications programs.] • Less-established, innovative platforms such as Fair Trade USA's seafood certification program will likely require continued support, although it will be useful to consider scaling and exit pathways • Philanthropic exits from investing in certifications programs should be well-planned to avoid unnecessary disruption; ratings programs will likely be difficult to support thru industry fees

Look forward: How should standards, ratings and certifications programs evolve to support market transformation?

Strategic question	Short answer	Explanation
How do seafood sustainability standards, ratings, and certifications programs need to evolve to sustain and enhance impact in the future?	Alignment and co-evolution	<ul style="list-style-type: none"> Continued efforts are needed to support alignment and consistency on definitions and standards; move from competition to diversified toolbox frame; coordinate targeting of expansion opportunities to new geographies and commodities
	Inclusion of social dimensions of sustainability	<ul style="list-style-type: none"> Human rights and labor issues are a priority focus for several standards/certification programs to remain relevant to industry commitments and risk mitigation; addressing social development and livelihoods issues through certifications will require new thinking and partnerships for scaling
	Increased efficiencies and innovations that lower costs and barriers to use	<ul style="list-style-type: none"> Continued efforts are needed to develop, test and scale innovative approaches for improving the efficiency and effectiveness of SRC efforts, including use of technology Creative approaches, such as those being deployed thru ASIC/MBA, can support SSF
	Elevated models for embedding SRC into policy and regulatory frameworks	<ul style="list-style-type: none"> There are compelling opportunities to elevate, learn from, and expand emergent models for integrating standards, ratings and certifications approaches and tools into developing country governance and policy initiatives (see MSC and MBA examples)

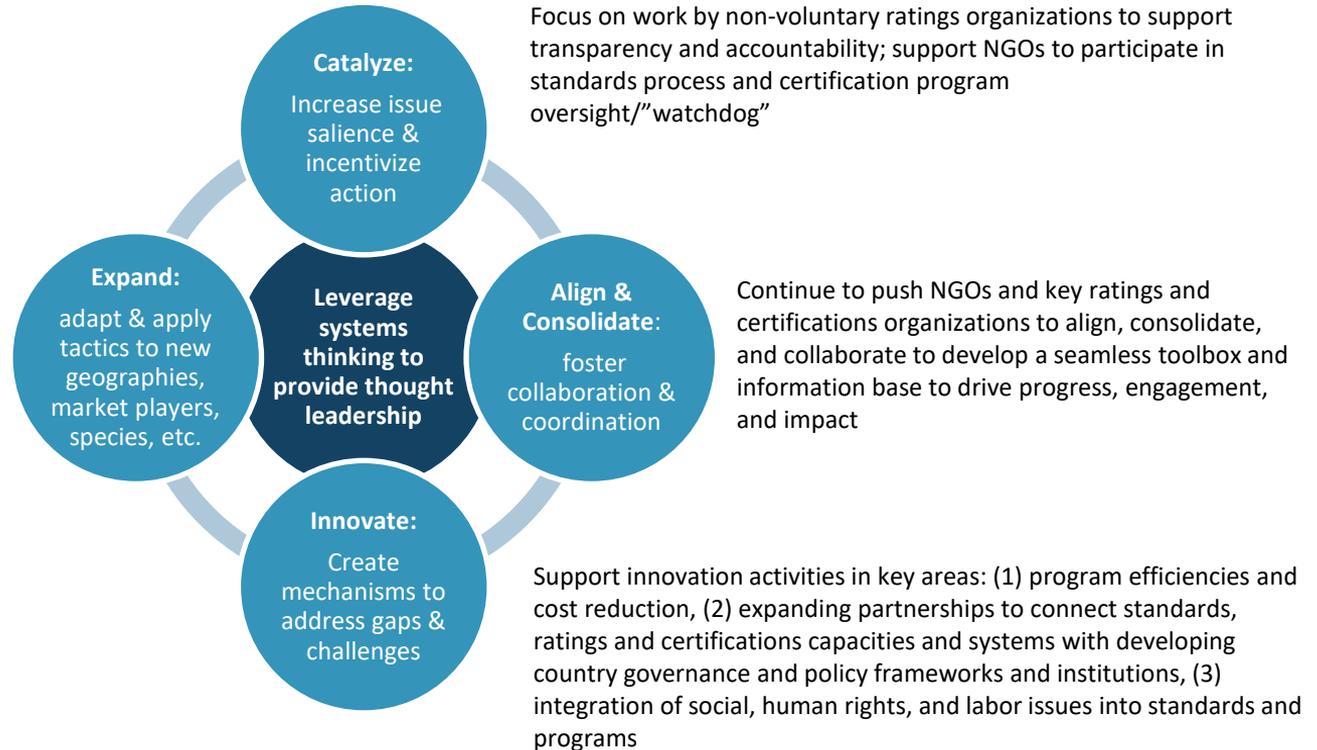
Summary of potential paths forward for the foundations' support of standards, ratings and certifications programs

	Potential path forward for the foundations		Likely outcome in terms of transformation phase
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Not mutually exclusive</p>	<p>Consolidate and institutionalize*</p>  <p>Double down on addressing key challenges and improvement opportunities for building “critical mass and institutionalization” of standards, ratings and certifications, through targeted focus on ratings/accountability systems, innovation, and targeted (clear goals and roles) collaboration</p>		<p>Incremental progress through Phase 3 with modest continued shifts to prepare groundwork for Phase 4 policy and governance engagement and new geographies</p>
	<p>Strong pivot to new geographies*</p>  <p>Lean hard into work in key producer country emerging economies to support standards, ratings and certifications work and connect with governance, policy and capacity development, building off approaches that MSC, Seafood Watch, and others have experimented with to engage within producer countries</p>		<p>Some Phase 3 challenges and consolidation needs are left to the market/industry opening some risks, but potential for accelerated progress and learning on phase 4 connections with policy and governance</p>
	<p>Scale back to accountability focus</p>  <p>Begin responsible exit from many aspects of standards and certifications work to focus on enhancing transparency and accountability progress (focus on ratings programs “sentinel” role), freeing resources to invest in other areas</p>		<p>Remain in Phase 3, with potential backsliding and/or lose influence, forcing industry to step up; accountability focus could drive some progress by industry and governments</p>

***Key Consideration:** Focus on social and livelihood issues for fisher communities could be incorporated into these paths if foundations opt to invest in social outcomes; human rights and labor issues will likely be a priority for industry investment, particularly if civil society watchdog pressures are sustained.

Philanthropy's role in driving toward one or more of these models could be viewed through the critical roles that philanthropy has played in the prior phases of market transformation

Continue support for efforts to target key countries and markets with potential for leverage using standards and certifications





Annex 5: Deep Dive – Buyer Commitments

- Executive summary
- Overview of evidence
- Definitions, theory of change, and portfolio overview
- Key actors and their motivations
- Where we are today: market transformation framework
- Assessment of progress, contributions, and durability
- Context for future action: challenges and opportunities
- Strategic options for philanthropy
- Appendix

Relevant Evaluation Questions: 2, 6, 7, 8, 9, 11, 12

Buyer Commitments Deep Dive

Executive Summary (1 of 2)

- Buyer commitments have been a critical component of the foundations' theory of change whereby access to desirable markets, i.e. N American, Europe, and Japan, is limited to seafood meeting sustainability requirements, driving suppliers to change purchasing behavior in favor of sustainability and engaging the whole supply chain in production improvements.
- NGO and industry key informants view buyer commitments as an essential tactic to date.
- In N America, the foundations have funded NGOs like SFP, Monterey Bay Aquarium, Seachoice, WWF, and Fishwise to engage buyers through a 1:1 partnership model, but more collective approaches have been used in the UK and Spain.
- The foundations' strategy to enlist major buyers to publicly commit to source sustainable seafood led to enough market uptake for commitments to be “the norm” among retailers and consolidated food service segments in the US and N Europe.
- Buyer commitments created strong enough demand signals for suppliers to implement their own sustainable sourcing policies and change purchasing behavior in favor of sustainability. Suppliers also suggest that the quantity of sustainable seafood has increased in the last 5-10 years.
- However, the impact of buyer commitments varies widely. Supplier key informants describe different levels of “quality”
 - Buyers with “high quality” commitments actively engage the supply chain, resulting in real improvement efforts, such as FIPs.
 - Buyers with “low quality” commitments may not educate their own purchasing staff about their policy, incentivize buying decisions that align with the policy, engage the supply chain to implement the policy, and/or discuss performance with suppliers and reward compliance, resulting in little or no change.
- Prevalence of buyer sustainable sourcing commitments appears durable since current motivations will likely remain relevant, but the impact of commitments will likely continue to vary under a future status quo scenario.

Buyer Commitments Deep Dive

Executive Summary (2 of 2)

- Challenges or barriers to institutionalizing buyer commitments include:
 - Mixed signals from buyers who have not harmonized or prioritized sustainability policies alongside other business requirements and/or invested adequately in communicating and incentivizing, both internally and externally, needed behavior changes
 - Costs, such as investments in people, property, and technology required to manage more complex inventory
 - Accountability mechanisms, which key informants widely regarded as necessary and insufficient
 - Inability to articulate the big picture impact of sustainability efforts and lack of messaging and storytelling that resonates with corporate leadership and consumers
- The evaluation uncovered several gaps that could, if filled, lead to leveling the playing field:
 - A shared vision co-created by industry, NGOs, and other stakeholders and clearer roles for stakeholder groups to achieving it
 - Strategic approach to mobilizing industry for policy advocacy
- Progress made by the collective approaches funded by the foundations in countries such as the UK¹ and Spain suggests that a collective approach(es) in the US is worth considering as a mechanism to strengthen buyer demand signals, reduce complexity, improve accountability, enhance messaging, and provide a platform for policy advocacy. US buyer and NGO appetite for engaging in a collective model, supplemented by 1:1 NGO advisory support, has not been tested as part of this evaluation.
- If implemented effectively, a collective approach could help create a shared vision of success and drive industry ownership for achieving it, including increased company investments in resources to drive sustainability as seen in the UK, clearer roles for industry as implementers of commitments and NGOs as advisors, and less reliance on philanthropic funding for NGO support.
- Lack of NGO "watchdog" influence in recent years was cited as a critical gap. Enhanced NGO "watchdog" capacity could serve as a catalyst to bring buyers and NGOs to the table to discuss potential solutions to critical challenges and reinforce accountability mechanisms.



Overview of Evidence

Evidence base:

- Targeted interviews on buyer commitments and precompetitive collaborations, supplemented by insights acquired in GSM interviews with broader focus or other primary topic areas. Targeted interviewees include:
 - Ten industry representatives who have had experience managing buyer commitments and/or have participated in or are knowledgeable on precompetitive collaborations
- Topic of discussion during the NGO convening for the evaluation
- Group and 1:1 conversations with TWG members
- Packard and WFF grant documents
- Online materials
- Supplemental information and thinking provided by the foundations
- GSM evaluation surveys:
 - Seafood industry survey (53 respondents)
 - NGO/grantee survey (41 respondents)



Definitions, TOC, and Portfolio Overview

Creating demand is a critical component of market-based seafood sustainability strategies, leveraging buyers to catalyze demand for sustainably sourced seafood

Roheim, Bush, et al., described the evolution of the sustainable seafood market theory of change as moving from price premiums to Business-to-Business pressure.

Early TOC: Consumer Focus

Eco-label differentiates otherwise homogenous products to a consumer

Imperfect substitutes may lead to a price premium for the labelled product

Trickle down of the price premium creates economic incentive for improved fishing practices and fisheries mgmt

While price premiums may attract early movers, there is broad consensus that sustainability should not come with a price premium in the end state...

...Leading to increased focus on B2B approaches that don't directly hinge on consumers

TOC v2.0: Business-to-Business

Buyers respond to business-driven motivations, e.g. ensuring future supply, mitigating brand risk

Buyers drive demand for sustainably sourced seafood from their suppliers

Suppliers seek sustainable sources of seafood

“Trying to influence consumers directly became a pretty expensive proposition. It's very hard to turn consumers around. We see that in all kinds of demand for food type things, unless it relate to health and risks, right? Then you can influence them pretty quickly... the B2B approach has been more effective.” - KI

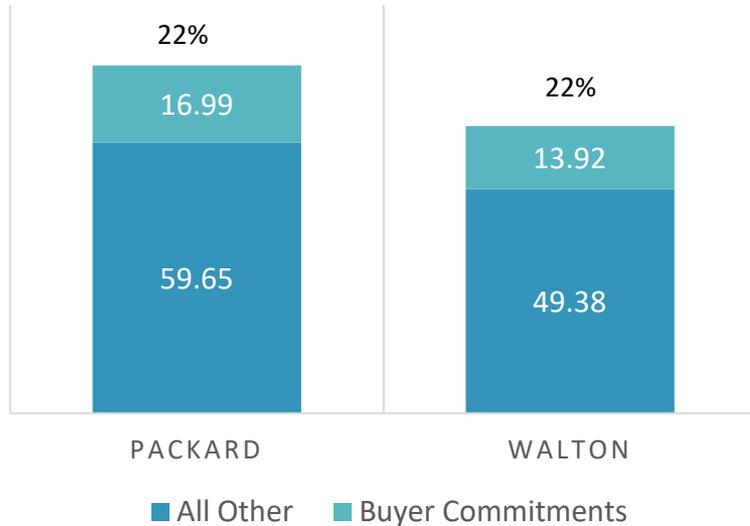
“There's still some assumption or perception that there's a public demand for good, sustainable product, but there's not a lot of investment going into that stream. Where I see the current theory working is at the buyer level, creating an awareness that there are environmental issues and problems that the industry should help fix and accommodate resolution.” - KI

The foundations' theory of change largely follows the B2B approach, making buyer commitments critically important.

Buyer commitments to source sustainable seafood are an essential building block in the foundations' GSM strategy for creating demand

Buyer commitments have been a core GSM component, receiving ~22% of total foundation investment in 2015-2019

2017-2019 GRANT AMOUNTS (\$MILL)
MAPPED TO BUYER COMMITMENTS



Key informants cited buyer commitments as a critical piece of market-based seafood sustainability strategies

“Having them [buyers] actively engaged with strong and robust commitments, that actually means something. And that they're working to implement has been an important tactic. It's almost like the engine that drives a lot of this work in some ways. Because it's our key point of leverage and then in the last three to five years of those commitments you've seen almost meta commitments being made on top of these.” - KI

“I think that buyer commitments have really driven an increase in certified fisheries and certainly in improvement projects over the last five years. I don't know that there'd be improvement projects at all prior to commitments. When Walmart, and then other retailers, wrote FIPs into their commitment, that's when we really saw a big increase in FIPs.” - KI

The foundations' latest strategies include goals for building on buyer commitment momentum in North America and creating demand for sustainable seafood in Japan and Spain

Packard GSM Strategy 2017-2022

Buyer commitments are prominent in Packard's Strategic Initiative 1 to maintain North American major buyers' responsible sourcing momentum and catalyze the responsible seafood sourcing movement in Japan.

Outcomes include:

- By 2022, 90 percent of **North American retailer** commitments will include traceability and an expanded scope of products within the commitment.
- 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 publicly 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 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.

WFF Oceans Initiative – Markets Strategy 2016-2020

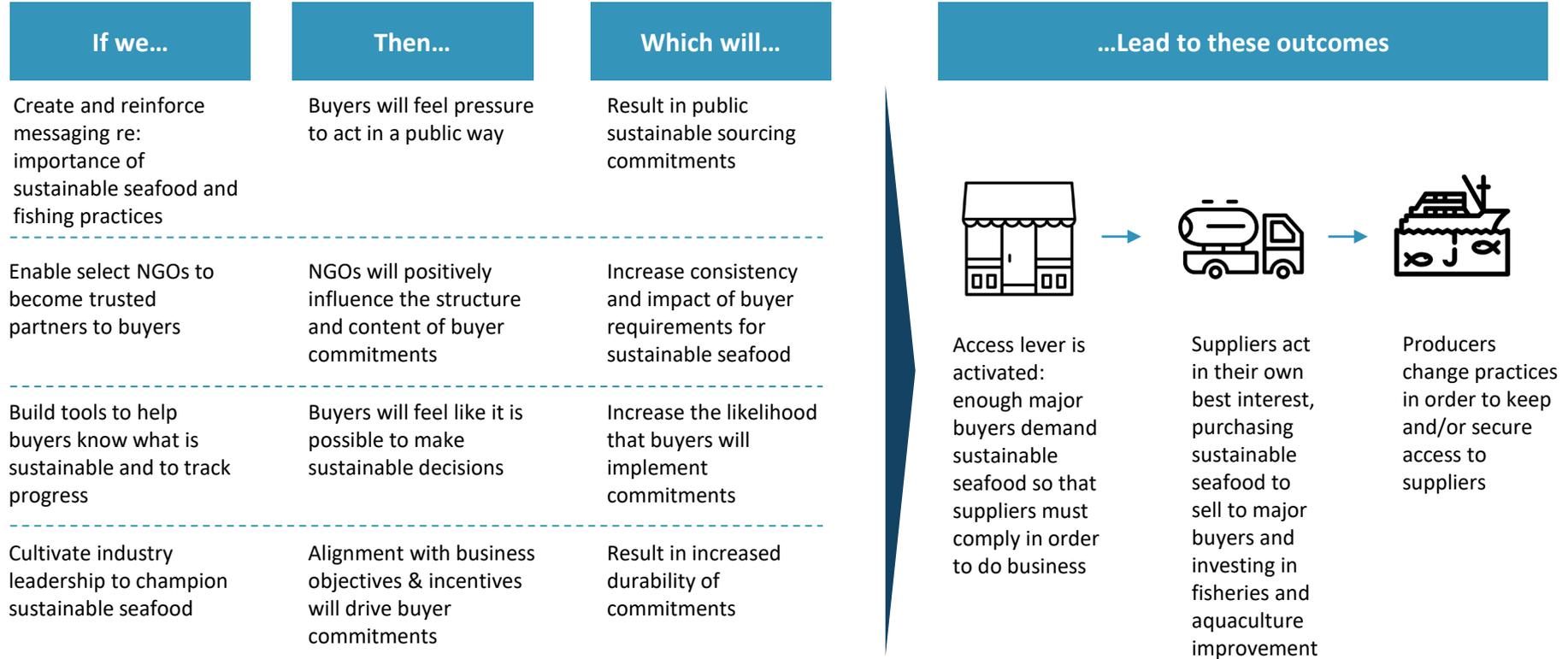
Both of WFF's key strategies rely on building demand for sustainable seafood in the largest seafood-consuming markets. Buyer commitments are particularly important for the strategy for engaging the supply chain to support healthy fisheries practices. Goals for 2020 include:

- **US buyers** are showing increased ownership of implementing their sustainability policies through a reduced reliance on NGOs and philanthropy, 50% of US importing companies in core geographies are actively supporting FIPs, and FIPs in priority fisheries and core geographies are improving against the MSC standard.
- **Japanese tuna (yellowfin, skipjack and bigeye) buyers** are organized and have developed commitments to source tuna according to a publicly available policy.
- **Spanish seafood importers** have joined or started supply chain roundtables in priority fisheries where they are currently sourcing.

WFF's supply chain strategy stresses the importance of buyers and suppliers actively participating in moving fisheries toward sustainable management, not just shifting away from sourcing from poorly managed fisheries. This includes building the political will for the seafood industry to advocate for better fisheries management.

This deep dive analysis will focus on buyer commitments as a tactic to create demand in North America, Europe, Japan, and Spain. The foundations acknowledge that some fisheries will remain outside of the global markets strategies scope of influence.

The foundations' buyer commitment theory of change uses access to coveted markets to drive sustainable purchasing practices through the supply chain



Key informant interviews suggest that one of the critical assumptions in this TOC has played out: major buyers have been able to compel their suppliers to provide sustainable products

Theory of change assumptions:

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.

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.

“So when Sainsbury's announced that they would only buy certified sustainable seafood and that's your major market, that's where you sell your high-premium, high-value fish, then you're going to deliver what they want, because the alternative is to sell it to somewhere that isn't going to pay as high of a price.”- KI

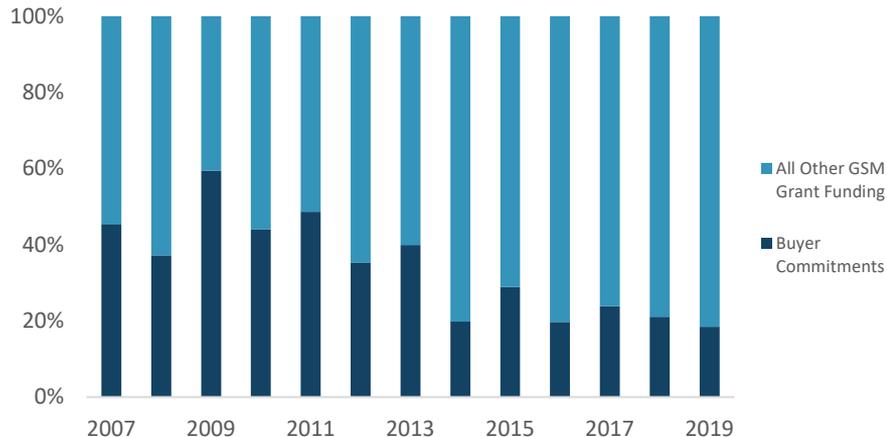
“It's caused consumer facing companies to tell their suppliers what their commitments are and ask their suppliers to get them products to comply with that commitment. So that made sustainable seafood a higher priority on the tier one supplier and it's also gone down to the manufacturer aggregators.”- KI

“If you build a policy and you enforce the policy with your suppliers, then you're forcing them to buy from not just Tom, Dick and Harry, but from sources that are credible...the policies translated into improvements across the board from some of their suppliers because they have nearly 400 stores across the country. So they're a large enough customer that the some of the companies that supply them altered their purchasing practices in general because it's not very efficient to have one source only for that customer and other sources for other customers...companies improve their sourcing practices simply because Sprouts requires them to provide certified product.”- KI

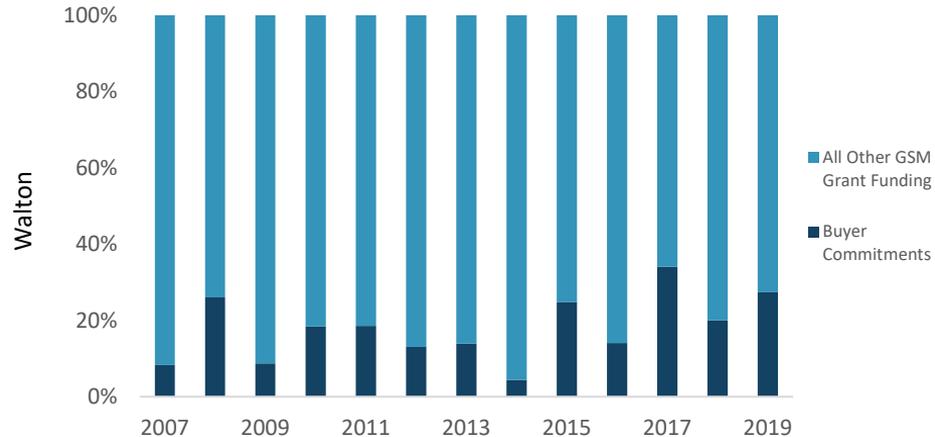
“What we've seen from Hyatt, Avendra, Compass and Bon Appetit to Sprouts and Albertsons and Safeway: they all have public facing time bound commitments. And it is up to us because we want to do what we can to deliver in a credible way and a transparent or verifiable one.”- KI

The foundations have invested a significant portion of their portfolio in driving the buyer commitments theory of change over the last twelve years

PACKARD GRANTS MAPPED TO BUYER COMMITMENTS



WALTON GRANTS MAPPED TO BUYER COMMITMENTS



Annual Grant Avg (2007-19)	% of Total (2007-19)	Annual Grant Avg (2015-19)	% of Total (2015-19)
\$5,227,861	34%	\$3,397,270	22%

Annual Grant Avg (2007-19)	% of Total (2007-19)	Annual Grant Avg (2015-19)	% of Total (2015-19)
\$1,578,106	18%	\$2,785,571	22%

Notes:

- Buyer Commitments includes five outcomes: 1. Deepen retail commitments, 2. Develop a platform for business accountability, 3. Formalize food service commitments, 4. Increase alignment among retail commitments, 5. Reduce market incentives for IUU seafood



Key Actors and Their Motivations

The TOC assumes that NGOs can influence market behaviors by engaging major buyers; the foundations have funded NGOs to cultivate and nurture major buyer commitments

	Monterey Bay Aquarium	Sustainable Fisheries Advocates	Sustainable Fisheries Partnership	World Wildlife Fund	Trust for Conservation Innovation	Client Earth	ImpactAssets Inc	Seafood Legacy Co	Greenpeace Fund	David Suzuki Foundation	Fishchoice	Environmental Justice Foundation	Sailors for the Sea Japan	Stockholm Resilience Center	Natural Resources Defense Council	SkyTruth	New Venture Fund	International Labor Rights Forum	The Henry L. Stimpson Center	Conservation International	Meridian Institute	Ocean Outcomes	GR Japan	Consejo Mexicano
Relative Funding 2018-2019	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████
Deepen retail	✓	✓	✓	✓	✓	✓	✓	✓	✓													✓	✓	✓
Food service	✓			✓	✓								✓											
Increase alignment	✓	✓	✓	✓	✓	✓			✓	✓														
IUU mkt incentives	✓	✓	✓	✓		✓		✓	✓	✓			✓	✓	✓	✓			✓	✓	✓			✓
Accountability	✓		✓		✓	✓				✓	✓	✓				✓		✓						

In North America, NGOs have influenced industry primarily through 1:1 partnerships, becoming a trusted advisor and providing technical expertise

Service models	Definition
1-on-1 Partnerships	Formal agreement whereby a service provider acts as a primary source of sustainability expertise to develop and progress toward sustainability goals
Precompetitive Collaborations	NGO-coordinated industry groups which bring together similar industry participants to advance an agreed upon sustainability platform
Community Tools	Model whereby an NGO makes a service readily accessible to the entire sustainable seafood community without need for direct partner engagement
Watchdog	Model predicated on identifying priority issues, transparently evaluating NGO and industry actors, and evaluating the credibility of sustainability claims

1-on-1 Partnerships are the primary model in N America, often providing advice and assessments

1-on-1 is a legacy of the initial approach to maximize retailer engagement with optionality through multiple partnership models.

The most valuable NGO services according to CEA’s interviewees:

- Trusted sustainable seafood advisor (most valuable per service providers, end buyers, and supply chain): lend expertise to buyers to help determine priorities, foresee potential issues, and respond to criticism or controversy in their supply chains.
- Supply chain data assessments (tied for most valuable per service providers and end buyers): survey suppliers and aggregate the results in a centralized database, which retailers understand the state of their current sourcing and the actions they need to take to align their purchases with their policy.

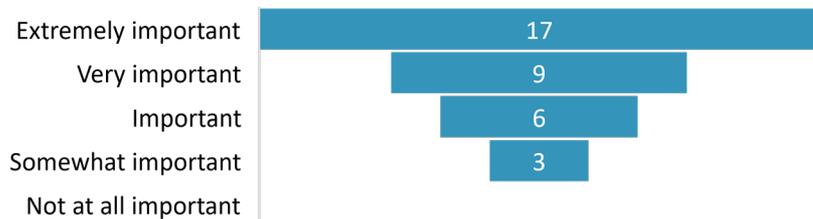
Industry also sees value in the service provider’s brand and support for marketing to customers (consumers for retail and buyers for supplier).

Revenues from 1:1 partnerships range widely, with service providers often meeting their partner’s willingness to pay for select services from a “menu” or for access the full suite of services.

NGOs believe that buyer commitments have been a critical tactic, seeing a positive change in demand for sustainable seafood in the US and EU in the last 5-10 years

All NGO survey respondents consider buyer commitments to be a critically important tactic, alongside* standards for sustainability, transparency/ traceability, and policy advocacy...

NGO survey rating of the importance of buyer sustainable sourcing commitments in contributing to changes to date in the sustainability of global seafood supply.

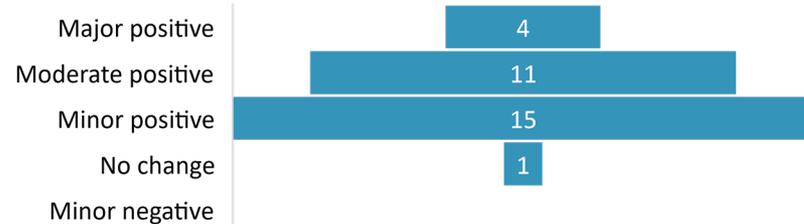


*Policy advocacy ranked highest importance average score, followed closely by traceability / transparency, buyer commitments and sustainability standards.

“The standards were developed to influence and provide a tool for markets. All of their uptake is because of markets and because of industry demand. This wouldn't have happened if the private sector didn't ask and put pressure on these supply chains to make this happen...we have over 150 partners with public commitments to sustainable seafood...seeing the work on the ground that's happening is directly reflective of that demand.”- KI

...And NGOs perceive a positive change in the last 5-10 years in demand for sustainably sourced seafood in key import markets, i.e. US, EU

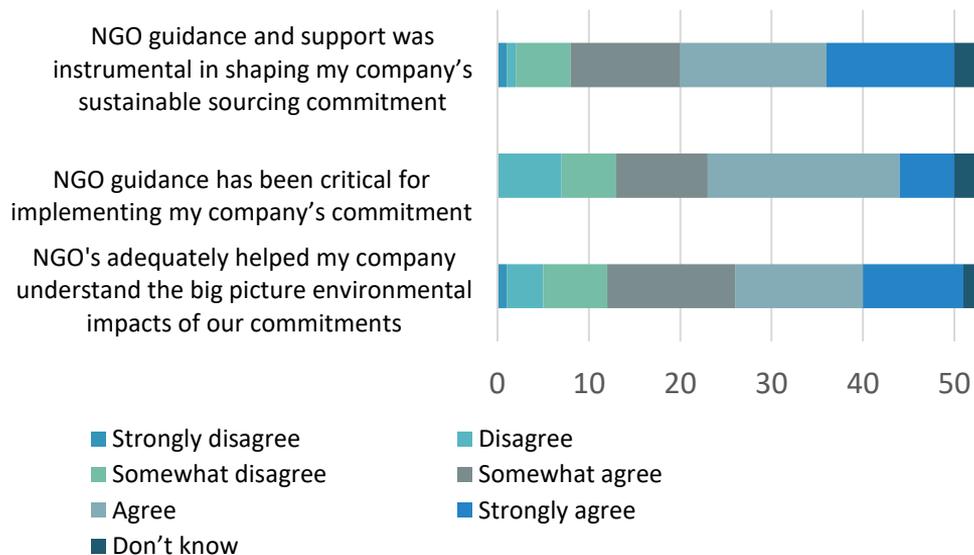
NGO survey rating of the extent of changes in the last 5-10 years: buyers in key import markets (US, EU) demand sustainably sourced seafood from suppliers and producers



Note: buyer demand had the highest average score for positive changes, followed by IUU policies and overall sustainability in wild capture fisheries

NGOs have played an important role in helping companies shape sourcing commitments, and to a slightly lesser extent, implementing them

Industry agrees that NGO guidance and support was instrumental in shaping their sustainable sourcing commitments, but there are some suppliers who have seen less value from NGO support in implementing and understanding the impact of their commitments



Key informants echoed the value-add of advice and “extra hands” to support sustainability commitments

“On a very basic level, it’s an extra pair of hands. There’s lots of work to do across lots of supply chain, so having additional resource at a time when we’re challenged. Another thing is just having messages delivered by external organization that’s got credibility with our customers.”- KI

“I think having a real partnership [with an NGO] has been effective and continues to be point of access to get information and around sales figures and what they’re procuring, etc.”- KI

“We have contracted with SFP, and they provide a lot of value for us. They serve in more of an advisory role, where we reach out with questions” – KI (Buyer)

Industry engagement in seafood sustainability is motivated by a desire to “do the right thing” for the environment, as it is also important for customers and business

Seafood Watch conducted an industry survey in 2018 that indicates that “doing the right thing” is a key motivator, and commitments are influenced by company philosophy, customers, company leadership and other industry influencers...

Motivator	Top motivations ranked in the survey
Long term survival and availability of seafood	<ol style="list-style-type: none">1. Ensure seafood is available for future generations2. Protecting fish species from scarcity and extinction3. It benefits the long-term vitality for the fishing industry
Impact on company brand	<ol style="list-style-type: none">4. Supports brand identity5. Customers expect it (note: more so than customers asking for it)6. Increases trust in the brand7. Product transparency8. Higher quality (note: more important to food service)

Top drivers of commitments were similar across industry segments:

1. **Company philosophy or identity** was the clear top driver among suppliers, food service and grocery retail
2. **Customers or consumers** was the 2nd top driver, particularly for grocery retail
3. **CEOs and chefs and influencers** in the food industry were neck in neck as the 3rd top driver, with CEOs being more important for suppliers and chefs more important for food service
4. **Internal champions other than the CEO** was ranked 1st, 2nd and 3rd top driver by ~ 5-10% of participants in each segment
5. **Pressure from activists** was ranked 3rd top driver by just a few participants

...which is consistent with Springboard’s findings in 2017 and GSM evaluation key informant interviews in 2020

Springboard’s 2017 interviews and focus groups with retail, food service and suppliers found three consistent reasons for engaging:

1. Leaders believe in doing the right thing
2. It’s critical to the success of the business
3. Their customers expect it

GSM evaluation interviews revealed similar motivations:

“The biggest [motivator] for me looking back is [the buyer’s own] reputation and the degree to which they framed themselves as a good corporate responsibility player in the industry.” - KI

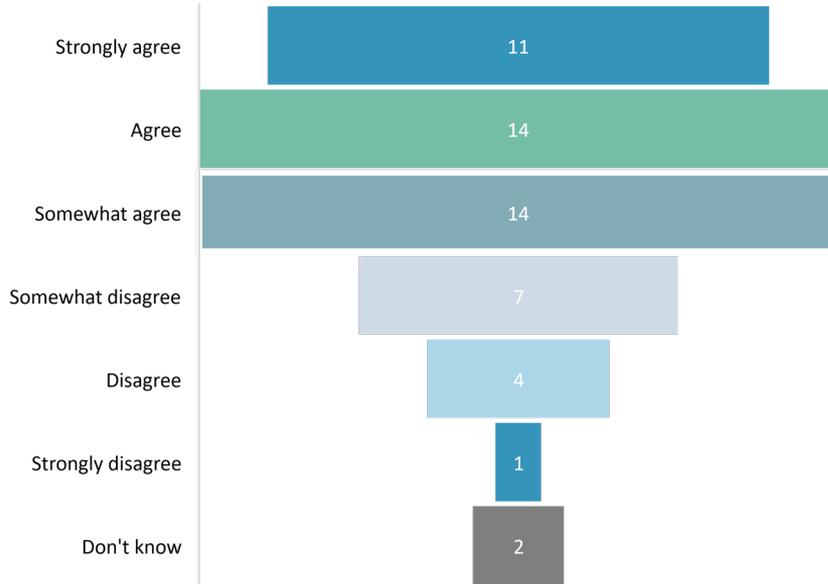
“We have a vested interest in making sure it continues... ensuring the continuity of supply and that activities of the people involved with either growing or harvesting some of the product is aligned with protecting the resource for future” – KI

“It is fairly clear that consumer demand is manifested through a sense of expectation rather than tangible evidence of consumer demand. That customers expect sustainable seafood is noticeably a more motivating factor than customers demanding it.” - KI

Industry has mixed views on the extent to which their NGO partners have helped them understand the impact of their efforts to “do the right thing”

Many GSM industry survey respondents believe NGO’s have helped them understand big picture environmental impacts

NGO partners have adequately helped my company understand the big picture environmental impacts of our sustainable sourcing efforts



However, key informants suggest that there is a need for NGOs to improve in this area to continue to build momentum

“It feels more to me that the commitments are now about better record keeping and transparency rather than environmental improvement and that’s where things are kind of gummed up at present.” - KI

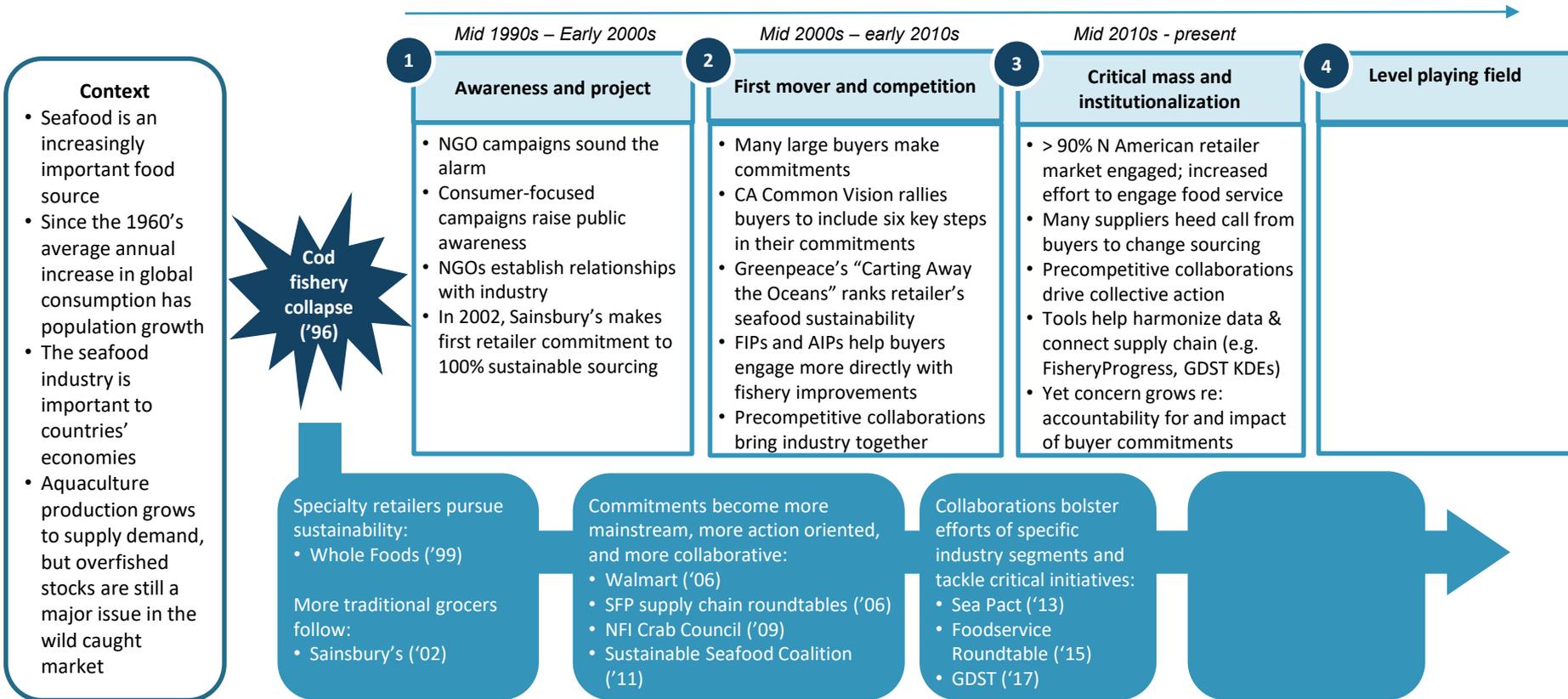
“When we talk about things on land, we talk about biodiversity, improving water quality, improving soil quality, reducing greenhouse gas, emission, sequestering carbon and soil, etc. And those things are measurable, and if you shift a certain amount of tons or acres, a specific thing occurs. But that’s not as clear on the in the seafood world.” - KI

“All the NGOs who are having success have scientists or rely on scientific resources and they could start to say, “This management plan is put in place how many years until the stock health returns to healthy level and is able to sustain the harvest numbers. And then you know how you purchase tuna will allow the tuna population in the TNA to get back to the same level it was at in 2010 in two more years. Now, whether it’s 98% or 101% of that level is less important than to be able to describe the environmental benefits. And I think that that is that that is a fundamental change. But the NGOs have gotten a little bit lost and how they talk about these benefits.” -KI

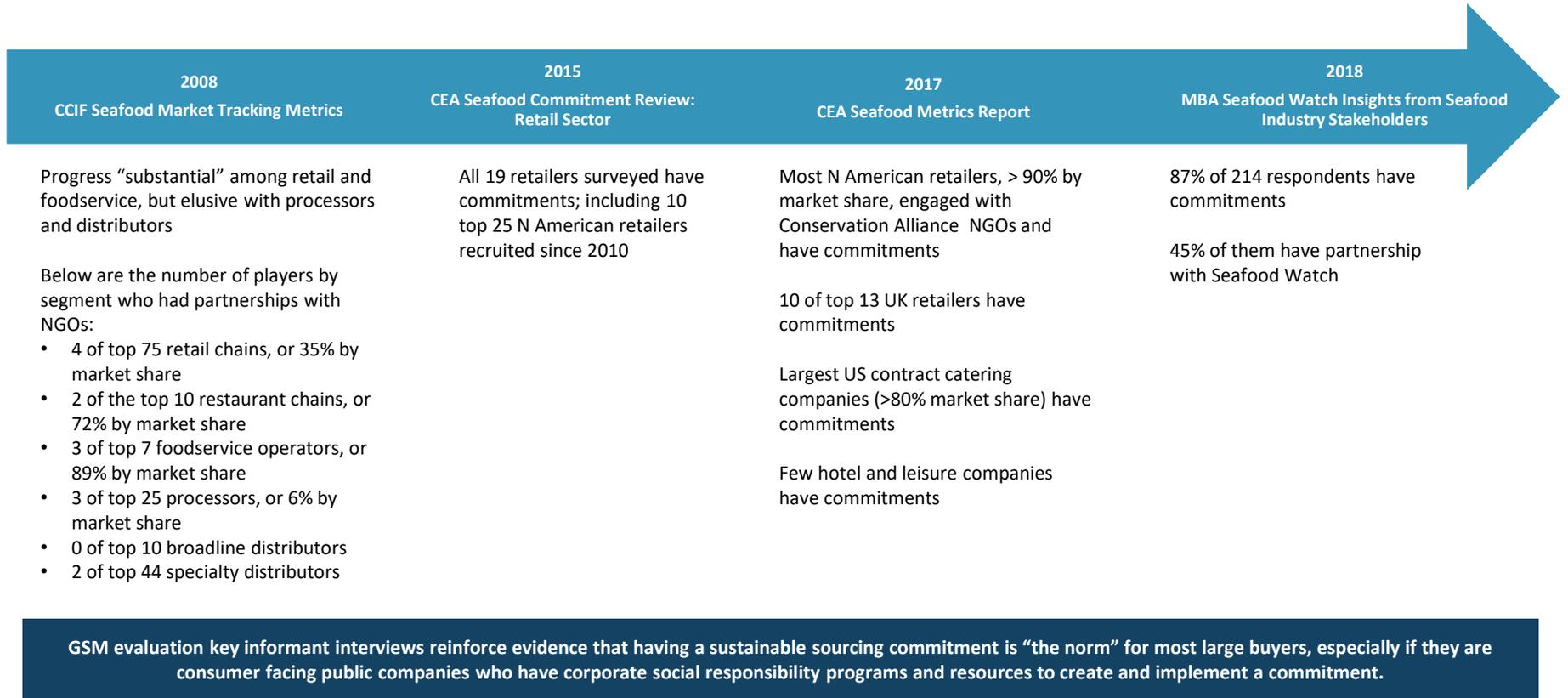


Where We Are Today: Market Transformation Framework

In general, buyer commitments in N American and Europe have progressed through the first three phases of the Simon Lucas framework



Commissioned studies indicate that having a sustainable seafood commitment has become “the norm” since the start of the second phase of transition in the mid-2000s





Assessment of Progress, Contributions, and Durability

The foundations have invested in formalizing, strengthening, and aligning commitments among retail and food service buyers, as well as increasing accountability for achieving commitments

GSM grants mapping analysis shows most investment in deepening retail commitments, followed by reducing incentives for IUU seafood

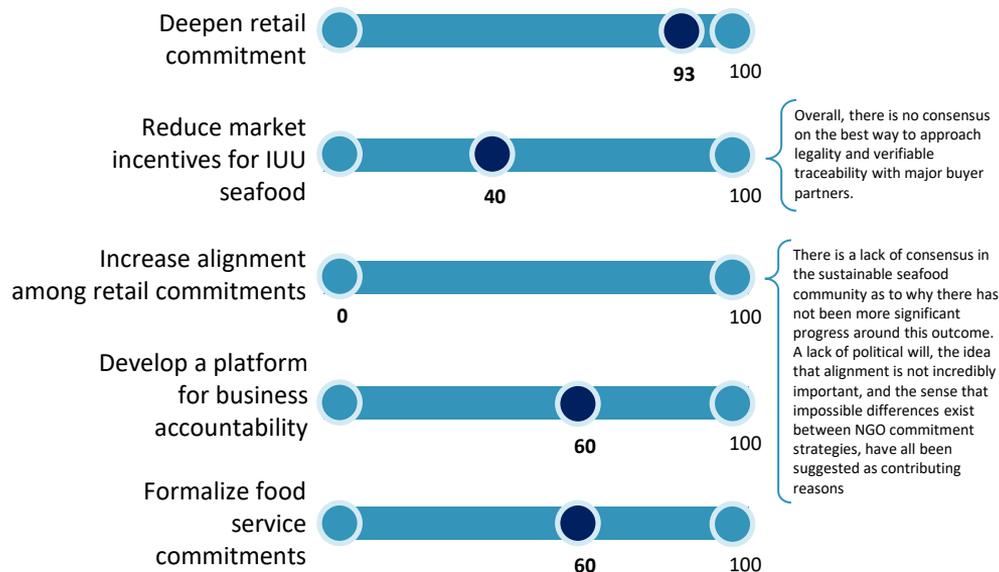
2017-2019 GRANT AMOUNTS (\$000)
MAPPED TO OUTCOMES



Note: IUU will be covered in more depth in a separate section of the report

Packard is close to achieving its goals for deepening retail commitments, but still has a distance to go for the other commitments

Packard's 2018 MEL OUTCOMES

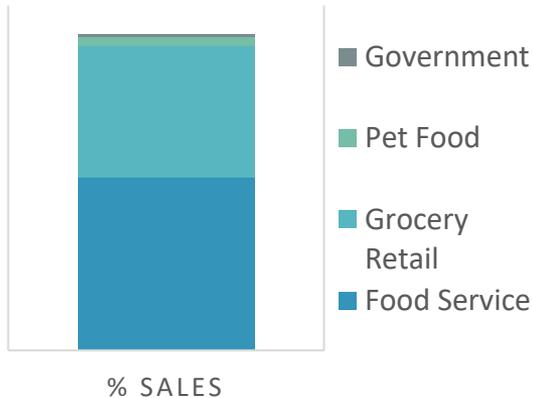


Note: Walton does not have sub-outcome level MEL data

GSM strategies have targeted major buyers; in the US, this includes retail and food service

In the US, retail and food service are the primary buyers...

SHARE OF SALES TO U.S. CONSUMERS



...Food service is further broken down into several categories

U.S. FOODSERVICE SEGMENTS BY SHARE



GSM targeted large retailer and foodservice players, with increased focus on foodservice in the last five years

- Grocery retail includes big box retailers like Walmart, large grocery chains like Kroger, and many smaller regional and specialty retailers, who are gaining market share
- Foodservice is highly fragmented in all but the contract (institutional) segment, which is dominated by three large restaurant companies

“I think the largest of the buyers and the largest of the suppliers are more and more engaged...and that's basically been driven by the major buyer strategies. But thousands, if not tens of thousands, of other companies within the supply chain, and hundreds of thousands of buyers still don't really know anything. - KI

Although the statistics are for the US market only, retail and food service are both critical buyer segments in Canada and N Europe; Japan strategies have focused on the top retailers

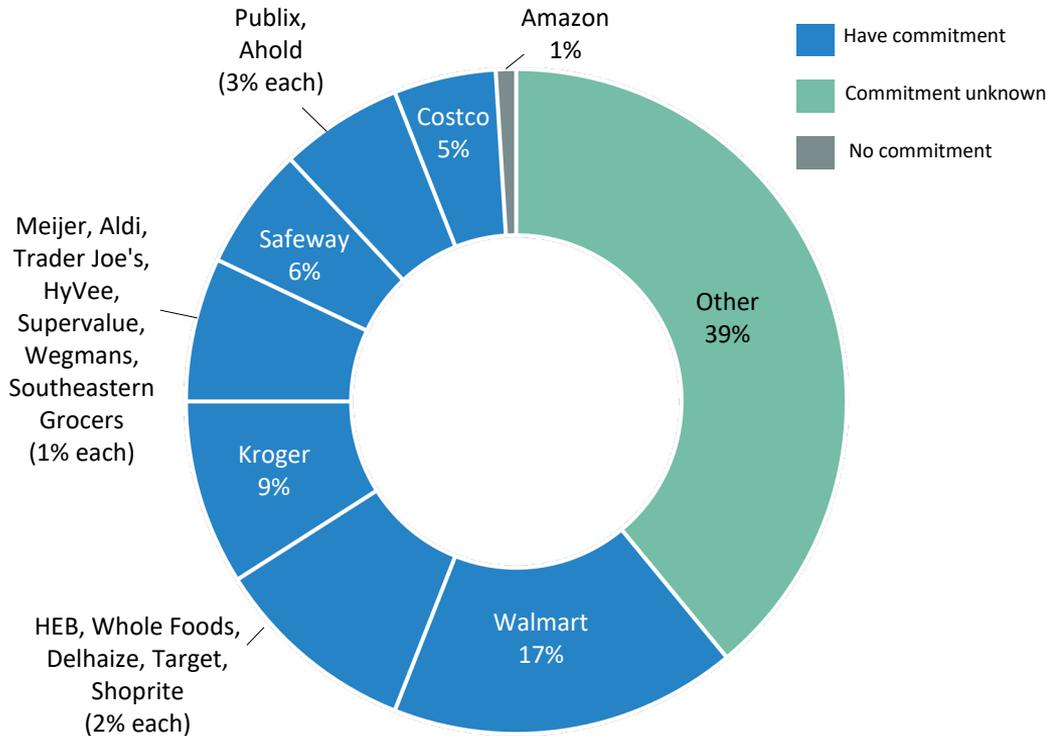
Timeline shows significant commitment activity in the US after Walmart's commitment in 2006 and "Carting Away the Oceans" rankings launched in 2008 and in the UK after Hugh's Fish Fight

	Pre-2006	2006-2009	2010-2012	2013-2015	2016-2019
US	Whole Foods,	Walmart , Sam's Club, Kroger, Shoprite, Costco,	Target, Trader Joe's, Wegman's, SuperValu, Delhaize America, Safeway	The Fresh Market, HEB	Southeastern Grocers, Meijer
Canada		Loblaws, Overwaitea	Sobeys, Metro, Federated Co-Op, Buy Low Foods	Walmart (Canada)	
UK	Sainsbury's	Lidl	Marks & Spencer, Asda, Aldi UK	Waitrose, Tesco, Morrison's, IGH	
Other EU	Ahold	Delhaize	Aldi		
Spain		Lidl	Alcampo, El Corte Ingles, Eroski, Aldi		
Japan		Note: sustainability movement kicked off in 2008-2009 by WWF and GP, but was deprioritized after Tsunami and radiation incident in 2011			Aeon, JCCU
Other notable events		1st Greenpeace "Carting Away the Oceans" ('08) CA Common Vision ('08)	Hugh's Fish Fight ('10) Sustainable Seafood Coalition (SSC) formed ('11)	Seafood Legacy established in Japan (2015)	

Source: Roheim, Bush, et al, "Evolution and future of the sustainable seafood market," Nature Sustainability, vol 1 (2018): 392-398; 2015 CEA Progress Toward Sustainable Seafood; company websites & press search; GSM evaluation KI interviews

Major US retailers have made commitments to source seafood sustainably

US Grocers by Market Share & Buyer Commitment Status



Most major grocery buyers in the US have sustainable seafood commitments.

“The strategy has worked as it was designed, which was to get the major buyers, particularly retail buyers in North America and Europe, to commit to sustainable seafood...basically since the Wal-Mart commitment in 2006, you've had almost all major actors in those countries making commitments.” - KI

The “other” bucket is still sizeable. The success of using the major buyers as a lever could influence the others in a couple of ways:

- Influencing the smaller grocers to make their own commitments
- Influencing suppliers to make commitments, thus increasing the likelihood that grocers without commitments are still sourcing sustainably, assuming they use similar supply chains

Greenpeace's "Carting Away the Oceans" report shows significant improvement in retailers' policies, initiatives, transparency, and inventory

In 2008, all 20 US retailers failed Greenpeace's first evaluation; 10 years later, 20 out of 22 US retailers passed, with 4 "Leading"

NUMBER OF RETAILERS RECEIVING FAIL, PASS, AND LEADING SCORES



Leading

1. Whole Foods – 80.4
2. HyVee – 79.8
3. Aldi – 71.9
4. Target – 70.8

Pass

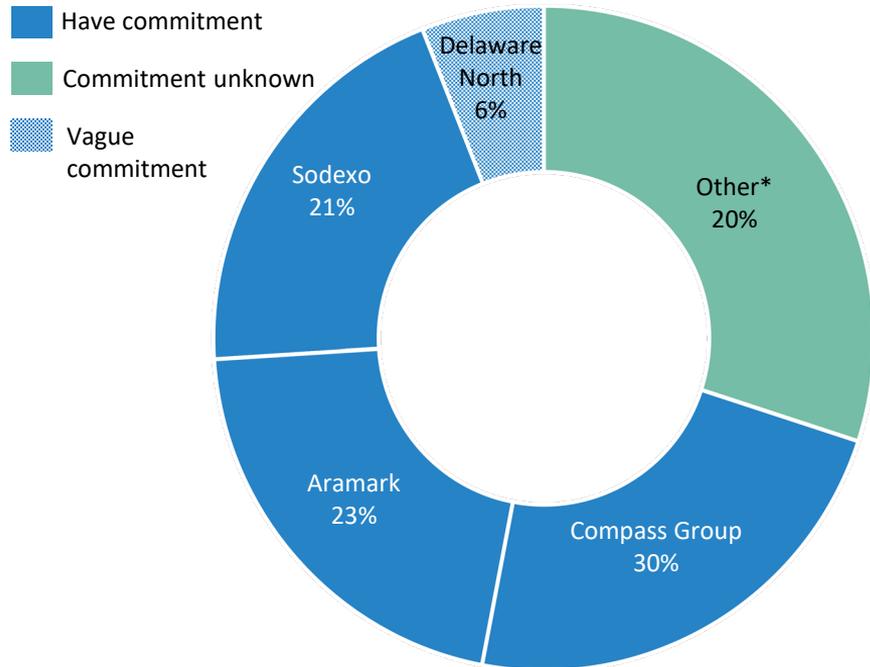
- | | |
|--------------------------|---------------------------------|
| 5. Giant Eagle – 69.4 | 14. Trader Joe's – 58.1 |
| 6. Wegmans – 67.1 | 15. Costco – 56.2 |
| 7. Albertsons - 67 | 16. Southeastern Grocers - 54.3 |
| 8. Sprouts – 65.4 | 17. Publix – 46.1 |
| 9. Ahold Delhaize - 64.1 | 18. WinCo Foods – 47.2 |
| 10. Meijer – 62.3 | 19. HEB – 46.4 |
| 11. Kroger – 61.4 | 20. Price Chopper – 40.4 |
| 12. Supervalu – 60.4 | |
| 13. Walmart - 60 | |

Fail

21. The Save Mart Companies – 39.2
22. Wakefern – 37.9

Largest buyers in the highly consolidated US contract food service segment have made sourcing commitments

US Contract Food Service by Market Share & Buyer Commitment Status



*Elior, one of the biggest players in the “Other” bucket partnered with Seafood Watch in 2019 to create a sustainable sourcing commitment

Although contract food service is a more consolidated segment than grocery retail, finding the leverage to influence change has been more challenging

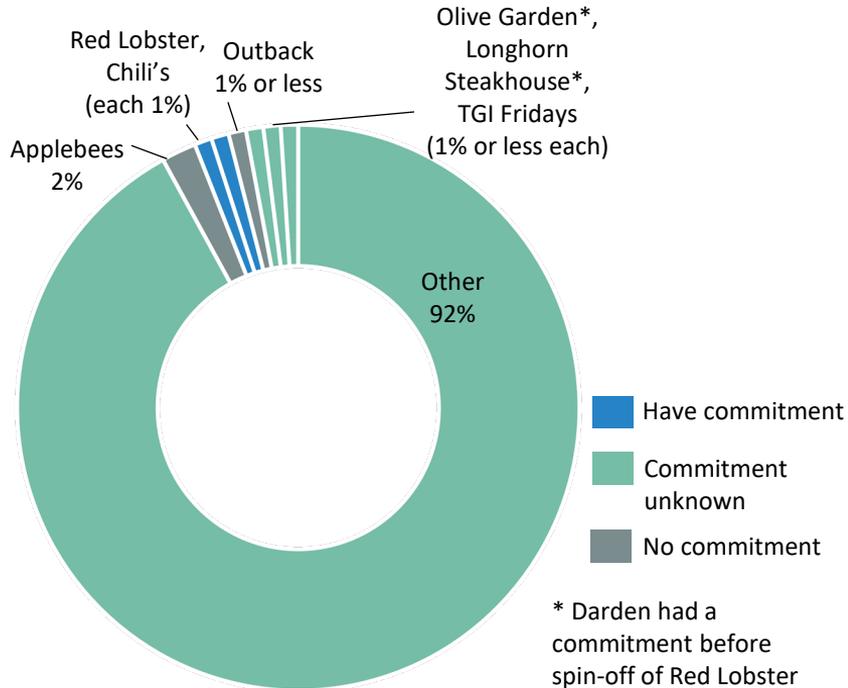
“The main difference is that retail is more public facing... who supplies the food at the hospital that you go to, or the university that you go to, or even the corporate campus that you visit, maybe five times a week, you still might not know that it was Aramark.” - KI

Greenpeace published its first “Sea of Distress” Report on the foodservice sector in 2016.

- Compass Group, Aramark and Sodexo were the only companies with passing scores; Aramark and Sodexo were also two of the three most improved in 2017
- Delaware North received failing scores, despite its commitment in 2010 to avoid red list species, because it hasn’t provided public information on its sourcing policy or progress

The US full-service restaurant market is highly fragmented; buyer influence on sustainability likely limited

US Full-Service Restaurants by Total Market Share & Buyer Commitment Status



Full-service restaurants comprise 32% of the US Foodservice market by total sales and it is highly fragmented

Market is less fragmented when measured by share of fish and seafood sales, for example, Red Lobster has closer to 25% share, followed by Applebees, Chili's and Olive Garden with approximately 5% share¹

Traditional seafood restaurants have been in substantial decline in revenue and profits with ownership changes that lessen influence over supply chain

NGOs identified opportunities to enlist companies like Darden, who have owned multiple brands with significant seafood sales, to commit to sustainability

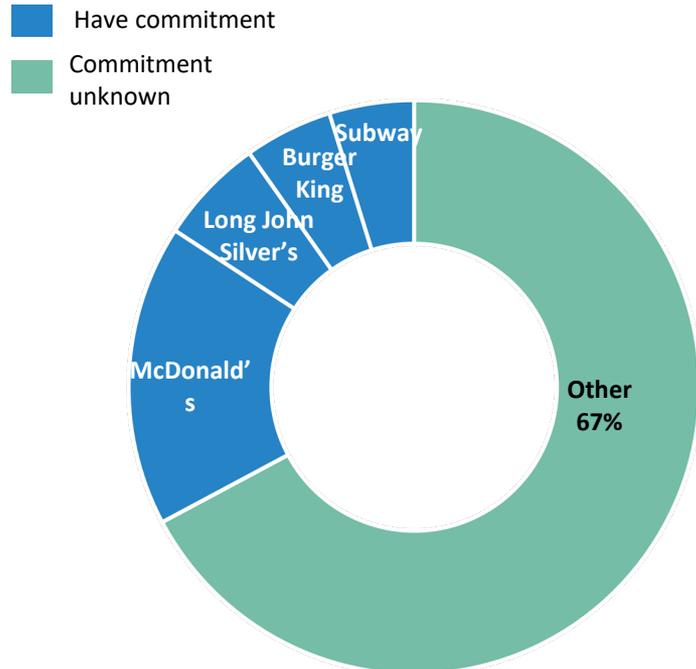
"They started including restaurants, like Darden restaurants, which at that time owned almost every restaurant chain that we think of today, like Olive Garden and Red Lobster. Because that's where you address the volumes. But then the problem became, "Okay, now we've got a demand, but we don't necessarily have the amount of supply that could fill that demand...that can lead to different problems: how easy is it for companies in this B2B model to make the claim that they're selling sustainable seafood...it can be the gold standard down to "Oh, yeah, this is my seafood supplier and they told me it was sustainable, so I'm good." Right?" - KI

Changing Tastes' research suggests that supplier commitments are more effective than individual purchaser training (e.g. educating chefs)

Source: Estimates based on Changing Tastes Rocks & Levers report with share of seafood sales estimates based on visual size of \$ value fish and seafood sales boxes; company websites and press releases; KI interviews

Largest US quick service restaurants have made commitments; brand influence on industry and consumers is a key impact since purchasing just one commodity limits ability to aggregate demand

Collaboration between buyers and suppliers on seafood sustainability efforts



Quick service restaurant market is highly concentrated, with the top six brands that have a seafood offering representing over 30% of all QSR fish and seafood sales.

McDonald's led the charge, recognizing as early as 2002 that limited white fish stocks warranted the company's first coordination of global purchasing with global standards. It's an example of the major buyer TOC; one company influenced suppliers and producers:

- Developed a sustainable fisheries policy with its biggest suppliers, implementing a “traffic light” system to monitor and drive change: “We have on occasion exited a fishery, and that sent pretty strong signals through the industry...resulted in that fishery getting MSC certification to demonstrate improvement.”-KI
- “I always love SFP's early stories about using McDonalds to leverage change in the North Atlantic Cod fisheries, when they got relationships with such big powerful names that could trickle down to the rest of the industry so that people could understand that change is possible.” - KI

In 2013, McDonald's committed to a campaign to educate consumers about the MSC eco-label: “The company's action almost ensures that the other big national fast food chains will follow-suit, if only not to lose market share to the Golden Arches. We saw this happen in the supermarket world when Walmart made a similar MSC commitment in 2006.” – EDF²

In the last five years, one KI has seen a shift toward collaboration with alignment on objectives and willingness to work together: “Very few companies now say ‘my food is safer than your food’ and sustainability is reaching the same level of maturity, not a lot of point in saying my seafood is better than your seafood...organizations that have been driving change have realized that it needs to be the industry changing and not just one company.”-KI

However, another KI, noted the siloed nature of QSR purchasing: “Quick service is unique in that they're buying a manufactured item at scale as opposed to actually making different menu decisions. So having Long John Silver and McDonald's agree to the same thing doesn't get you anywhere. McDonald's only serves pollock and Subway only serves tuna.” -KI

1. Estimates based on Changing Tastes Rocks & Levers report: Top 6 brands sell over \$2.5B of fish and seafood, more than 1/3 of all QSR fish and seafood sales 2. [Environmental Defense Fund](#)

Industry informants suggest that having a commitment is “the norm” now, although the quality and impact of commitments varies considerably, which could dilute demand signals

Having a sustainable sourcing commitment is “the norm” for most **large** buyers, especially if they are **consumer facing public** companies who have **corporate social responsibility programs** and **resources** to create and implement a commitment.

“The norm is that we, as a company, commit to eventually achieving sustainable sourcing, with sustainable defined by MSC, ASC, and GAA certifications or WWF or Seafood Watch's thoughts on wild capture seafood. That's the norm, and any company that is sufficiently large, and in the top half around food quality has a commitment like that. The laggards, who often have other business problems, may not have a commitment, but they talk about them, and if they had one, that's what it would look like.” - KI

However, suppliers and industry insiders cited a high degree of variation, often described by segmenting buyers according to “quality” of the commitments, fragmentation of decision makers, and/or level of engagement in implementing commitments.

“I think that everyone [retailers] pretty much has some type of policy statement on sustainable seafood, but it really varies in quality. You know, everything from, “We have environmentally friendly seafood,” which doesn't mean anything, to, “We have a really legit program where we do ABC and D and we measure ourselves every year and we report to our consumers.” It's a real range, but I would say even now, only about a half to two thirds have what I would consider close to an effective policy that would pass the sniff test. There are some that are just doing it because I think they feel they need to.”

“I think for bigger companies that have bigger purchasing power, it's becoming the norm. I think are more or less doing it first for the environment, but second as a safety net so that they don't get attacked, like a PR kind of thing...the middle size restaurant chain or restaurant has a lot more to focus on and may have to answer to several levels of corporate or whoever's doing the purchasing versus just the chef...if it's a small restaurant and the chef's doing the purchasing, then they have more control and can set those standards.”

“There's some proportion that care a lot and have really strong commitments that are very institutionalized with mechanisms to check on and enforce the progress on those commitments and actively work with their suppliers... there's a group more in the middle that have these commitments and they're a little bit more passive about talking about them or working with their suppliers...And then there's another group that doesn't ask. It's a wide range. There are some who have very little experience or knowledge of the sustainable seafood movement kind of standard commitments, all the way up to those who are leading the way.”

The variance in “quality” of buyer commitments could dilute demand signals; thus it will be important to look for evidence that the demand signals have been strong enough to “trickle down” the supply chain

The TOC hinges on suppliers heeding demand signals, changing their purchasing behavior and influencing producers to change practices on the water – anecdotally that is happening

The buyer commitment theory of change not only depends upon suppliers sourcing sustainable products for customers who demand sustainability, it aims to engage suppliers in driving changes to production practices to increase quantity of sustainable seafood.

Packard highlighted this important expectation in its strategy assumptions:

- 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.**
- 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.**

Anecdotally, initial sustainable sourcing commitments from major buyers sent demand signals to suppliers for sustainable seafood. Suppliers initially responded to these signals by offering sustainable product to major buyers. But demand signals were strong enough to impact supplier behavior on a larger scale.

“Whole Foods is one of our customers and they changed their sustainability scheme, that defined what they would and what they wouldn't sell. But because now we had that same obligation to make sure that we were very transparent and selling them what fit their sustainability criteria, we had to invest a little bit in how we tracked Monterey Bay, green, red, yellow, and MSC. And as part of that, then we gain the ability to now push that out to all of our customers.” KI

Now suppliers are offering sustainable seafood to smaller buyers that may not have initially requested it. In addition, the industry survey shows increased collaboration between buyers and suppliers in the last 5-10 years, and suppliers suggest that they have taken more of a leadership role and have begun to, in turn, influence buyer actions.

Industry survey respondents on changes in supplier-buyer collaboration in the last 5 years



“More recently, they've leaned on us [suppliers] more to make the decisions for them and help them. Whereas before I think those that started to source sustainably early on, made those decisions for themselves, they knew what they wanted, they made the commitment.” –KI

In fact, one supplier key informant described creating and pushing a simple “eco score” to customers, even those not asking for it, influencing buyers to make more sustainable choices

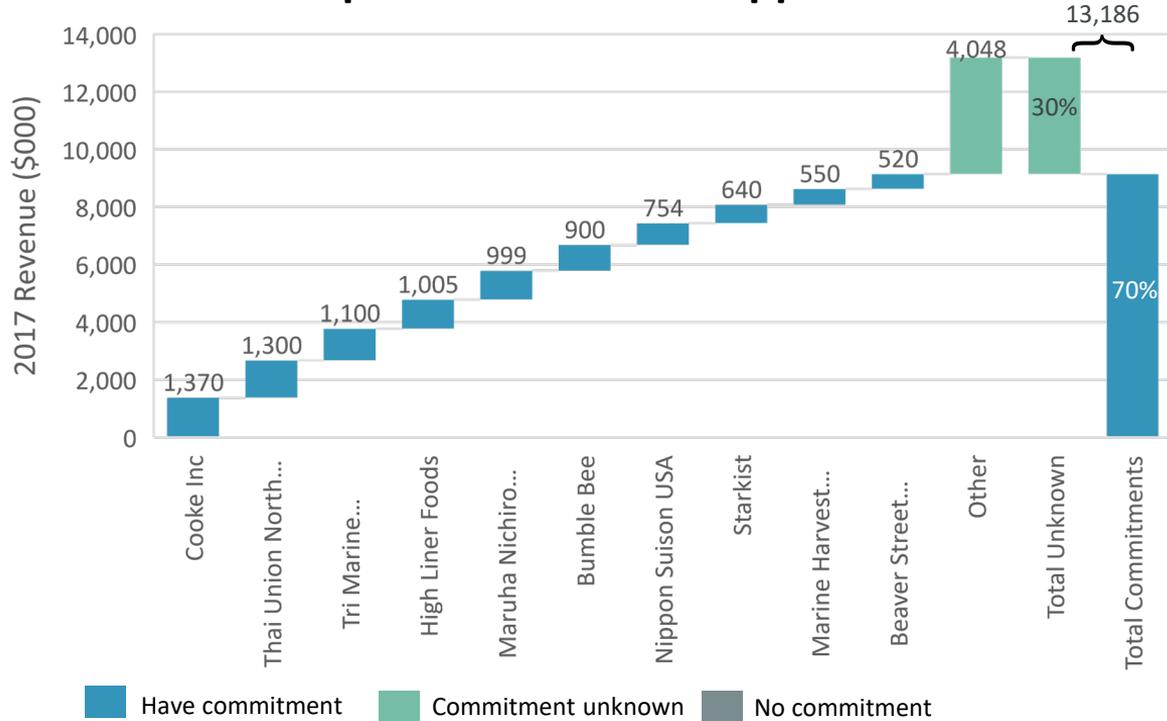
- One supplier creates an “eco-score” that is provided to all customers, not just those who are requesting sustainable seafood
 - The score is a numerical figure based on an internal benchmarking of certifications
 - The intent is to provide a simplified evaluation of a customer’s purchasing practices to highlight opportunities to source more sustainably
 - It can be particularly helpful for smaller independent restaurants or buyers who don’t have the knowledge or capacity parse out the data in an actionable way

“And so now we're putting that back out to our customers to say, this is how you've scored based on your purchasing. So you know, that's another way I think that we can help support people is to put sort of information inside their hands and there might be one more thing which is to increase the ease of reporting.” –KI

- This approach has allowed the supplier to engage in conversations with more senior level business leaders, who have appreciated the streamlined approach, and advocated for its application more broadly within their companies
- It serves as an example of an unintended consequence of the buyer commitment theory of change: a supplier acted on demand signals from buyers with sustainability requirements and found a way to synthesize those signals and push them back up the chain to buyers who were not requesting sustainable seafood

At least 70% of top 25 North American seafood suppliers have some type of sustainability commitment

Top 25 NA Seafood Suppliers



The largest seafood suppliers have made commitments for sustainable sourcing, many of them shortly after the first Walmart, Kroger and Safeway commitments:

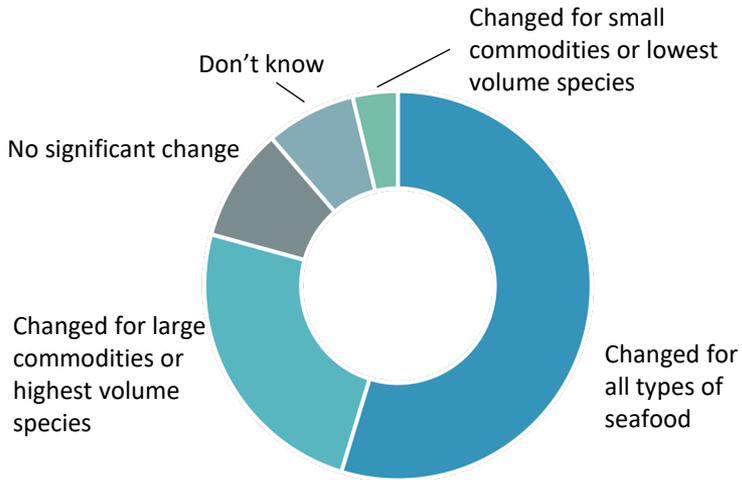
- Tri-Marine, Thai Union & Starkist – 2009
- High Liner in 2010

“Buyer commitments certainly have driven change through our business...we’re big enough now that there is nobody in food service or retail that we don’t touch...all of the food service now and all the retail players have established their own commitment to sustainability and responsible sourcing. And in doing so, turn to us as their industry experts and expect that we will help them reach their goals by procuring and supplying them with only responsibly sourced items that meet their criteria.” - KI

Suppliers report changes to their purchasing behavior...

Suppliers believe that their sourcing policies have driven significant changes to purchasing behavior...

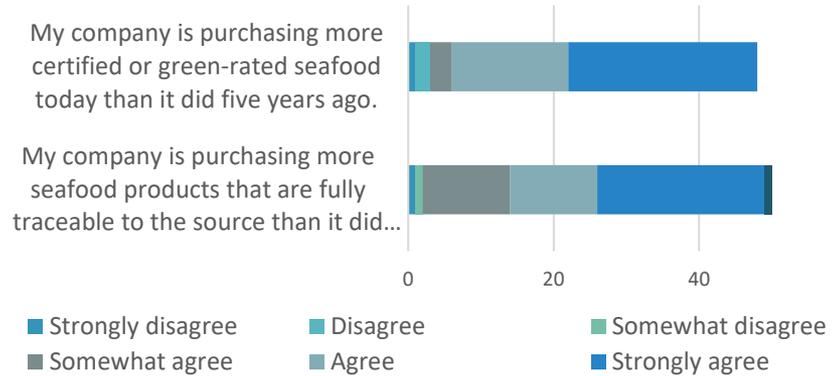
How has your company's sustainable sourcing policies changed purchasing behavior in favor of sustainability?



"It's made us really try to understand exactly what we are buying, how it's fished and where it's coming from...and then also going out and verifying a lot so that we can so that we can report properly." - KI

...and resulted in increased purchases of sustainable seafood

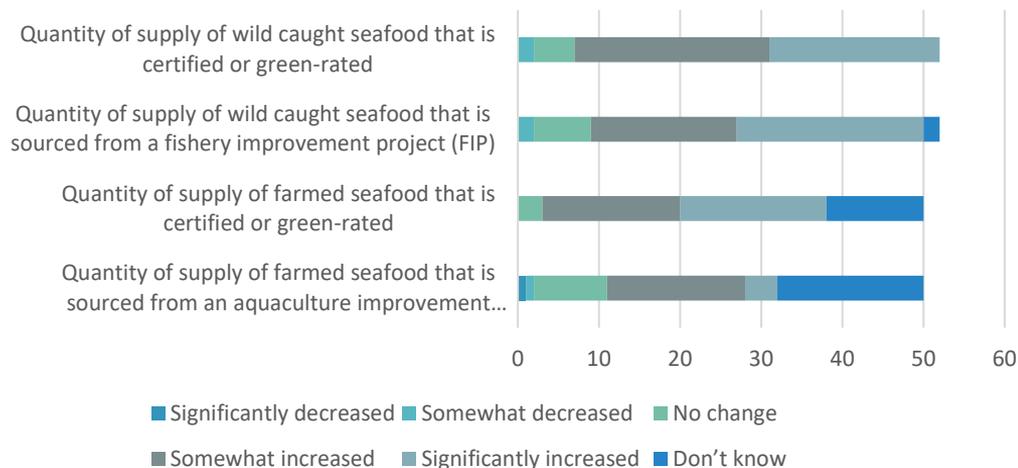
Please rate the extent to which you agree or disagree with the following statements.



...as well as increased quantity of sustainable seafood

Most industry survey respondents have observed increases to the quantity of certified and green-rated seafood, as well as quantity of seafood sourced from improvement projects

What changes have you observed in the last five to ten years regarding the supply of sustainable seafood that your company has access to? Please select the best description of the change that you have seen.



Key informants suggest that increase in FIP volume has allowed industry to implement commitments

On the one hand, the increased quantity of FIP seafood available is likely an important factor in buyers' willingness and ability to implement commitments:

- Retail and food service are extremely competitive; low margins are the norm in retail
- The business case for sustainable sourcing would be difficult if it meant moving to higher priced supply
- Cutting off all producers who are not already certified would reduce available product and increase the price
- Ability to source from fisheries or farms that aren't sustainable yet but implementing policies to achieve sustainability has enabled uptake of commitments

On the other hand, granting access to coveted North American and European markets before sustainability objectives have been met could reduce incentive to change production practices, especially if the FIP isn't time bound

When asked for evidence that buyer commitments have resulted in change on the water, most KIs cite examples of FIPs/AIPs and highlight reasons why overall impact is difficult to assess



Industry is driven by profit and competition. Most are unwilling to make a change that will hurt them financially compared to their competitors

“We actually saw one of the retailers who did go forward and drop farmed salmon for about a year and a half and then looked around said, well, the other retailers aren't dropping it, and they're making all this money off it. So we're going to go back and start selling it again. Why should we take the hit? You know, so there's this peer pressure, they look across the industry and see where the norm is and what people are getting away with it.” –KI



Companies are getting complacent, and some are simply moving the goal post if they don't hit their target, rather than admitting their shortcomings

“The sustainability commitments that Sysco made, which were originally supposed to be achieved by about I think 2008, are no longer the target. They've never achieved the goal. They've just restated that every couple of years to be a different goal. That's also allowed companies like Sodexo to have made a commitment and reframed it several times...But they're making more ambitious commitments in the future, rather than saying we're missing our goals” –KI

“The details of what that commitment entails, which are often revised, are closely held at the staff level between a company and an NGO. And they change often largely in my opinion, Because there's now a case for neither party to admit they're behind schedule or fail. Better to move the goalposts than say you've missed.” –KI



Overall progress is difficult to assess because there is no one measure of success

“How easy is it for companies in this B2B model to make the claim that they're selling sustainable seafood by just using someone who tells them it's sustainable. So the tactics have created a success if you want to think about the commitments on the corporate social responsibility websites of some of these major players and the signs that they have in the seafood counter and the brochures they have explaining where seafood comes from and why it's good to buy it. But the downside is there's still that level of distrust that they're really fulfilling what they're claiming they're fulfilling.” –KI

Driven to make consolidated gains, SFP launched Target 75 in 2017 to achieve a goal of 75% of world production in key sectors being sustainable or in formal FIPs or AIPs

SFP's Target 75 initiative aims to drive many examples of improvement efforts, even if the quality of those efforts varies, rather than merely a few examples of exceptionally good practice.

“So with the early days, we were dealing with a bunch of very disparate retailer commitments that were driving different parts of the supply chain and sending different signals. What we did in 2017 was launch a public target, Target 75, that said here are the fisheries that if the industry agrees to work together to prioritize and can move, you'll engage 75% of global production in these sectors in improvement efforts by the end of 2020.” – KI

Working toward the 75% goal involves committing to actions that many seafood industry stakeholders are already doing, such as:

- Systematically identifying and tracking all sources
- Reporting all sources via the Ocean Disclosure Project
- Requiring all suppliers to participate in mobilizing key vendors and getting FIPs and AIPs going
- Publicly reporting FIP progress (e.g., on [FisheryProgress.org](https://fisheryprogress.org))
- Getting all suppliers to participate in respective Supply Chain Roundtables or equivalent precompetitive collaborations where necessary to drive FIPs and AIPs
- Setting realistic timelines for progress and holding suppliers and FIPs and AIPs to them
- Increasing public communication and claims in line with the progress made.

SFP has reported progress by sector, highlighting what is needed to close to gap to achieving the target.

Industry survey suggests a high level of commitment to sustainability in the future

Industry survey respondents are optimistic that their companies will maintain or increase commitment to sustainable seafood in the future

But KIs suggest that continued pressure is needed to ensure that decision makers remain motivated



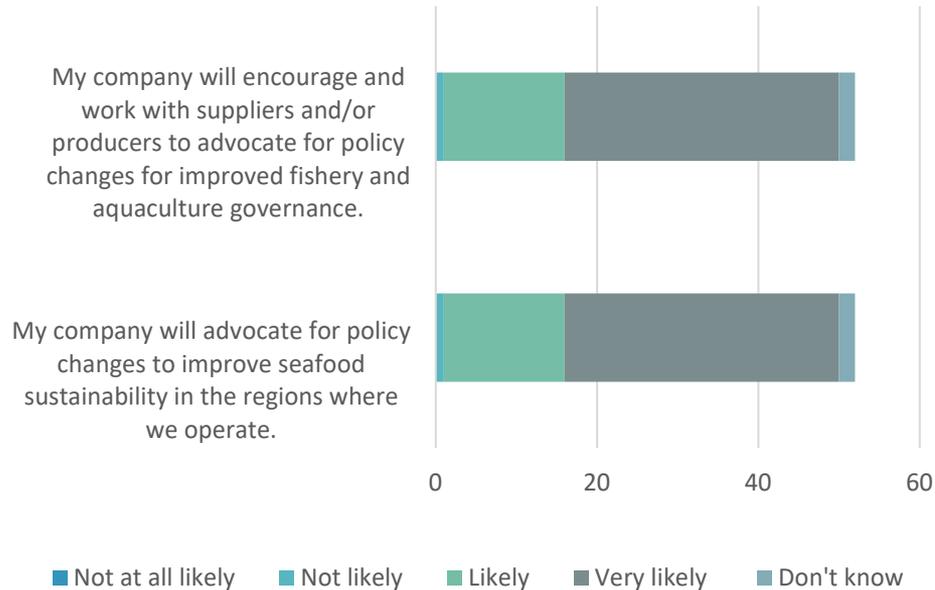
“Altruism or having somebody that's a real champion for it helps open the door but it can't sustain that level of engagement and involvement. So I think there it comes down to pressure. I could be pressure from buyers, pressure from NGOs, from consumers. So, you know, just some exposure and some challenge to the industry to make sure that the practice that we're doing falls in line for the longer term.” - KI

“But not all industry or industry players are capable of doing that, because maybe they have management teams that are not necessarily the shareholder team. And the shareholders have one perspective on things and management may change. So there can be kind of a disconnect there sometimes if the company involved doesn't have either shareholder or stakeholder involvement and acceptance at the highest level that empowers management to take the necessary role to get involved.”- KI

Industry engagement in advocacy has lagged in the past, but industry survey respondents say that it is likely that they will advocate for policy changes in the future

In 2015, CEA found that only ~ 25% of retailers were meeting the Conservation Alliance’s Common Vision step 6 to engage in and support policy and management reform that leads to positive environmental outcomes in fisheries and aquaculture management. Supply chain was not included in that survey, but their responses in the GSM industry survey show a willingness to engage in the future.

Industry survey respondents, who are predominantly suppliers and producers, suggest that they are likely to engage in advocacy for policy changes and reform



Key informants see opportunity for more strategic advocacy efforts, which could be led by industry

“In a way it demonstrates a maturing of the role of businesses. So, rather than being the kind of path passive recipients of advocacy, let’s formulate our own positions or do our own analysis. We can include NGOs, but ultimately set our own messages.” - KI

“It’s usually like ISSF will discuss in a meeting, a position on the part of the group. Then ISSF will advocate for it. So, usually we’re kind of party to the letters or party to the advocacy that you the heads of ISSF attending those meetings are speaking on our behalf.” - KI

“I think the other area is around the role that NGOs play in convening retailers and other stakeholders to influence governments or other decision makers. And I think, again, we would see this as some quite good activity around getting people to sign on to letters and things, but it sometimes lacks strategic underpinning. And we would like to see a bit more focus on advocacy strategies. - KI



Context for Future Action: Challenges and Opportunities

Springboard identified industry challenges and priorities in 2017; GSM evaluation key informants and industry survey participants indicate improvement on most challenges, but not for cost

In 2017 Springboard Partners conducted 1:1 interviews and focus groups with 29 suppliers, retailers and food service companies. Springboard also discussed challenges and priorities with supplier and buyers at the 2018 Boston Seafood Expo. These industry conversations explored companies' challenges and priorities.

Industry challenges & priorities	State of the issues 2017-2018	State of the issues 2020	GSM evaluation industry survey results
Cost	<ul style="list-style-type: none"> Buyer CSR / NGO partner asks for a lot re: sustainability Buyers keep driving down the price, e.g. lack of focus on sustainability at buyer level and conflicting incentives 	Costs associated with complexity (e.g., inventory)	
Traceability	<ul style="list-style-type: none"> NGO led efforts focus on unrealistic & inefficient precision Need industry led set of standard KDEs Lack of trust along the chain is disincentive for investment 	Balance between efficiency and accuracy with traceability requirements	
Social challenges	<ul style="list-style-type: none"> Buyers focused on managing risks and reputations How to balance environmental gains at expense of humans How to make sustainability investments for equitable; producers shouldn't have to bear all of the cost 	Risk of purchasing seafood caught illegally or under poor worker conditions	
Aligned messages from NGOs	<ul style="list-style-type: none"> Lack of alignment and coordination prevents customers from sending demand signals that suppliers can follow 	NGO alignment on the definition of and standards for sustainable seafood	
Streamlined certifications	<ul style="list-style-type: none"> Too many certifications and ratings options Too expensive; value of eco labels unclear 		
Increased consumer education	<ul style="list-style-type: none"> Potential for pro-industry, pro-aquaculture marketing to consumers to increase demand for sustainable seafood 	Level of consumer awareness of sustainable seafood choices and benefits	

Suppliers cite increased costs as a significant challenge

The GSM strategies evaluation sought to better understand the what is driving increased costs for suppliers. Costs fall into three primary buckets:

1 Costs from carrying more complex inventory

Costs associated with carrying and managing more complex inventory include:

- Storage location and equipment
- Systems investments and/or time spent managing more complex data in systems
- Staff capacity and training
- Having to sell sustainable product as “normal” product due to lack of demand

The majority of suppliers surveyed indicate that costs associated with complexity have not improved over the last 5 years:

- 42% say costs are worse
- 13% say costs are the same

2 Costs from managing reporting requirements

Suppliers continue to cite challenges with completing reports, sometimes quarterly, that are unique to each buyer and/or NGO partner

Suppliers also feel that much of the time spent completing these reports is wasted since buyers don't seem to review and/or act on the information, rarely providing direct feedback

Most suppliers surveyed said that the burden from managing different reports has not improved over the last 5 years:

- 8% say the burden is significantly worse
- 42% say the burden is worse
- 21% say it is the same

3 Higher price paid for sustainable fish

Suppliers say that they pay higher prices for sustainable seafood vs. standard products.

Suppliers surveyed indicate that the cost has increased relative to other sources over the last 5-10 years.

For certified or green-rated wild caught:

- 8% say no change
- 75% say cost has somewhat increased
- 13% say cost has significantly increased

For certified or green-rated farmed:

- 58% say cost has somewhat increased
- 8% say cost has significantly increased
- 29% say they don't know

Industry survey suggests that all three categories are weighing more heavily on suppliers today than five years ago.

Many suppliers try to pass on some of the added cost, but ability to do so is impacted by buyers' price sensitivity and connection between CSR and procurement goals

Most suppliers try to pass on the increased cost that they pay...

Nearly all suppliers interviewed **agree that the costs associated with complexity and reporting requirements are eroding margins**, although it is difficult to quantify. **Most suppliers interviewed suggest that they try to pass on costs, particularly those attributable to certification, to buyers.** Some suppliers state that the cost of certification is negligible, e.g. a couple of percentage points, and they typically “eat” those costs

“It's negligible. It might be 2% and my commitment is that I will eat up that additional cost and I will sell the two [MSC certified and non-MSC certified] at the same price.” - KI

“...We've worked really hard to be able to meet [our commitment]. The question of whether we have customers who are willing to buy in and pay more for those additional kinds of sustainability assurances - the jury's still out. There's not been a consistent demonstration by our customers that they will pay more. In some cases they will buy from us over competitors, but not always.” -KI

...but may end up “eating” that cost due to buyers' inability to pass that cost on and/or incentives that drive maximizing profit vs. achieving sustainability goals

Springboard's industry perspectives highlighted that different buyer segments have different levels of **price sensitivity**:

- Food service – price always matters, but try to recognize the value added by sustainability
- Retailers – higher end retailers' customers expect quality and are willing to pay more for it, mid-range retailers' customers may pay a modest price increase, value retailers' customers are very sensitive to price and would likely not pay a premium

“We're obviously in in the world of competitive retailing...Our goal is to sell products that are sustainable and affordable. We feel like that's an important thing that we need to do for our customers because many of them are on low incomes. They struggle to feed their families on a weekly basis. So just providing a selection of sustainable products that are outside of their price range isn't the solution. It's always going to be the case that cost is going to be the key consideration.” - KI

In addition, Springboard's supplier-buyer pressure conversations in 2018 highlighted a **disconnect between CSR and procurement teams**, resulting in misaligned incentives that reward profit maximization more so than achieving sustainability goals. This disconnect hampers supplier engagement in improvement projects because there isn't appropriate ROI and recognition of the time needed to improve product sources. KIs echoed these sentiments:

“... a corporation has to take away disincentives like price or price specials or food costs, or provide a complimentary incentive to go with green...if you just incentivize the financial part without the sustainable part, I don't know that you're going to see results.” - KI

“We have to report quarterly...They come back, asking us for options. Ask us how we ended up delivering fish that's a red when they expected it to be yellow or green. So it's done a lot to make us focus on delivering what they want. But they don't really understand what they're asking for, they're just policing the commitment. Here's the distortion: [company] is also bonusing their chefs and their frontline people who place a lot of those orders based on food costs. When those people look at their bonus program, they say, “well, I'm not going to get benefit from sustainability, but I will get benefit from the food costs.” And that's where it falls apart.” - KI

The long-term vision with this theory of change is to make sustainable seafood a commodity vs. a premium product, but near-term cost challenges are a barrier to achieving that vision

- The theory of change hinges on creating enough demand from buyers to effectively deny market access to suppliers who don't meet sustainability requirements.
- Most retail and food service buyers are sensitive to price, and thus, getting enough buyers on board who can wield the access lever results in suppliers and producers having to figure out how to deliver on buyers' sustainability requirements without passing on significant costs.
- KIs are fairly aligned in the long run goal to commoditize sustainability such that it is not a factor that drives price premiums.

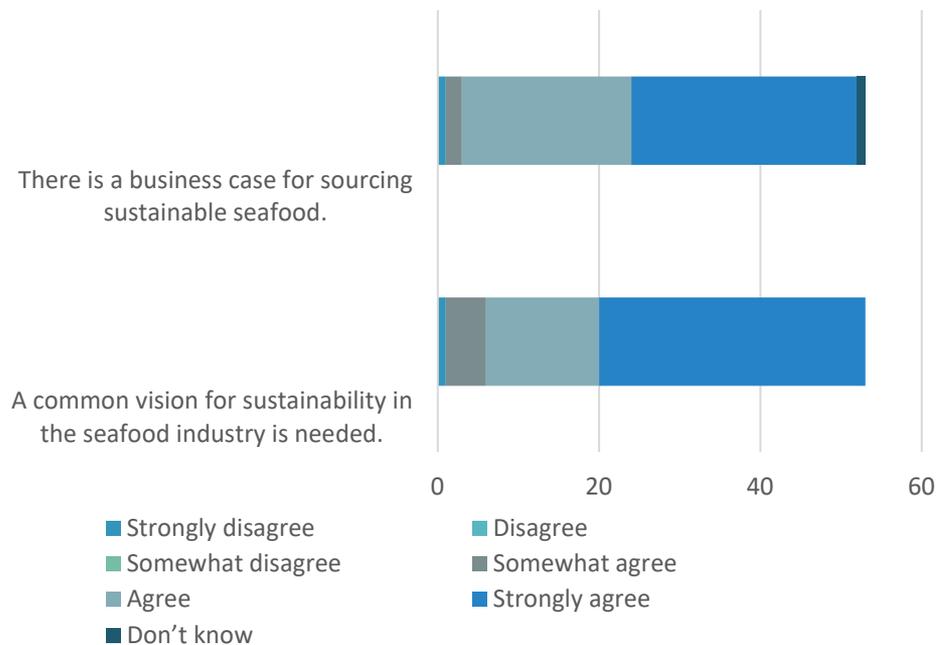
"I don't think the consumer should have to pay more. I feel strongly that sustainable product should not cost more. And the way to make that happen is to get enough product to sustainability that it's no longer a differentiator. We're seeing that happen with some products like cod, for example, where you've got just such a high percentage of the product already certified, you can no longer compete on price. I know that competing on price does pull the market up to get them moving in the first place. That's part of our strategy. But it's not going to scale if price continues to be a differentiator. It will only serve as a limited portion of the market that actually cares about it." - KI

- Until that long run goal is achieved, many suppliers indicate that something needs to give in order to ensure that suppliers and producers who heed the call to source and produce sustainably are not squeezed to the point where they are unprofitable and out of business
- Suppliers and buyers raise two options for reducing the cost burden: **reduce the costs of certification and complexity** and/or work together to **tell the story of sustainable products** to influence more mainstream consumers to demand and pay a modest premium for sustainability

"What I mean by consumer engagement then is escalating the issues in a way that flags to these companies that it's a risk not to do something...You could look at dolphin safe tuna and how fast that moved on a single initiative. You could look at cage free eggs. How fast did that escalate globally and how much change happened? Just because of the consumer targeted approach and how it resonated strongly in consumers minds...I think part of the problem is when we talk about seafood sustainability, we talk about seafood sustainability...What does that mean? That has no emotional context to me. It's not a dolphin. It's not chicken that's in the cage. Finding a way to relate this entire initiative in a way that's more emotionally connecting to people, not to get every consumer saying that they're willing to pay more for sustainable seafood, but to get people more vocal about it in the marketplace. It wasn't everybody saying that they would pay more for cage free eggs that really kicked it off, it was the market raising enough concern that companies saw a risk in not acting." - KI

Industry seems to understand the long-term vision for how the theory of change will play out, believing that there is a business case, and agree that a common vision for the industry is needed

All but one industry survey respondent believe that there is a business case; also see a need to establish a common vision for the industry

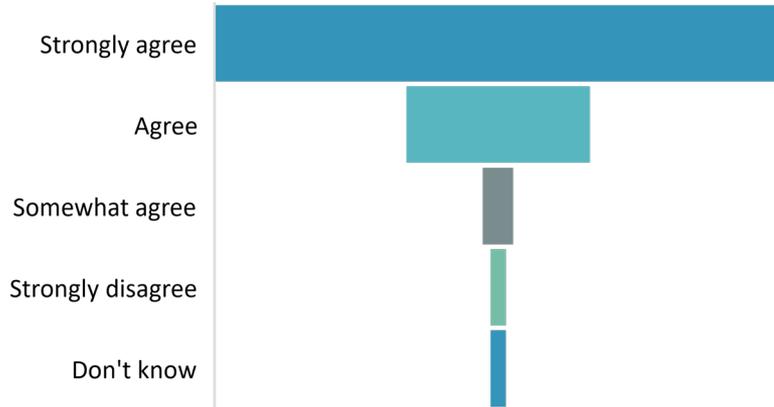


“Our company has taken a bit of a bet on this, that it's going to create business returns. Maybe it's price premiums, maybe it's access to new customers. We've definitely gotten reputational benefits, but quantifying that is really hard. We're constantly sort of like, Well, you know, it's improved our reputation. What is that worth? But I think as far as how durable it is, it will depend on the entire supply chain's continual buy in of the strategy. I think in five more years, if there is not anything to demonstrate for any of those business types of outcomes...I don't know, I'd be nervous for what will happen to the strategy.” - KI

Establishing a common vision for the industry could lead to enhanced ability to improve messaging and marketing

Industry survey respondents see an opportunity to create marketing that resonates more with consumers

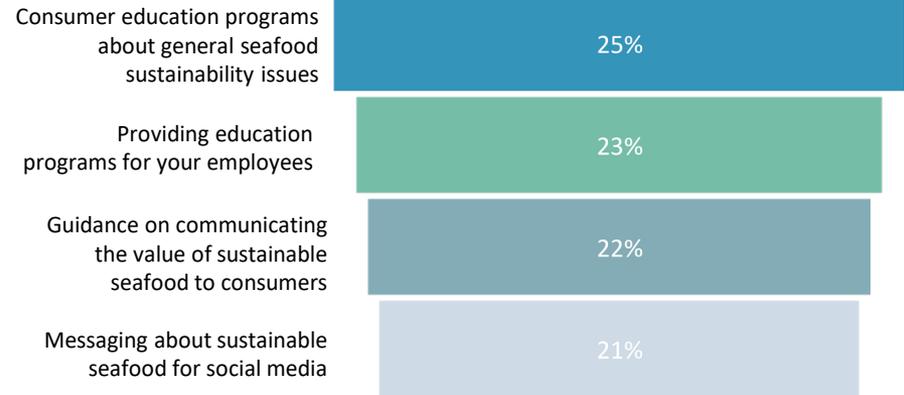
There is opportunity to improve the marketing around sustainable seafood and to tell a story that resonates more with consumers.



“We see the sustainable seafood community focusing more on the impact of production, and not necessarily issues that matter the most to the people who eat fish and seafood.” - KI

In Seafood Watch’s survey, industry messaging captured 4 out of the top 10 desired focus areas

Messaging related desired areas of focus for the Monterey Bay Aquarium



“At the end of the day, consumers tend to trust who they buy from more than they have any understanding of what a label means...MSC has something like 25% consumer recognition in the US. It's not good, and that makes it really hard for companies to use MSC as their platform. Because if you can't sell it, then it's not going to work. So I'd say, focus on a b2c strategy.” - KI

Accountability for delivering on commitments was widely cited by key informants as a key barrier to commitments driving change on the water, requiring a more coordinated collective approach

Key informant interviews highlighted a lack of trust that companies are doing what their commitments suggest they are doing...

Industry and NGOs both cite lack of strong accountability mechanisms as a problem.

"In general, the problems with market-based mechanisms - there are rarely good compliance mechanisms, there are the regular problems with voluntary environmental agreements, like, how do you make sure people are actually doing what they're saying that they are doing." - KI

In the US, few companies specify how they will hold themselves accountable and/or how they will be transparent with the public about their level of achievement.

"We report to you can report to a metric system and then track it. But that doesn't need to be shared. You can also share it with the public if you want or not. But no one's required to do that. Unless that's part of their commitment." - KI

The unique nature of commitments and myriad of options for representative measures of sustainability make accountability harder to define, as well.

"As an auditor, we have a hard time deciding what to audit against because there's such a gray box about which certifications are which rankings are better or worse. It allows the retailer to claim anything. They could say, well, we do all MSC and ASC, or Seafood Watch, or whatever, And they end up proud and say that's good. Yet those rankings and certifications can be very different in their performance and so on the fishery" - KI

...and called for a coordinated approach to enhancing accountability, noting that the Ocean Disclosure Project has made some progress

The Ocean Disclosure Project, launched in 2015 by Sustainable Fisheries Partnership, works towards the goal of 100% sustainably produced seafood by coordinating efforts to deliver greater transparency in global seafood supply chains.

It provides a reporting framework for seafood-buying companies including retailers, suppliers, fish feed manufacturers and more, to voluntarily disclose their wild-caught and farmed seafood sourcing alongside information on the environmental performance of each source. Expansion of the ODP has continued from a single participating seafood retailer at its launch in 2015 to 22 companies reporting disclosures on the website in 2019.

"Being part of the **Ocean Disclosure Project**. Those are things that I think the industry as a whole you know, more and more members of the industry are, there's a bigger uptake on that. So it's almost like that's going to be the norm moving forward.."- KI

"Many businesses make commitments to improve the sourcing or engage in the improvement of their sourcing supply chains. But rarely do you find enough transparency and accountability around those commitments...There are some tools, the **Ocean Disclosure Project**, for instance. It clearly needs to advance significantly. I think it's a responsibility of the various organizations that are collectively involved in this. I think it's a collective responsibility, but it's not coordinated."- KI

Key informants noted the lack of an effective “watchdog” today, citing a need for one going forward

CEA’s 2018 study identified the need for an engaged (US-focused) watchdog:

“The community could benefit from an engaged watchdog organization holding seafood buyers accountable to their commitments and continuing to apply pressure to the sector to stay engaged. NGOs have reported that some buyers’ enthusiasm is flagging and that the presence of a credible “stick” would go a long way to keeping partners motivated.”

Key informants also noted the lack of a “stick” or “accountability watchdog” or “onside facilitators,” recognizing that NGOs have to walk a fine line with their partners and are often not willing or able to hold their partners’ feet to the fire.

Although industry has cited outside pressure as a low-ranking motivator for engagement, brand reputation and perceived customer concern are big motivators. Thus, an effective watchdog would need to be able to influence those things.

“If it's an audit light, and the company say, “Oh, well, yeah, we can fill that out in half an hour and send it away and not worry about it till next year, and it's not going to change any numbers in our sales figures or our reputation right?”. So you really have to try and develop something that has that leverage.” - KI

“I think in order to provide that audit function and do it effectively, you have to have a big communications budget to leverage the information in the right place, either to shareholders or to the industry associations or to the consumers” - KI

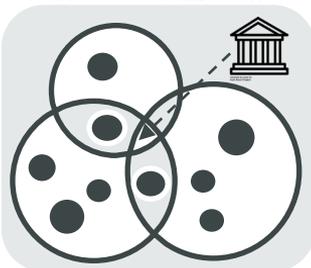
A watchdog could help rally support for a common vision that raises the bar on transparency and accountability



Strategic Options for Philanthropy

Challenges for buyer commitments in N America and Europe in the context of the market transformation framework and potential paths forward given transition needs in those markets

3. Critical mass and institutionalization



4. Level playing field



Phase 3 Challenges to Address

- *Significant variation in what it means to implement a commitment*
- *Complexity and uneven distribution of the resulting cost burden*
- *Lack of accountability mechanisms*
- *Lack of messaging and storytelling*

Phase 4 Transition Needs

- *Common vision for the industry, including the laggards, to build consistency and scale around goals, demand signals, problem solving, and accountability mechanisms*
- *Clearer swim lanes for industry and NGOs to capitalize on relative strengths*
- *More strategic policy advocacy efforts with clear roles for industry and NGOs*

Paths Forward

- *Move slowly to Phase 4 with current philanthropic approach to funding 1:1 NGO partnerships and limited support for precompetitive collaborations as they arise*
- *Move to Phase 4 (likely more quickly) with philanthropy catalyzing a more strategic collective approach while maintaining funding for NGOs to create community tools and provide some 1:1 support to companies through the transition to a more collective approach*
- *Stay in Phase 3 with reduced philanthropic funding for 1:1 NGO partnerships and precompetitive collaborations in current demand markets*

Summary of findings: current phase of transformation in the Lucas Simons framework and the foundations' role in driving the market to this phase



Buyer commitments are currently in Phase 3 of the Lucas Simons market transformation framework: Critical Mass and Institutionalization

#	Finding	Explanation	Slides	Confidence
1.1	The foundations' strategy to enlist major buyers to publicly commit to source sustainable seafood led to enough market uptake for commitments to be "the norm" among retailers and the more consolidated food service segments.	Funding NGOs to engage major buyers in 1:1 partnerships drove much of the progress, supplemented by investments in: <ul style="list-style-type: none"> The Conservation Alliance Common Vision Greenpeace's "Carting Away the Oceans" ranking of retailer seafood sustainability 	228, 235, 237, 239-244	H
1.2	Buyer commitments created strong enough demand signals for suppliers to implement their own sustainable sourcing policies and change purchasing behavior in favor of sustainability.	<ul style="list-style-type: none"> The majority of suppliers serving the foundations' targeted demand markets have implemented their own policies. Most suppliers who completed the GSM evaluation industry survey state that their policies have changed their purchasing. 	224, 246-250	H
1.3	However, the impact varies widely. Key informants describe different levels of "quality" where "high quality" commitments result in improvement efforts through the supply chain, e.g. FIPs, and "low quality" commitments result in little or no change.	Primary drivers of variation cited by key informants are extent to which: <ul style="list-style-type: none"> The commitment is embedded in the buyer's purchasing organization's priorities and incentives Buyers actively engage their supply chains to drive improvement Buyers measure progress and hold themselves accountable 	245	H
1.4	While the foundations' approach to maximize flexibility through 1:1 NGO partnerships helped with uptake, it has also contributed to inconsistent demand signals.	Suppliers in the US describe limited interactions with buyers, going instead through the buyer's NGO partner, who may have limited understanding of business needs or realities of what they ask for.	228, 230-232	L
1.5	Prevalence of buyer sustainable sourcing commitments appears to be durable as motivations will likely remain relevant, but the impact of future commitments will likely be variable under a future status quo scenario.	<ul style="list-style-type: none"> GSM industry survey participants, majority being suppliers, indicate high likelihood for future commitment to sustainability, including financial investment in improvement initiatives and technology. But key informants suggest that suppliers will go only as far as buyers demand, and that demand is inconsistent. 	253	M

Summary of findings: current challenges to address in future buyer commitment strategies



Buyer commitment strategies should address key challenges that could inhibit further progress or cause backsliding in Phase 3

#	Finding	Explanation	Slides	Confidence
1.6	Key challenges put consolidation and institutionalization at risk:			
1.6.1	Costs	<ul style="list-style-type: none"> Suppliers are incurring significant costs due to complexity. Supplier perspectives differ on magnitude of burden and ability to pass costs onto buyers. But perspectives converge on the importance of safeguarding supplier profit in order to achieve institutionalization of sustainability initiatives. 	256- 259	M
1.6.2	Accountability mechanisms	<ul style="list-style-type: none"> There is a lack of trust that industry is living up to their commitments and that NGOs are able to hold their partners accountable given the delicate tightrope that NGOs walk Key informants highlighted the need for an accountability watchdog 	237, 262- 263	H
1.6.3	Messaging and storytelling	<ul style="list-style-type: none"> Key informants cited lack of storytelling that recognizes achievements and builds motivation for continued investment in sustainability initiatives. There is broad alignment that different messaging could resonate better with consumers. Although consumer demand hasn't been a key consideration in the current TOC, customer expectation is a key motivator for industry and increased consumer awareness could help resolve other key challenges around cost and accountability. 	261	M

Summary of findings: strategies to enable transition to the next phase of transformation



Strategies that address a few key gaps could lead to progression to phase 4 of the Lucas Simons framework: Level the playing field

#	Finding	Explanation	Slides	Confidence
1.7	Addressing gaps could pave the way for leveling the playing field:			
1.7.1	Common vision for the industry	<ul style="list-style-type: none"> Industry sees value in creating a common vision that would build consistency and scale around goals, demand signals, problem solving, and accountability mechanisms More than 95% of GSM industry survey respondents believe that industry should drive the common vision in collaboration with NGOs and government stakeholders A common vision created by current industry leaders in sustainability could evolve to capture the laggards and move toward leveling of the playing field 	260-261	M
1.7.2	Clearer roles for stakeholders	<ul style="list-style-type: none"> To date NGOs have taken the lead on many seafood sustainability efforts Key informants suggest that current role expectations do not capitalize on relative strengths and abilities of different stakeholders Clearer roles could help improve effectiveness and efficiency and align funding and incentives accordingly 	##	M
1.7.3	More strategic approach to mobilizing industry for policy advocacy	<ul style="list-style-type: none"> Policy is a key driver for leveling the playing field Key informants cite the need for a more strategic approach to mobilizing industry to engage in advocacy for policy changes 	254	L

Summary of potential paths forward for the foundations' support of buyer commitments in the US*

Potential path forward for the foundations'

Likely outcome in terms of transformation phase

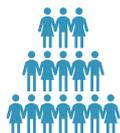
Run-rate or status-quo



Continue funding NGOs to maintain existing 1:1 partnerships and build on accountability efforts like the Ocean Disclosure Project

Slow progression through Phase 3 if trust can be built in accountability and suppliers mitigate impact from cost increases on their own

Strategic collective approach



Shift funding to catalyze a more strategic collective approach while maintaining funding for NGOs to create community tools and provide some 1:1 support to companies through the transition to a more collective approach

After good change management efforts, quicker progression through phase 3 and transition to phase 4

Scale back or discontinue



Reduce or discontinue funding for NGOs to support implementation of commitments through 1:1 partnerships, perhaps with continued support to create community tools and/or build on accountability efforts

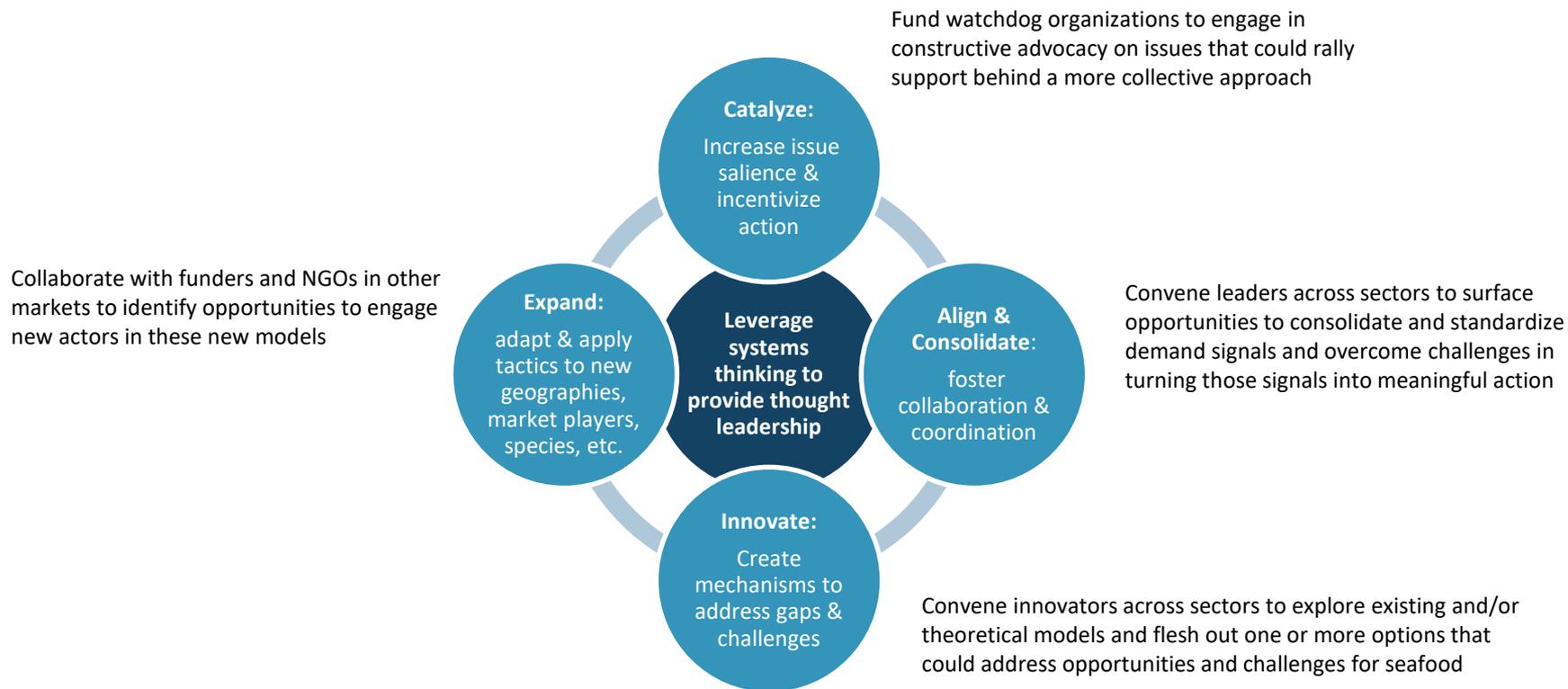
Remain in Phase 3 and/or lose influence as industry comes together on their own, paying NGOs for support as needed

* UK retailers and suppliers already have a well functioning collective approach; the foundations have deployed more collective approaches in Spain and Japan, which are in a different phase of maturity than the US

Evolution to a more strategic collective approach that creates a common vision and increases accountability could follow several models, which are not mutually exclusive

Strategic question	Short answer	Explanation
<p>What are some potential approaches for a more collaborative strategy?</p>	<p>Watchdog</p>	<p>Collective action often begins on the heels of credible advocacy that exposes industry to reputational risk. Hugh’s Fish Fights is widely recognized as a catalyst in the UK. Greenpeace has been influential among US retailers in the past. An evolved watchdog in the US and elsewhere could catalyze and influence successful evolution of buyer commitments.</p>
<p><i>Note: these are not mutually exclusive; one could be a steppingstone to another and/or two or more could be in play at the same time, focusing on their own swim lanes but supporting or reinforcing each other</i></p>	<p>Voluntary coalition with as many end buyers and suppliers as possible</p>	<p>Similar to the Sustainable Seafood Coalition in the UK, a coalition in the US and/or other geographies that results in the majority of seafood buyers and suppliers adopting codes of conduct for sourcing and other pertinent issues could:</p> <ul style="list-style-type: none"> • Increase consistency and strength of demand signals, resulting in less complexity • Establish widely accepted expectations for accountability and peer pressure to meet them
	<p>Strategic sourcing aggregator, as proposed by Cathy Roheim, et al.</p>	<p>Cathy Roheim, et al., identified a strategic sourcing aggregator as a way to shift some risk to the aggregator, resulting in increased credibility of sustainability claims. GSM industry interviews revealed frustration that NGOs are not being held to account and are not exposed to risk. This model could lead to:</p> <ul style="list-style-type: none"> • More effective and efficient use of NGO expertise and tools • Aggregated purchasing power for sustainable seafood, increasing leverage through the supply chain • Increased accountability for credibility of sustainability claims
	<p>An overarching global, voluntary, multi-sector partnership with strong governance for creating and using common voice</p>	<p>Lessons learned from models like the Global Platform for Sustainable Natural Rubber (GPNSR) could be used to develop a partnership framework for seafood that could:</p> <ul style="list-style-type: none"> • Strengthen demand signals in more mature markets for sustainability and support expansion elsewhere • Facilitate collective action needed to drive bigger gains in seafood sustainability • Create a common voice for communications and advocacy purposes as the movement progresses into the “level the playing field” phase of transformation
	<p>Mandatory generic seafood check-off program in the US</p>	<p>A GSM evaluation KI raised the idea of a generic seafood check-off program in the US, similar beef or soy in the US and Seafish in the UK. As a mandatory organization it could have the potential to:</p> <ul style="list-style-type: none"> • Support a common vision for sustainability in the industry and increase industry ownership of that vision • Bring the laggards into the sustainability conversation

Philanthropy's role in driving toward one or more of these models could be viewed through the critical roles that philanthropy has played in the prior phases of market transformation





Appendix

Academic review of the seafood sustainability theory of change in the past, present, and future suggests a critical role for a new aggregator

A paper published by Cathy Roheim, Simon Bush, et al. in 2018 states that the seafood sustainability movement is at a crossroads, suggesting that the core theory of change that relies on market-oriented strategies, such as certification, has not motivated adequate levels of improved governance and environmental improvements needed in many fisheries.

The paper describes four future scenarios for evolution of today's theory of change. Underpinning all four is continued commitment by retailers to procure sustainable seafood, but the scenarios differ in the extent to which current coordination failures are addressed and outcomes are improved. GSM evaluation interviews also highlight existing underlying characteristics that could lead to the outcomes described for scenarios 1-3.

Future scenario	Characteristics	Likely outcome
1 Status quo	<ul style="list-style-type: none"> Continued use of 1:1 retailer-NGO partnerships, e.g. "holding pattern" Buyers perceive that NGOs lack an understanding of business constraints 	Minimal change or improvement vs. today
2 Race to the bottom	<ul style="list-style-type: none"> Retailer-NGO partnerships devolve to a relationship of convenience MSC and ASC remain gold standard but fish "moving toward" sustainability under no specific time frame are marketed as sustainable NGOs become complicit in claims and are less willing to call out mis-performance 	"sustainable" supply increases but value of "sustainability" declines
3 State intervention	<ul style="list-style-type: none"> States ramp up their own standards or harmonization of standards, OR States may argue that certification is redundant 	Undermining of current certification schemes
4 Risk mitigation	<ul style="list-style-type: none"> Develop a new actor that provides assurance services to buyers, i.e. recommend a portfolio of fisheries and aquaculture sources NGOs would assess credibility of sustainability claims and hold new actor(s) accountable, shifting some reputational brand risk from retailers to the new actor(s) 	Increased credibility as sustainable supply is identified and expanded

"Everybody pushes and pushes, but a lot of our NGO partners haven't really spent time in a seafood plant and don't actually understand the logistics of everything." - KI

"NGOs and our corporate partners have to be willing to admit that deadlines are being missed and state why. So there is a cost. We're not achieving the desired change on time, rather than simply announcing a refrain commitment with a longer deadline." - KI

"...Requires a pull strategy by having governments upgrade their regulations around requiring traceability, which we just failed in Canada. We had a 10 year review on our food imports laws, and we tried to get that in and they didn't put it in." - KI

The ideas presented under scenario 4 are consistent with industry's desire to reduce complexity, if the aggregator creates a consolidated "toolbox" and deploys tools in a way that streamlines and simplifies transparency and accountability for its customers and their suppliers.



Annex 6: Deep Dive – Precompetitive Collaborations

- Executive summary
- Overview of evidence
- Definitions, theory of change, and portfolio overview
- Key actors and their motivations
- Where we are today: market transformation framework
- Assessment of progress, contributions, and durability
- Context for future action: challenges and opportunities
- Strategic options for philanthropy

Relevant Evaluation Questions: 2, 6, 7, 8, 9, 11, 12

- Precompetitive collaborations (PCCs) focusing on sustainable seafood have emerged as a critical platform for industry to share best practices, solve common problems, and take collective action to drive change.
- The foundations' five-year strategy goals pertaining specifically to PCCs were very modest. With more than 13 platforms and at least 250 participating companies as of 2018, growth has far exceeded Packard's original goal to have at least one precompetitive platform that facilitates and results in collective action to address a key issue in sustainable seafood and fisheries. Packard's MEL outcome and indicators have thus been retired or updated with more ambitious targets.
- The emerging theory of change for precompetitive collaboration leads to increased industry leadership and ownership for solving problems that are bigger than one company, as well as more clearly defined roles for NGOs and philanthropy to support this shift.
- Industry perspectives on motivations for and value from participating in PCCs reinforce this theory of change, noting that NGOs still have a valuable role to play and highlighting the contributions of several of the foundations' largest grantees that have engaged as advisors to multiple PCCs.
- Significant progress has been made on Packard's MEL indicator, which Packard retired to reflect the rapid evolution of precompetitive collaborations in recent years.
- Case studies of four PCCs demonstrate results and illustrate the potential for PCCs to:
 - Build industry leadership capacity
 - Engage new entrants in the sustainability movement
 - Educate new entrants, as well as buyers and suppliers already engaged in the movement, effectively and efficiently
 - Create consistency, strengthen demand signals, and work towards leveling the playing field
 - Increase transparency and accountability, although some have a better track record than others
 - Increase impact through innovation and collective action
 - Enable advocacy for policy change, although this is still more of an aspiration than a demonstrated capability

- Institutionalizing buyer commitments and mobilizing widespread compliance across the supply chain will require engaging the laggards. As shown in the PCC case studies, PCCs have the potential to engage laggards when a critical mass of influential industry players come together, build trust, demonstrate the ability to drive collective action, and institute industry-led governance and accountability mechanisms. Key informants cited examples of PCCs influencing laggards or naysayers to improve their sustainability standards and/or adhere to their commitments.
- The GSM evaluation industry survey suggests that companies that are already engaged in the sustainability movement intend to maintain or increase investment to achieve their commitments.
- However, industry key informants suggest that companies will always prioritize investments with a near term return on investment, and some critical initiatives likely would not be addressed through PCCs without philanthropic support.
- Good governance and strong leadership have been a factor in PCC success and accountability; the foundations could consider investing in these critical building blocks for PCCs that have strong goal alignment with GSM strategies and/or fund back PCCs that already have these building blocks to take on critical initiatives that would not otherwise be funded independently by industry.
- Industry would like to see PCCs continue to drive alignment on standards, as well as engage more stakeholders, e.g. government, and focus on broader issues like climate change.
- Industry also sees benefit in direct engagement with the foundation to help funnel investment through the NGOs, as well as unlock innovative ideas for solving problems aligned with foundation goals.
- Strategic paths forward include a more targeted approach, potentially with more direct engagement with industry to fund specific initiatives and/or develop an overarching PCC strategy.



Overview of Evidence

This is an assessment of the foundations' approach to supporting precompetitive collaborations, as well as impact of that approach and key considerations for future investments

Evidence base:

- Targeted interviews on buyer commitments and precompetitive collaborations, supplemented by insights acquired in GSM interviews with broader focus or other primary topic areas, (e.g. round 1 interviews included several directors of precompetitive collaborations). Targeted interviewees include:
 - Ten industry representatives who have had experience managing buyer commitments and/or have participated in or are knowledgeable on precompetitive collaborations
 - Three NGO representatives who have been heavily involved on precompetitive collaborations supported by the foundations
- Topic of discussion during the NGO convening for the evaluation
- Group and 1:1 conversations with TWG members
- Packard and WFF grant documents
- Online materials (e.g., SFP Supply Chain Roundtable reports)
- Supplemental information and thinking provided by the foundations
- GSM evaluation surveys:
 - Seafood industry survey (53 respondents)
 - NGO/grantee survey (41 respondents)



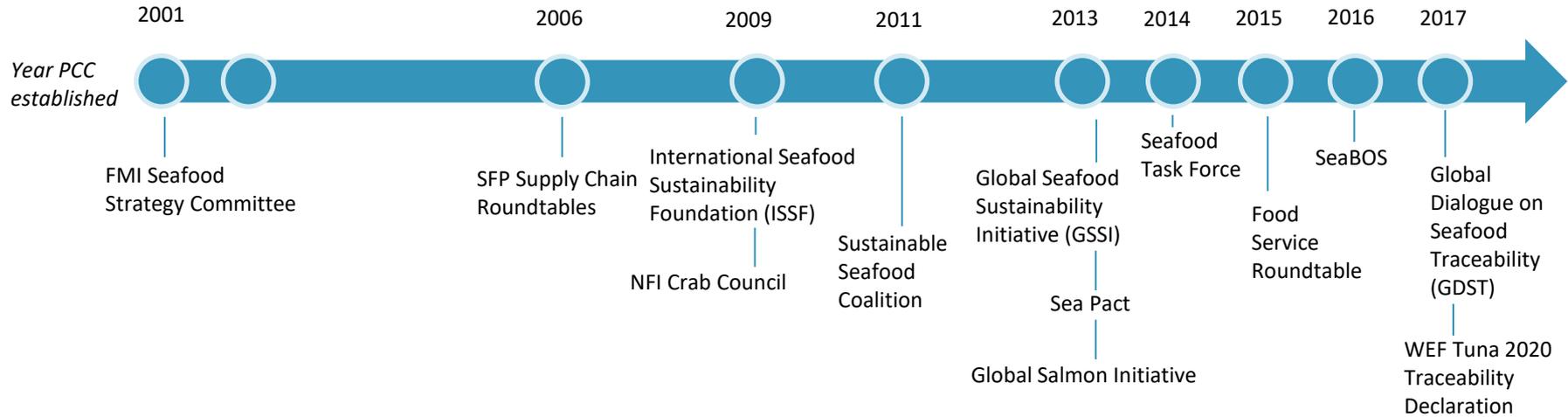
Definitions, TOC, and portfolio overview

Precompetitive collaborations are a common tool for driving corporate social responsibility

- A precompetitive collaboration involves two or more potential competitors working together to find solutions to common pain points.
- The work of a precompetitive collaboration should benefit the entire industry, allowing it to progress toward achieving common goals by overcoming barriers that were standing in everyone's way.
- Precompetitive collaborations are a common tool for driving corporate social responsibility, particularly for product sustainability.
- Although the intent is for no one company to have an advantage, some may benefit more than others depending on how they engage in driving the solutions, how they incorporate the solutions into their own strategies, and how they market those solutions.
- However, companies participating in precompetitive collaborations must be very careful to abide by competition laws, such as colluding to fix prices.

Seafood sustainability precompetitive collaborations emerged as early as 2001 and launched into a period of rapid growth between 2013 and 2017

Precompetitive collaborations (PCCs) in the seafood sustainability space

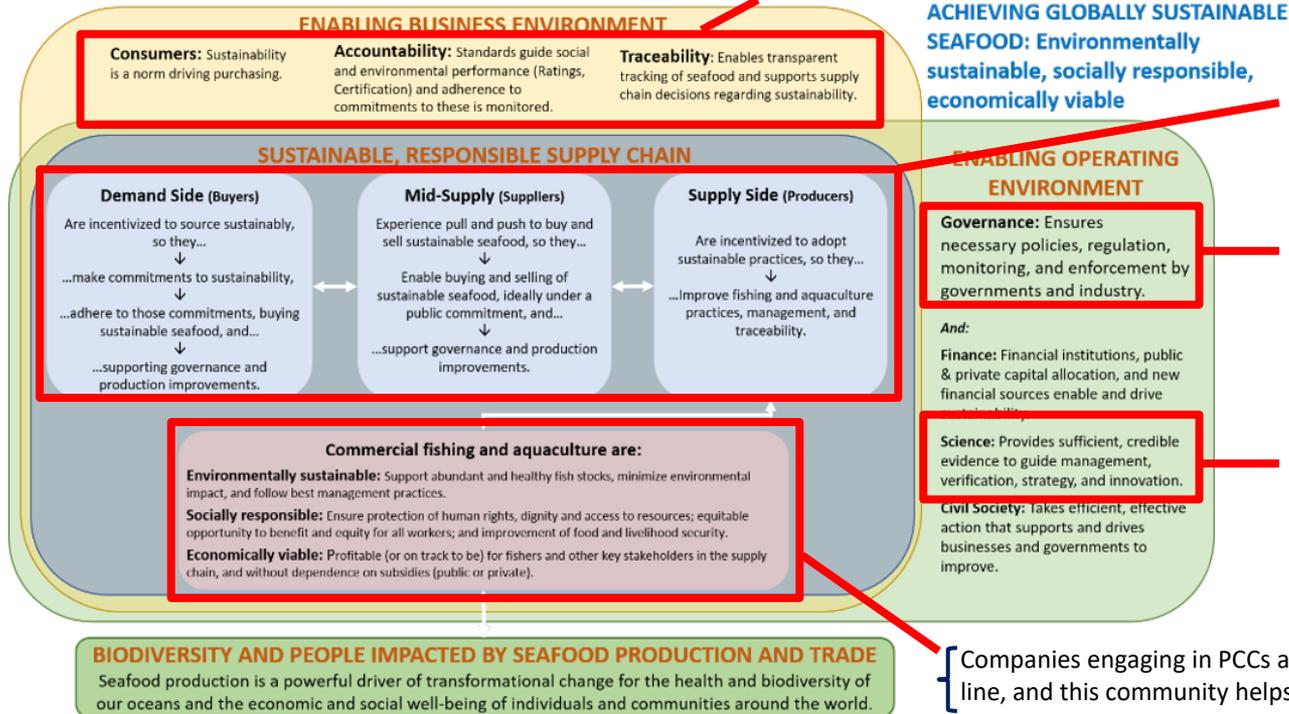


Context	(2002) Sainsbury's makes first retailer commitment to 100% sustainability	(2006) Walmart commits to 100% sustainability	(2006-08) FIPs launch	(2012-2015) Number of FIPs triple

“There have been more pre competitive collaborations over the last five years. A lot more engagement as industry members come together and rather than individual companies trying to do things on their own I see a lot more engagement with the, the so-called seafood leaders that are out there, that are trying to all come together and create change a lot faster than it's happened before.” – KI

Precompetitive collaborations serve as a platform for actors across the seafood supply chain to collectively take more ownership for their pieces of the seafood markets theory of change

PCCs may require participating companies to commit to certain goals or actions pertaining to consumer labeling, traceability, and other enabling factors. PCCs may also influence or require participating companies to implement internal accountability measures and/or monitor and publish results on progress.



PCCs connect companies within each box to each other, as well as to companies in other boxes, enhancing the strength and effectiveness of the pulls and pushes that drive sustainability.

Some PCCs engage in advocacy with RFMOs and/or other governance bodies, representing participating companies, to influence governance changes that would enable industry efforts to improve sustainability.

Some PCCs are rooted in science as a neutral mechanism for aligning interests. Science often underpins efforts to drive issue salience with companies, as well as drive joint solutions to common challenges.

Companies engaging in PCCs are typically striving to achieve the triple bottom line, and this community helps uncover practical approaches to doing so.

PCCs bring companies together to focus on issues that could be addressed through collective action

Precompetitive collaboration	# of companies	Supply chain segment(s)	Types of collective action and/or goals for collective action (illustrative, not exhaustive)
FMI Seafood Strategy Committee	22	All	Research and advocacy; understanding and cooperation that will drive sales growth
SFP Supply Chain Roundtables	50+	Suppliers	Pooled funding and engagement in production improvements
International Seafood Sustainability Foundation (ISSF)	27	All	Developing, advocating for, and driving commitment to implementing verifiable, science-based practices and international management measures
NFI Crab Council	33	All	Market leadership through sourcing commitments; pooled funding for FIPs
Sustainable Seafood Coalition (SSC)	38	Retail, suppliers	Commitment to codes of conduct for sourcing and labeling; advocacy
Global Seafood Sustainability Initiative	44	Retail, food service, and mid-suppliers	Commitment to accept all GSSI-recognized certification schemes in sourcing policies
Sea Pact	11	Mid-suppliers	Pooled funding for and collaborative engagement in production improvements
Global Salmon Initiative	25	Producers, feed, and pharma	Cooperation to achieve highest level of social and environmental standards, improve biosecurity, secure sustainable feed and improve transparency
Seafood Task Force	34	All	Specific and measurable workplans for traceability, human rights, and IUU
Foodservice Roundtable		Food service, suppliers	Increasing market demand, supply chain transparency and reporting, advocacy
Seafood Business for Ocean Stewardship (SeaBOS)	10	Suppliers	Science-based commitments to and investments in production improvements, reduced IUU, increased traceability and transparency, and ocean stewardship
Global Dialogue on Seafood Traceability	60+	All	Unified framework for interoperable seafood traceability practices
WEF Tuna 2020 Traceability Declaration	63	All	Commitment to traceability, socially responsible supply chains, and environmentally responsible sources; government partnership, e.g. info systems

Given the rapid evolution of precompetitive collaborations, the foundations took a light touch approach to including them in demand creation goals in their most recent five year strategies

Packard strategy approach and goals

Packard includes support for precompetitive collaborations in its strategic initiative to maintain North America's major buyers' responsible seafood sourcing momentum with one explicit stated outcome, as well as other outcomes that could be furthered by the work of precompetitive collaborations:

- 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, the retail sector will have increased alignment, transparency, and accountability within their sourcing commitments.
- By 2020, a common platform that promotes greater transparency for companies with commitments will be in place and widely adopted.
- By 2022, at least two leadership development programs exist to support public and private sector sustainable seafood leadership.

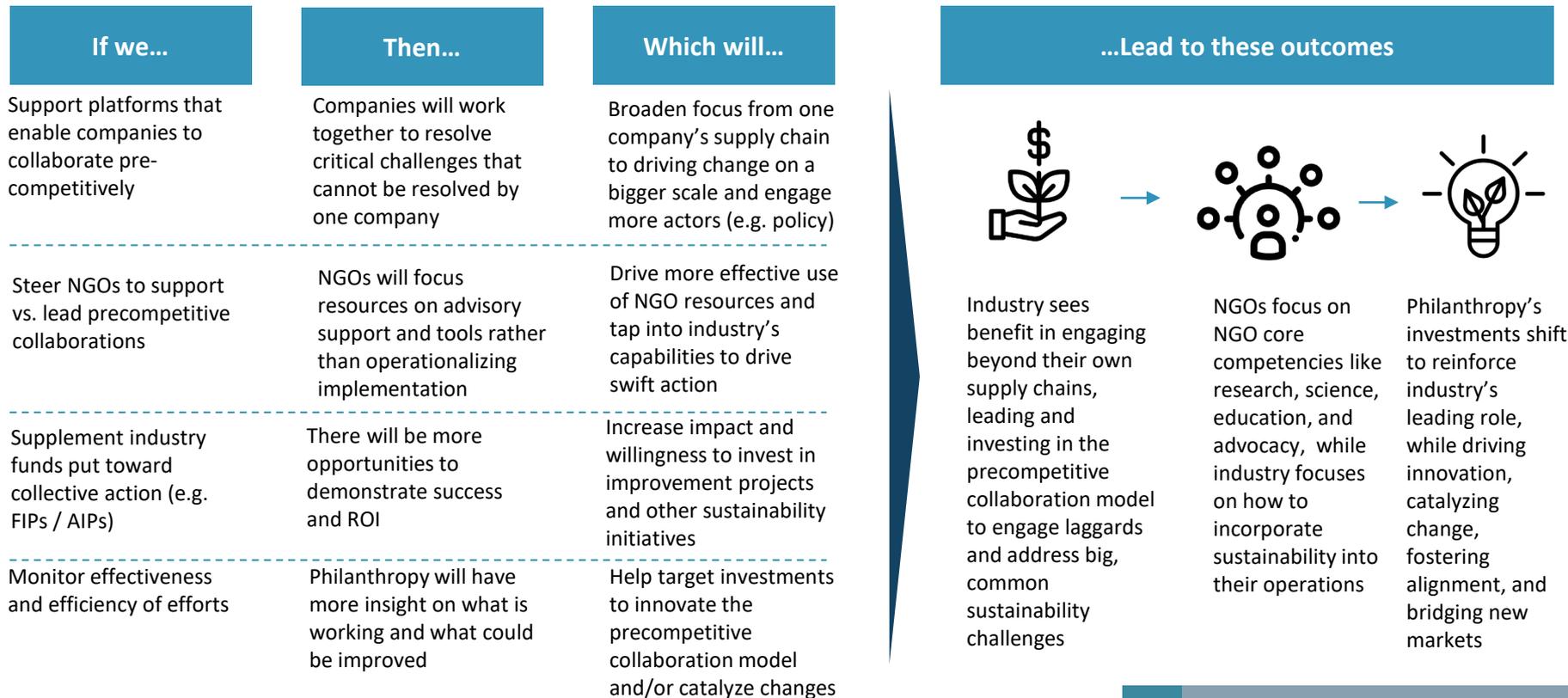
Packard's strategy recognizes that precompetitive collaborations are leading to important agreements and areas of alignment that will be critical in the next phase of work, and the strategy calls for ongoing support and monitoring of the effectiveness and efficiency of these efforts.

Walton strategy approach and goals

Walton's strategy does not specifically call out precompetitive collaborations, but precompetitive collaborations could be a means to achieving the stated goals for engaging supply chain to support healthy fisheries practices. For example:

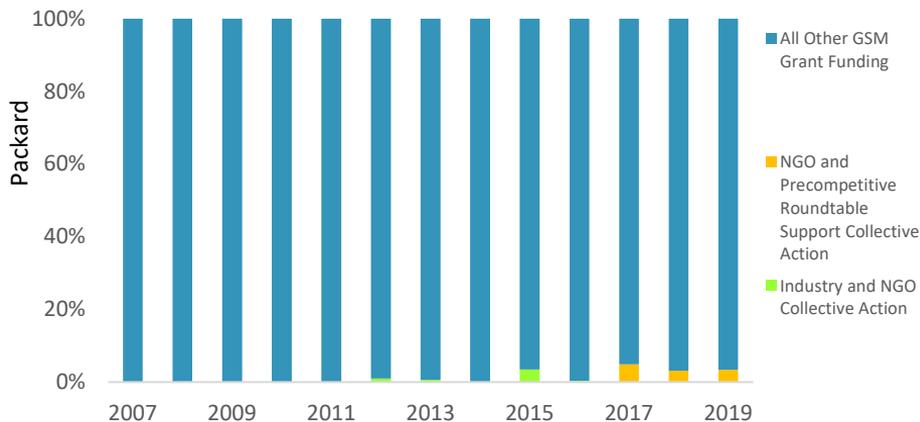
- U.S buyers are showing increased ownership of implementing their sustainability policies through a reduced reliance on NGOs and philanthropy
- 50% of US importing companies in core geographies are actively supporting FIPs, and FIPs in priority fisheries and core geographies are improving against the MSC standard.
- Japanese tuna buyers are organized and have developed commitments to source tuna according to a publicly available policy
- Spanish seafood importers have joined or started supply chain roundtables in priority fisheries where they are currently sourcing

The emerging PCC theory of change aims to increase industry ownership and build alignment within industry and across segments to increase durability of sustainability initiatives



Grants mapped to NGO and precompetitive collaborations constitute a relatively low percentage of the foundations' portfolio, as would be expected for industry supported platforms

PACKARD GRANTS MAPPED TO NGO AND INDUSTRY COLLECTIVE ACTION, CAPACITY, AND NGO AND PRIVATE SECTOR LEADERSHIP



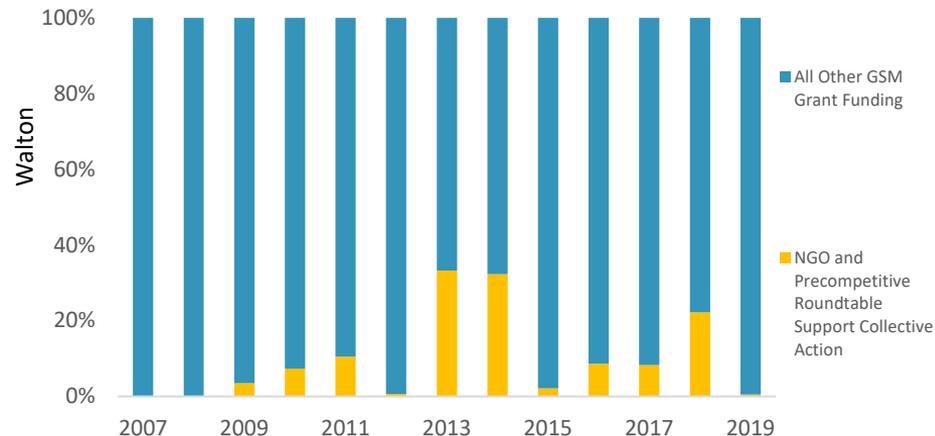
Annual Grant Avg (2007-19)	% of Total (2007-19)	Annual Grant Avg (2015-19)	% of Total (2015-19)
N/A ¹	N/A ¹	\$467,101 ³	3%

- Other significant grant allocations include SeaBOS, Ocean Outcomes (to develop locally-led, industry supported FIPs), SFP, Monterey Bay Aquarium, and Sea Pact, as well as the pilot and launch of the Sustainable Oceans Leadership Institute

Notes:

- Packard grants database does not list PCC grants pre-2012. Packard calculations are based on 2012-19.
- From 2012-2016, Packard grants database has a combined PCC code
- Conservation Alliance grants removed since it a collaboration for NGOs

WFF GRANTS MAPPED TO NGO AND INDUSTRY COLLECTIVE ACTION, CAPACITY, AND NGO AND PRIVATE SECTOR LEADERSHIP



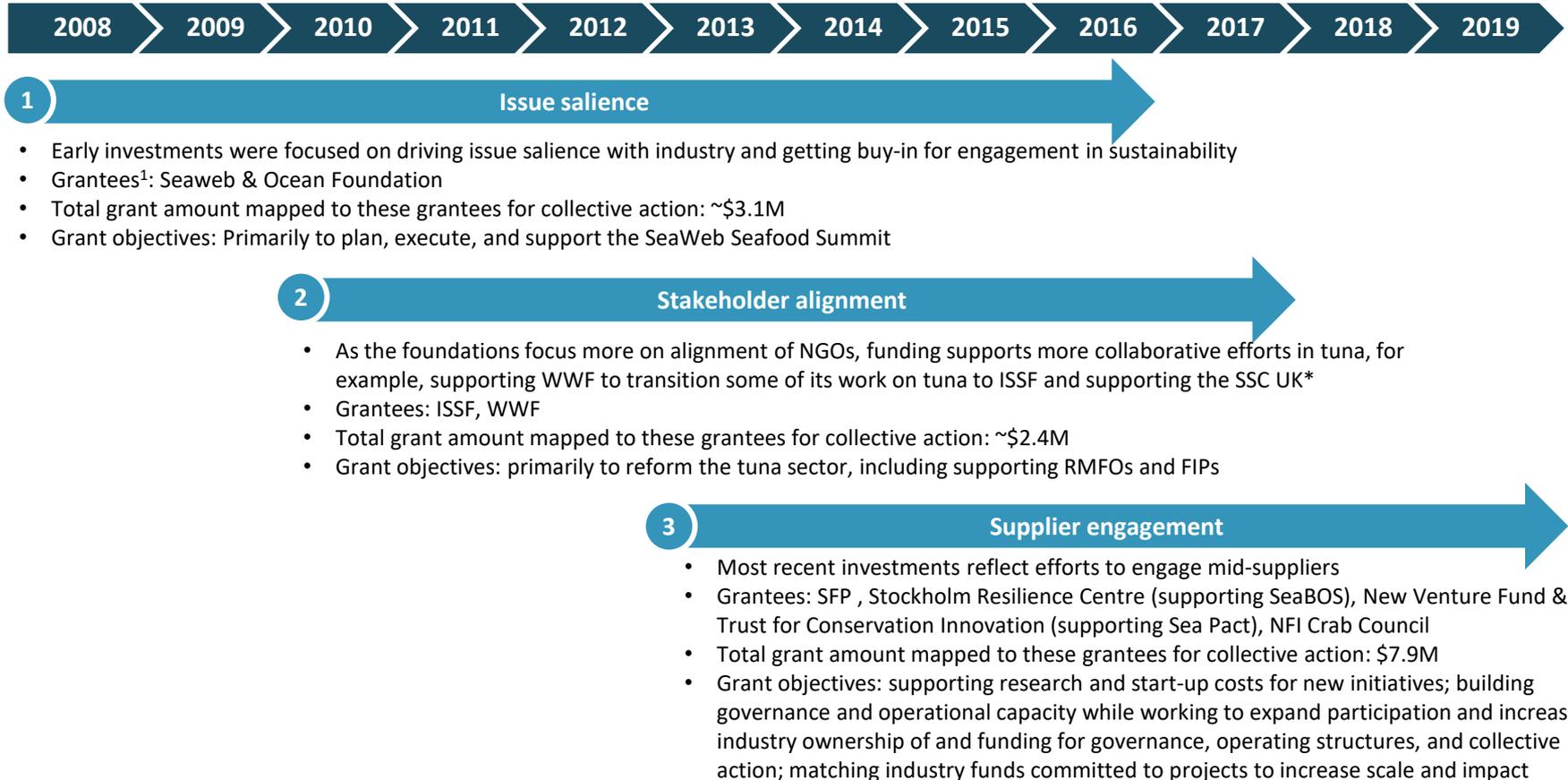
Annual Grant Avg (2007-19)	% of Total (2007-19)	Annual Grant Avg (2015-19)	% of Total (2015-19)
\$959,918 ³	11%	\$1,376,034 ³	11%

- Grants in 2013-2014 supported SFP, ISSF, Sea Pact, and NFI Crab Council, as well as Seaweb
- SFP continued to receive significant funding through 2019
- Grants in 2016-2019 also support SeaBOS and NGOs creating demand and improving FIPs in Mexico and Indonesia through collective action

In general, grants mapped to this outcome can be categorized into funding for industry convening, operational support for PCCs, NGO collaboration, and collaborative expansion approaches

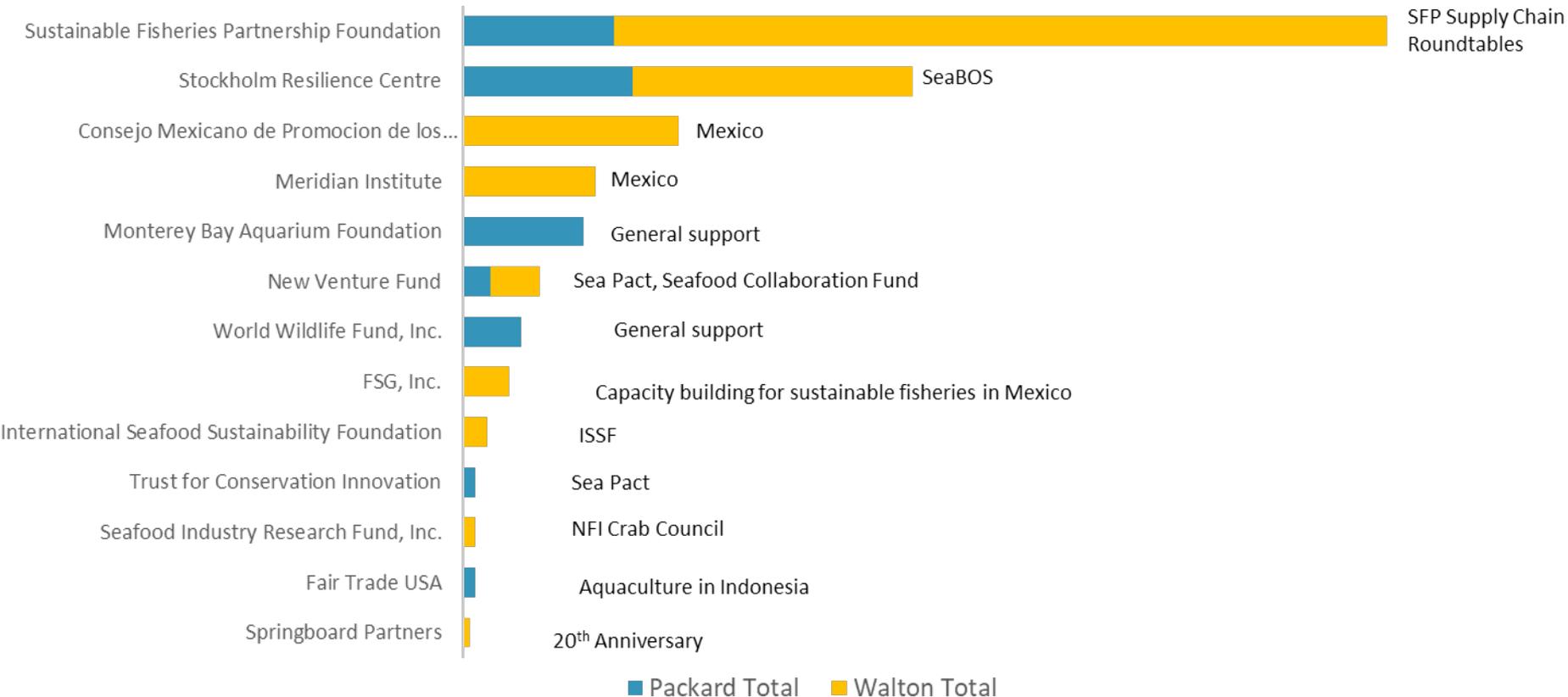
Category	Major grantees (>\$300K in at least one year)	Primary Geographic Scope
Industry convening	Seaweb	Global
Operational support for PCCs	Sustainable Fisheries Partnership Foundation (Supply Chain Roundtables)	Global
	Stockholm Resilience Centre (SeaBOS)	Global
Collaborative approaches to international expansion of demand strategies or fisheries improvement strategies	SmartFish Rescate de Valor, AC	Mexico
	Consejo Mexicano de Promocion de los Productos Pesqueros y Acuicolas A.C.	Mexico
	Meridian Institute	Mexico
	Comunidad y Biodiversidad, A.C.	Mexico
NGO collaboration	New Venture Fund (Conservation Alliance)	Global
	Trust for Conservation Innovation (Conservation Alliance)	Global

Looking specifically at funding for industry precompetitive collaborations, grant making appears to evolve from creating issue salience to stakeholder alignment to supplier engagement



The largest grants in the last few years support supplier engagement and collective approaches to creating demand and production improvements in Mexico

Packard and Walton grants mapped to industry and NGO collective action 2017-2019



Note: Includes "NGO and precompetitive roundtables support collective action" and "Industry and NGO collective action" outcomes, excluding grants for the Conservation Alliance. Source: GSM evaluation grant mapping analysis



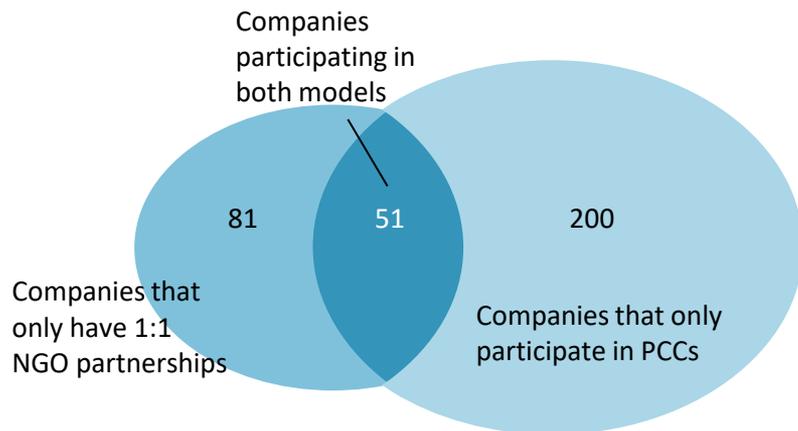
Key actors and their motivations

At least 250 companies participate in precompetitive collaborations, which both supplement 1:1 NGO partnerships and engage companies that do not have formalized NGO partnerships

CEA found that industry platforms grew rapidly from 2013 to 2018, capturing industry players not engaged 1:1 with NGOs

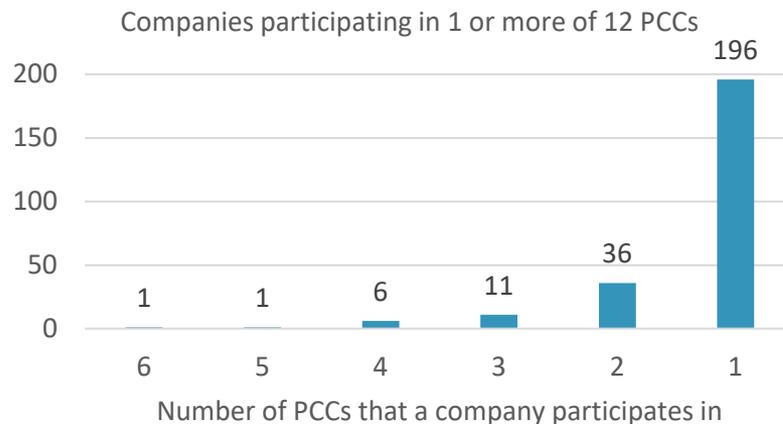
CEA's 2017 research on NGO service models found that 1:1 partnerships are the most common model in North America, particularly for retailers. CEA's 2018 research on 12 precompetitive collaborations found:

- ~ 40% of companies with 1:1 NGO partnerships also participated in precompetitive collaborations
- 80% of companies participating in precompetitive collaborations did not have 1:1 NGO partnerships



The vast majority of companies participated in one precompetitive platform, but 22% engaged in multiple platforms

78% of the 251 companies participate in only one precompetitive collaboration. The 12 collaborations included cover a wide variety of species, including tuna, salmon, and crab, as well as cross-cutting issues and supply chain sectors. Some serve primarily as learning platforms, while others require strong commitments by their members.



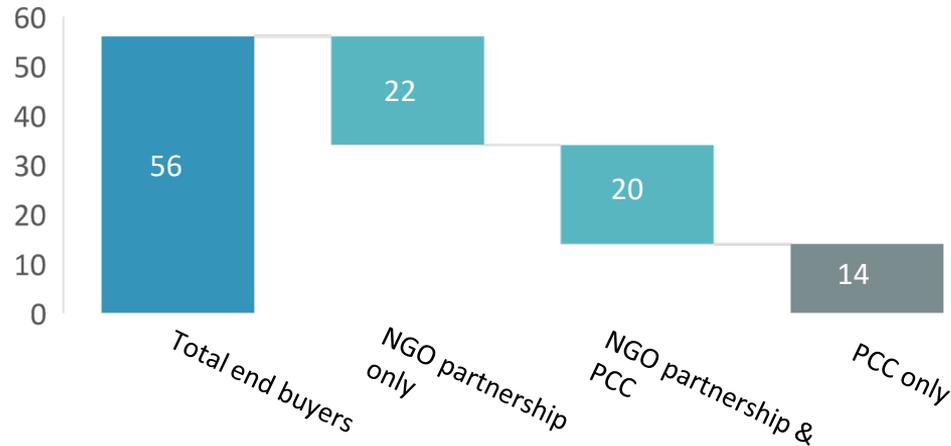
Sustainable seafood precompetitive collaborations engage companies across the supply chain, with mid-suppliers participating in all but the FMI Seafood Strategy Committee and the Global Salmon Initiative

Precompetitive collaborations	# of companies	Producers	Mid-Suppliers	Retail Buyers	Food Service Buyers	Other
FMI Seafood Strategy Committee	22			X		
Foodservice Roundtable			X		X	
Global Salmon Initiative	25	X				Feed, Pharma
Global Dialogue on Seafood Traceability	60+	X	X	X	X	
Global Seafood Sustainability Initiative	44	X	X	X	X	
International Seafood Sustainability Foundation	27	X	X			
NFI Crab Council	33	X	X			
Sea Pact	11		X			
Seafood Business for Ocean Stewardship (SeaBOS)	10	X	X			
SFP Supply Chain Roundtables	40+	X	X			
Seafood Task Force	34	X	X	X	X	
WEF Tuna 2020 Traceability Declaration	63	X	X	X	X	
UK Sustainable Seafood Coalition	38	X	X	X	X	

Note: CEA's 2018 precompetitive collaboration landscape review did not include the Foodservice Roundtable since it is a private collaboration or the Sustainable Seafood Coalition

End buyers, i.e. retail and food service, in CEA’s review are more likely to be engaged in 1:1 NGO partnerships, but few seem to be engaging in PCCs as an alternative to 1:1 NGO partnership

END BUYER¹ ENGAGEMENT IN THE SUSTAINABILITY MOVEMENT



- Only ~ 15% of the 332 companies included in CEA’s review are end buyers, but end buyers comprise ~ 40% of the companies that both participate in PCCs and have a 1:1 NGO partnership
- Of the 56 end buyers
 - 22 have a 1:1 NGO partnership but do not participate in a precompetitive collaboration
 - 20 have a 1:1 NGO partnerships and participate in 1 or more precompetitive collaborations (8 of them only participate in the FMI Seafood Strategy Committee)
 - 14 participate in 1 or more precompetitive collaborations (8 of them only participate in the FMI Seafood Strategy Committee), but do not have a 1:1 NGO partnership

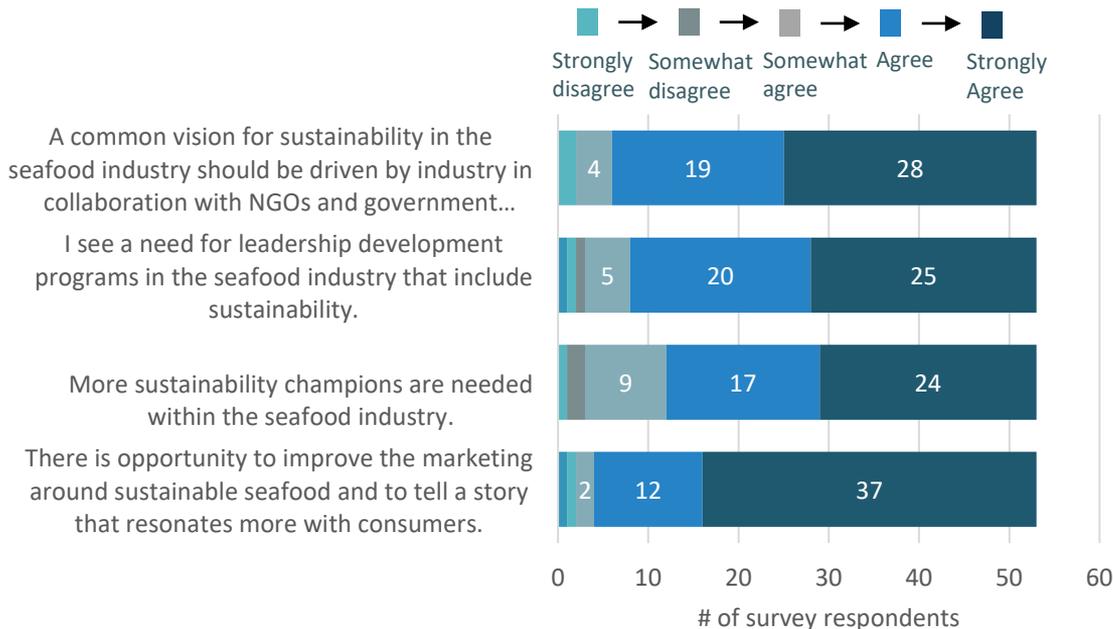
Retail participation is more critical in some collaborations vs. others. The Sustainable Seafood Coalition (not included in CEA’s analysis) successfully recruited at least 7 retailers and drove strong demand signals through the supply chain with its sourcing codes of conduct. One or two key informants based in the US suggested that having “customers” engaged should be helpful in some PCCs, although their presence hasn’t been as impactful as hoped. Another key informant suggested that retailers are critical for supply chain roundtables, although how many and which ones varies by commodity.

1. Report excludes Foodservice Roundtable members since it is private
Source: CEA, Seafood Metrics Report: Industry Engagement Platforms 2018; GSM evaluation KI interviews

The significant uptake in PCC participation, especially among suppliers and producers, reflects industry's shifting sense of responsibility for driving sustainability and leading collaborative initiatives

Nearly all GSM evaluation industry survey participants agree that industry should **drive** a common vision for sustainability in the seafood industry...

...Which is consistent with insights shared by GSM evaluation industry key informants



"I don't think NGOs can drive the change. I think it requires the business or industry as a whole to drive the change versus the NGO community on their own."- KI

"The future will be more coordinated efforts around common goals and visions...I feel there are duplicative projects done by different NGOs...maybe it's an effort to consolidate some of our industry strategy and say, these are the things that are really important for us, like aquaculture from a storytelling or education standpoint, food waste, maybe those are the ones we're going to put some resources into. If we understand where the major influencers from an NGO community are going to go, I think we could work together to get there twice as fast and for half the cost, and without leaving sort of consumers and anybody else in disarray or confusion.." - KI

A common vision driven by industry could be enabled by more leadership development programs that include sustainability, more sustainability champions within industry, and the ability to take control of some of the narrative around marketing for sustainable seafood.

GSM evaluation industry survey participants ranked collective action as the most important value driver for participating in precompetitive collaborations

Industry survey participants rank collective action on common challenges to achieving sustainability goals as the top value driver for participating in PCCs



Q 16: Please rank the following opportunities in order of importance (1 = most important) for generating value from participation in a precompetitive collaboration pertaining to seafood sustainability. (n=52)

*note: weighting is in reverse order such that the highest number reflects the most important attribute)

Source: GSM evaluation industry survey

Type of collective action and responsibility for driving it varies across PCCs

Collective action approaches include:

- **Codes of conduct or commitments to implement agreed upon best practices**, sustainable sourcing broadly or specific challenges like traceability and transparency, in their own companies
- **Facilitation of production improvement projects**, i.e. FIPs or AIPs, through pooled funding, direct engagement with supply chain actors, and coordinated advocacy with RFMOs and other agencies
- **Joint problem solving on common challenges and emerging issues** through collaboration on and investment in research, development, and deployment of new approaches and technologies
- **Joint communications and advocacy initiatives outside of specific FIPs/AIPs** to drive sales and/or marketing of sustainable seafood and/or regulatory changes needed to complement market-based interventions

Having a community of peers who are trying to incorporate sustainability into their business is a key driver behind the top motivations identified in the survey and key informant interviews

A community enables industry to co-create solutions to common sustainability challenges...

“It's highly valuable not only from the standpoint of making a difference in the sustainability of fisheries and aquaculture, but also just in the relationships that we build with the other companies that are involved. If you ever need anything or have any advice or you're looking for something, you've built this trust.” - KI

“It's a community. It's sharing a lot of ideas, both for awareness and for iterating towards solutions. So it's very much a community, and it's what keeps us all together. It's invaluable. You can't operate in this world without a lot of precompetitive collaboration...I think everybody's getting more comfortable with sharing information because we all know we're in the same boat and we all go down together.” - KI

...and empowers them to have a stronger voice with other stakeholders, obtain support and resources, and increase impact

“NGOs do not have, in most cases, the practical knowledge of seafood...NGOs have sort of dominated the conversation. They've gone off in their own spheres on what they think is important. And they don't recognize you know, especially with our corporate accounts, that they're promising on our behalf on things that we can't deliver...we can now push back like, no, we can't do that, but we can do this.” - KI

“We get things you can operationalize...[there is value in] getting the perspectives from several different distributors at the same time on the same issue...and getting what we think is important out there.” - KI

“Any of our funded projects, we wouldn't have been able to individually as companies do that, you know, spend the money. But together by pooling our money we were able to make those projects work. Also, if we wouldn't have banded together and done this pre-competitively, we wouldn't have got matching funds from the foundation, and been able to make an even bigger difference.” - KI

As industry builds its own communities to drive best practice sharing and collective action, most GSM evaluation industry survey respondents see an important support role for NGOs in PCCs

The GSM evaluation industry survey was routed to industry stakeholders through NGOs and precompetitive collaboration secretariats or coordinators. Ninety percent (48/53) of the survey respondents stated that their companies **both** partner with one or more NGOs in support of their seafood sustainability initiative **and** participate in one or more precompetitive collaborations related to seafood sustainability. This is consistent with CEA's 2018 finding that NGOs perceive precompetitive collaborations to be a complementary service to 1:1 partnerships.

Many of the respondents have had an opportunity to engage with NGOs through both mechanisms, and most see an important support role for NGOs such that industry leads, but taps into NGO expertise. Many see this shift as driving more consistency in language and goals between stakeholder groups and stakeholders within those groups, as well as creating balanced "rules" and roles for monitoring and recognizing progress.

"Industry telegraphs market needs. NGO's listen and support attainment of market needs. Collective action helps standardize market expectations." – survey respondent

"Industry can set well balanced self-regulated rules supported by NGO." – survey respondent

We need the NGOs to be the SMEs and keep us in the loop on current and upcoming issues. We also need them to convene the other NGOs so there can be a common language and universally agreeable goals." – survey respondent

"Need to identify the key areas of sector impacts, what is needed to change sector (from regulation through to industry incentives)? Identify and deliver mechanisms for sector transformation. Communicate and reward change. Industry and regulators will drive the changes and report on progress (and challenges). NGOs will monitor performance and recognize and reward change. Also will look for solutions to challenges." – survey respondent

Although a couple of survey respondents continue to view NGO support as adversarial and/or unnecessary.

"Continued emphasis on partnerships and less denigration of the industry by NGOs without legitimate evidence." – survey respondent

"Wish precompetitive collaborations could encourage industry players to head towards sustainability through joint effort, rather than burdening others with imposing measures. Also, precompetitive collaborations could end up replacing NGOs or merging with NGOs as their goals seem to be converging." – survey respondent

GSM evaluation key informants also cite a valuable role for NGOs, which highlights the unique value that NGOs have provided to some precompetitive collaborations to date

NGOs, academic institutions, consultants, and industry associations have taken on critical roles in precompetitive collaborations, such as:

- Fiscal sponsor, providing HR and other administrative support, receive and pay out funding
- Secretariat or management, allowing the industry participants to collaborate and leverage their collective strength for advocacy without violating competition law
- Advisory support, for example, Fishwise, SFP and Ocean Outcomes are NGO advisors to Sea Pact

Key informants shared insight on why the NGO advisory role is critical for precompetitive collaborations:

“[NGOs] are a huge resource in creating and pulling together the science, and when I say science, I also mean data and understanding where the shortfalls are, where the problems lie, and so forth. I think they have this without having to be involved in the business of the commodities. They can be sort of higher and deeper level...they have funding, and they're doing research with it. That is research that a company like ourselves can't do. We rely on the Seafood Watch for their information and for the SFP telling us what's going on. And in Sea Pact, we're learning, and it's all coming from the NGOs, because they're in a different space. They're leveraging other industries and they don't just work exclusively with seafood in some cases... the window to the world is through the NGO.” - KI

“The NGOs have been trying to drive change on the water...They are the people behind the various assessment criteria, ranking scheme, etc., but they're not business people and they don't work at the pace of business and what's required to create change...But the NGO has a vital role to play because they're brilliant, intelligent people and organizations, and they do have engagement with government. They are able to bring like-minded groups together. They have a wide swath of research scientists, engineers, and universities that they can band together and access funding through governments and through the funders like Packard and Walton. Business doesn't have that. And that's what I mean by being the facilitator. They wouldn't drive the change, but they would be the ones to help the industry facilitate or drive that change.” - KI

WWF, SFP, and FishWise, who have also received a significant portion of the foundations' grant funding for buyer commitments, are engaged in multiple precompetitive collaborations

	WWF	SFP	FishWise	ISSF	Ocean Outcomes	STI	ASC	CeDePesca	Ethical Trading Co.	FMI	IFFO RS	GAA	MSC	NEA	Ocean Mind	SeaWeb	Verite	MBA
Total formal roles with PCCs	7	6	4	1	2	2	1	1	1	1	1	2	1	1	1	1	1	2
FMI Seafood Strategy Committee		X	X									X						
Foodservice Roundtable																		X
Global Salmon Initiative																		
Global Dialogue on Seafood Traceability	X																	
Global Seafood Sustainability Initiative	X				X	X	X							X	X	X		
International Seafood Sustainability Foundation	X	X	X	n/a														X
NFI Crab Council	X	X			X													
Sea Pact	X	X	X															
SeaBOS ¹																		
SFP Supply Chain Roundtables		X																
Seafood Task Force	X	X	X	X		X	X	X	X	X	X	X	X				X	
WEF Tuna 2020 Traceability Declaration	X																	
UK Sustainable Seafood Coalition ²																		

1. NGOs have not had a formal role in SeaBOS 2. The SSC engages NGOs on an as-needed basis, but doesn't have any formal ongoing relationships with NGOs



Assessment of Progress, Contributions, and Durability

Precompetitive collaborations have grown at a pace that exceeded expectations set out in Packard's strategy outcome indicators, which have been retired or updated

Outcome indicator progress as assessed by CEA's MEL dashboard

Outcome indicators that were retired

Increase in Coordination of NGO Guidance to Companies

The sustainable seafood community will assist in convening, agenda setting, and information generation for precompetitive roundtables



Increase in Shared Decisions by Companies Participating

Two or more companies participating in the same PC roundtable issues joint or similar statements or adopt similar policies as a result of participation



2018 CEA Comments

Moved beyond the initial need to assist in convening, agenda setting and information generation for precompetitive roundtables: 4 platforms use NGOs or universities for management and/or secretariat services, 5 platforms use an industry association or consultants for management and/or secretariat services with external membership and participation by NGOs, and 2 platforms are managed by an industry association or consultant without formal NGO participation.

The precompetitive platform space has many examples of companies issuing joint or similar statements or adopting similar policies as a result of participation in a roundtable. One prominent example is the Seafood Business for Ocean Stewardship (SeaBOS), in which its member companies have issued a joint statement on collaboration and ocean stewardship.

Updated outcome indicators¹

Increase number of companies engaged in and paying for services from precompetitive platforms.

Companies will engage in precompetitive platforms, and will pay for services from the platforms.



Increase transparency and accountability of companies engaged in precompetitive platforms.

Majority of PC platforms publicly report on progress and joint policies



2018 CEA Comments

Of the 11 platforms that CEA scanned for the 2018 Seafood Metrics Report Supplement, 4 are completely funded by industry (with no supplemental philanthropic support), 4 are funded by a combination of industry and philanthropic dollars, and 3 are philanthropically funded platforms.

Of the 11 platforms that CEA scanned for the 2018 Seafood Metrics Report Supplement on sustainable seafood precompetitive platforms, 5 do not report on their progress publicly and 7 report on at least some of their progress publicly.

1. Indicators replaced original outcome indicator: At least 1 platform exists by 2019, multiple exist by 2022
Source: Packard Outcomes Tableau Dashboard

Both foundations view precompetitive collaborations as a tactic for achieving overall goals for creating demand, so progress will be viewed through case studies of more recent investments

- WFF's goals for creating demand for sustainable seafood include:
 - U.S buyers are showing increased ownership of implementing their sustainability policies through a reduced reliance on NGOs and philanthropy
 - 50% of US importing companies in core geographies are actively supporting FIPs
- Four collaborations profiled here to consider progress toward achieving those goals have received a significant amount of Walton and/or Packard funding in the recent years and/or have been recognized throughout this evaluation process as industry led collaborations to watch:
 - Sustainable Seafood Coalition (UK)
 - SeaBOS
 - SFP Roundtables
 - Sea Pact
- To help assess progress for each collaboration, as well as draw lessons that could be applied more broadly, the case studies seek to illustrate each collaboration's:
 - Structure and governance
 - History, including foundation investment, and current value proposition
 - Results, impact, and potential future direction

Note: The Sustainable Seafood Coalition has received funding from the Walton Family Foundation as shown in the subsequent case study, but it does not appear in the PCC grant analysis slides because the grants were mapped to the buyer commitments outcome for the GSM evaluation grant mapping exercise. The Foodservice Roundtable is fully funded by philanthropy, but the amounts funded by Packard and Walton were not clearly called out in the GSM evaluation grant mapping analysis and little information is available for a case study given the private nature of the collaboration.

Sustainable Seafood Coalition (UK) case study: collaboration structure and governance



Structure and governance

Packard & Walton	WFF grants to Client Earth, the org that led the formation and is the secretariat of SSC, from 2011 to 2019
PCC participants	Industry members span the supply chain, as well as non-profits and trade associations
Membership Requirements	Members agree to abide by the two SSC Codes of Conduct, the Sourcing Code and the Labelling Code
Funding model	Members contribute annually, ranging from GBP 150 to BP 3,000; remaining budget contributed by philanthropy
Governance model	SSC members meet twice per year make decisions; where more detailed member engagement is required working groups to reach preliminary decisions
Leadership structure	ClientEarth is the secretariat of the SSC and is responsible for administration and coordination. This includes facilitating SSC meetings, publishing SSC codes and other materials, and communications to members.
NGO roles	Works with a range of NGOs as non-member advisors, depending on members' needs

*Founding member

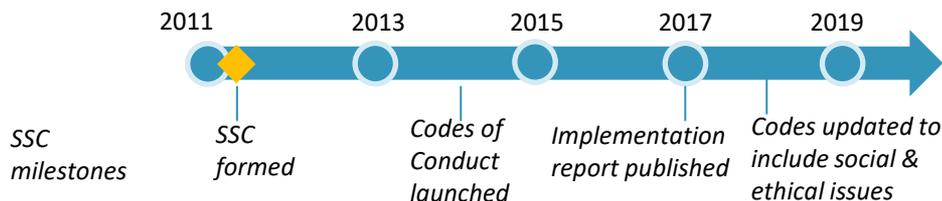
Sustainable Seafood Coalition (UK) case study: history and current value proposition

Collaboration history and key milestones

A few key factors in 2010 made conditions ripe for change in the UK seafood sector:

- Hugh's Fish Fight campaign drew widespread attention, including to CEOs of retailers, to environmental issues connected to Britain's fish-eating habits and supply
- Client Earth released a report showing that environmental claims made by retailers on seafood lacked consistency and accuracy
- The common fisheries policy was up for reform and NGOs were campaigning around it

Several leading companies came to the table with Client Earth and Hugh's Fish Fights, establishing Sustainable Seafood Coalition (SSC) in May 2011. The first priority was to address issues with packaging and to establish a more consistent approach. In 2014 the SSC launched voluntary codes of conduct for responsible sourcing and labeling. All members have committed to implementing the codes into their business practices within one year of signing up.



"[SSC] was almost entirely funded by Walton Family Foundation from 2011 through 2015...there was recognition that members were getting enough value to be funding it themselves." - KI

Current value proposition

In 2010 the very competitive UK retail industry was "exposed" and needed to change. At SSC inception, a small group of leaders engaged in an intense three year process to agree on what sustainability and responsible business behavior is; once the codes were published, others saw value in alignment.

Key informants described significant value for new entrants, but also for sustainability leaders in:

- **Leveling the playing field:** shifts industry practice to a common baseline for environmental sustainability.
- **Education:** retailers educate their supply chains in order to implement their commitments, but the SSC enables more widespread and more efficient education and knowledge sharing.
- **Safe space for dialogue:** different actors bring ideas, collaboration drives innovation and may spark other 1:1 collaborations, as dialogue matures it becomes the norm and brings consistency to the market place.

"It's brought people together who necessarily wouldn't have been one of the usual suspects...gives them a safe space to have these dialogues and learn and grow their confidence and play their part." - KI

Sustainable Seafood Coalition (UK) case study: results and impact

Results and Impact

All key informants cite increased scale and impact due to consistency created by the SSC Codes of Conduct, and some highlighted other indicators of increasing industry ownership and maturity:

- **Resources** – SSC members have increased dedicated staff; one KI states that in 2012, three retailers and 5 suppliers had “bonified responsible sourcing people,” and by 2016, 7 retailers and 17 suppliers had them
- **NGO engagement** – SSC shows members how different tools can fit into the codes, and several KIs noted that SSC members have recognized the need and gained the confidence to better leverage NGOs

Key informants believe that the SSC codes of conduct have increased accountability for sourcing and labeling responsibly, not by policing, but by setting expectations for compliance

Through the code, members commit to five principles of practice¹:

1. Traceability: putting sufficient measures in place to trace fish to their origin
2. Risk assessment / audit: conducted and regularly reviewed
3. Sourcing decisions: based on the outcome of the risk assessment or audit
4. Appropriate responses: based on the outcome of the risk assessment or audit
5. Transparency: ongoing openness and sufficient communication

“We had this debate in the early days of the coalition about governance and policing...the last thing I wanted was a policeman saying, show me this, check this, check that...If I'm going to spend 10% of my time answering questions, with you challenging me all the time, it is just not going to work. I think we've tried to get the balance right to periodically agree to go into the market and ask for the detail on some products from each of the members.” - KI

A 2017 third-party assessment of the codes' implementation by SSC members found that out of 80 products reviewed, 71 (89%) were in alignment with the SSC Sourcing Code. Of the 9 products not in alignment, 7 were from non-members and 2 were from member companies.

Future direction

- Key informants suggest that there is still work to do to get all UK seafood to a sustainable level; the SSC is looking to enhance its ability to educate new members and it is taking tentative steps into advocacy
- SSC members may also drive more collective action

“As an offshoot from the SSC, project UK started, which was funded by 14 SSC members to collectively pool resources to take some of the lesser bought species through to MSC. And I think that was a positive. It's a bit like Sea Pact in that respect for that, but it came on to the SSC.” - KI

- SSC UK has counseled Hong Kong in creating its own version of the SSC and will continue to provide thought leadership and support as others across the globe seek models like SSC.

SeaBOS: Structure and governance



Members

Maruha Nichiro*, Nissui*, Thai Union*, Mowi*, Dongwon Industries*, Skretting*, Cargill*, Cermaq*, Kyokuyo, Charoen Pokphand Foods PCL

SeaBOS is a producer initiative in that it is seeking to change the impacts in the companies who produce seafood.
– Phuket Dialogue Background Brief 1

*Founding member

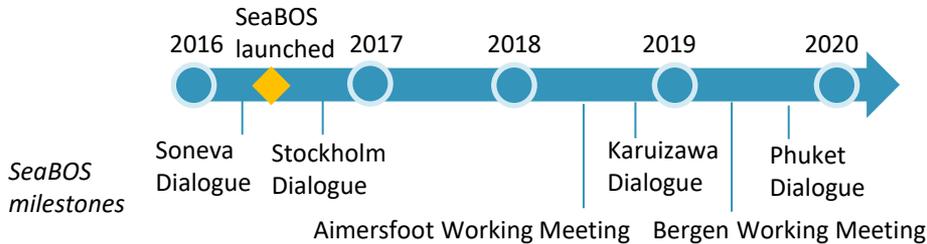
Structure and governance

Packard & Walton	Grants to Stockholm Resilience Center, the org that led the formation of SeaBOS, from 2016 to 2019
PCC participants	CEOs of ten of the world’s largest seafood companies, identified by scientists as “keystone actors” due to size and influence
Membership Requirements	Members signed a joint agreement that contained their concern about the current and future state of the ocean, and identified a number of areas which they will address together
Funding model	Members contribute a portion of the budget annually; the WFF, Packard, and Moore foundations also fund
Governance model	<ul style="list-style-type: none"> CEOs of member companies sit on the Board and attend an annual strategy setting meeting Six task forces are comprised of operational staff from member companies and science there is one annual meeting of operational staff to consolidate learning and coordinate approaches to operationalize task force work
Leadership structure	Managing Director and Secretariat
NGO roles	NGOs do not have a formal role; SeaBOS is a science-business collaboration

SeaBOS: History and current value proposition

Collaboration history and key milestones

- Began as a series of Keystone Dialogues, facilitated by the Stockholm Resilience Center, bringing together scientists and 10 of the world's largest seafood companies to test the hypothesis that these "keystone actors" could set best practice norms that could transform the entire industry
- A key factor in catalyzing the establishment of SeaBOS has been the engagement and support of HRH Crown Princess Victoria of Sweden
- Four task forces were established in 2017, the first working meeting was in May 2018, and SeaBOS became a formal institution following the Karuizawa Dialogue



"[The grants] have given us an opportunity to really build a strong team of scientists who are able to engage in different kinds of things that the company's asked for. They've also helped us build much stronger networks with some of the best institutions out there" -KI

Current value proposition

- SeaBOS is a science-business partnership where researchers co-create an evidence base that can inform decision making
- CEO leadership and learning is central to SeaBOS, and without multiple stakeholder groups requiring compromise, SeaBOS has the potential to be more ambitious and move more quickly than other partnerships
- Task forces are a key mechanism for translating SeaBOS vision and commitments into results; current task forces address:
 1. Addressing IUU and forced labor
 2. Improving traceability in global seafood
 3. Working with governments to improve regulations
 4. Transparency and governance of SeaBOS
 5. Reducing ocean plastics
 6. Climate resilience

"...Make sure we don't have any "NGO syndrome," because we don't want our agenda to be shaped by anyone but ourselves...in the end that agenda that they defined was more aggressive than what could be defined by any NGO, because it was theirs and they had defined it and they felt that it was based on solid science. I think it was really interesting that these super powerful companies didn't have any power whatsoever. So we gave them power by offering them a platform to collaborate on to solve their problems." - KI

Results and Impact

- SeaBOS companies have committed to 10 principles, including improved transparency and traceability, concerted efforts to reduce IUU, engagement in science-based efforts to improve fisheries, and collaborating and investing in the development and deployment of emerging approaches and technologies for sustainable fisheries and aquaculture
- All companies are now reporting at an ambitious level according to Global Reporting Initiative (GRI) criteria, which is consistent criteria that is internationally recognized
- Theoretical and empirical work suggests that a highly connected system is more prone to transformative change; SeaBOS has increased connectivity amongst participants and also formed strategic partnerships with GDST, GGGI, HLP, and UNGC to amplify progress
- Global recognition of the SeaBOS initiative has enabled it to operate as a policy influencer

Japanese companies are making swift progress

- Japan historically has not had significant consumer demand for sustainability
- CEOs from Japanese companies did not attend first dialogue but later increased engagement, with the CEO of Maruha Nichiro stepping up to be the first Chairman of SeaBOS, and all investing substantial time and increasing human capacity to meet SeaBOS commitments

“One of the companies was not on board with the global reporting index...one of the Japanese CEOs said, ‘You better do it, and you have to do it within a year or you’ll have to leave this whole thing.’” - KI

- Nissui and Maruha Nichiro have made / are publishing an inventory of where they source seafood

“Compared to the efforts within Japan, the world standard is still one step ahead. By gaining experience in the global collaboration platform, we can achieve higher goals.”

– Mr. Yabuki of Nippon Suisan at the 2019 Tokyo Sustainable Seafood Summit

Future direction

- The first phase of SeaBOS focused on building trust and planning; companies are now demonstrating progress. In 2020 the companies will agree on KPI with deadlines and milestones for meeting commitments.

“The next step is really now to illustrate some very tangible results...like addressing illegal fishing in their supply chain, or how they improve their traceability consistently across the different companies by using a new and consistent approach.” - KI

- Prior Keystone dialogues have created a loose idea of what it means to be stewards of the ocean, looking more broadly than sustainable fishing and farming practices. The stewardship concept will continue to evolve, for example, drive focus on issues like marine biodiversity

SFP Supply Chain Roundtables (SRs): Structure and governance



Roundtables

Crab, Fresh and Frozen Tuna, Large Pelagics, Octopus, Reduction Fisheries, Salmon, Shelf-stable tuna, Shrimp, Snapper and Grouper, Squid, Whitefish, Aquaculture SR, Russian Far East Crab SR, Southeast Asia Blue Swimming Crab SR, Gulf of Mexico Shrimp SR, Mexican Seafood SR, Asian Reduction Fisheries SR, European Sustainable Fishmeal Roundtable, Latin American Reduction Fisheries SR, Indonesia Snapper and Grouper SR, Global Fresh and Frozen Tuna SR, Global Mahi SR, Global Octopus SR, Asian Farmed Shrimp SR, Global Squid SR, NW Atlantic Cod SR, South American Whitefish SR, Russian Far East Whitefish SR

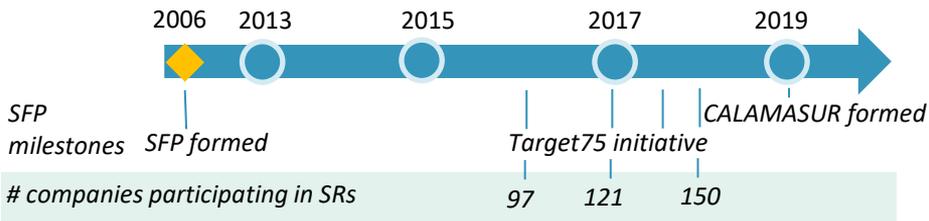
Structure and governance

Packard & WFF investment	Grants to Sustainable Fisheries Partnership Foundation, from 2013 to 2019
PCC participants	Primarily producers and suppliers, although the need for participation by critical end buyers has been noted
Membership Requirements	Participation in a Roundtable involves identifying shared sustainability issues in a sector/species and promoting solutions through encouraging producers to set up fishery or aquaculture improvement projects. Participants may also actively implement FIPs themselves.
Funding model	SFP has multiple funding sources; supply chain members contribute, e.g. \$5k annually, to participate in SR collective action
Governance model	Board of Directors with a Chair
Leadership structure	SFP leadership team and operational staff
NGO roles	SFP facilitates SRs and other NGOs may participate in SRs

SFP Supply Chain Roundtables: History and current value proposition

Collaboration history and key milestones

- Founded in 2006, SFP is a marine conservation nonprofit dedicated to helping the seafood supply chain become more sustainable
- SFP promotes the formation of Supply Chain Roundtables (SRs), to support improvement efforts in fisheries or aquaculture. SRs are a forum for processors, importers, and others that buy directly from a specific seafood sector to work together to promote improvements throughout the supply chain, sharing resources and expertise, and avoiding duplication.
- In June 2017, SFP launched the Target 75 Initiative, in which SFP has set an interim target that, by 2020, at least 75% of world production in key sectors is either sustainable or in a formal FIP or AIP making consistent improvements



Current value proposition

- SFP's mission is to engage and catalyze global seafood supply chains in rebuilding depleted fish stocks and reducing the environmental impacts of fishing and fish farming, focusing on sectors that are most important to the seafood industry, such as crab and fish used for fishmeal and fish oil
- Key informants noted that SFP's philosophy or approach has been one of collaboration with industry vs. policing the industry, which has led to some notable examples of industry participants coming together to achieve improvements that they couldn't have achieved on their own.

"A bunch of us on the supplier round tables for SFP have worked with companies in those regions [Ecuador and Peru] to get them more involved and push them to involve government and to execute a fisheries improvement project. I think industry going to the fishery and saying, hey, we need this done, and we feel like this is very important to moving the needle...it's a trickle down effect of involvement and everyone putting in funds for MSC assessment or technology for monitoring, etc." - KI

"At heart what we're trying to do is make sure that fisheries minister in country X is factoring into the decision making the pro-conservation interest that their customers have. At the moment, the way we're getting that voice to the minister is through the supply chain. So by organizing the intermediaries in supply chain roundtables, getting their messaging aligned to producers, and then asking producers to take the lead in getting the message across to government." - KI

SFP Supply Chain Roundtables: Results and impact

Results and Impact

- There are ~ 150 companies participating in SFP-convened SRs, a ~ 50% increase since 2016
- In 2018, SFP-convened SRs initiated or re-activated 14 FIPs and supported another 25 pre-FIPs.
- SFP reports and key informants cite a number of achievements, such as the 2018 formation of the Committee for the Sustainable Management of the Southern Pacific Jumbo Flying Squid (CALAMASUR), bringing together representatives from Chile, Peru, Ecuador, and México to work toward sustainable production in one of the world's most significant squid-fishing regions
- The Global FIP Review found that SRs are currently the best means of collectively engaging supply chain engagement in fisheries, but aside from educating participants, engagement and activity levels vary considerably, and SR facilitators prioritize keeping companies at the table vs. applying more pressure

Key informants cited positive examples of progress, but also suggest that the SR model hasn't yet figured out how to engage laggards or drive increased accountability for meeting commitments

"One right now is what the SFP is doing with Mexican shrimp. So they've put together a collaboration of packers and importers that have pledged to police their supply chains to avoid illegal shrimp entering the country. That gives us confidence to make decisions that we're going to buy from those companies instead of some of the ones that we have in mind because they sign on to it." - KI

"I've sat in a number of SFP roundtables ...they are bringing the people who are most interested in being at the table. And that's incredibly helpful. It's still a less than sufficient percentage in order to create movement. But I do think that they've been very valuable over time." - KI

"These roundtables have been used mostly to disguise the lack of real commitment for improvements of many of their participants." - KI

"On the lower end of the continuum, as far as value...a lot of the discussion taking place...I would just say it's fake news." - KI

Future direction

- The Global FIP Review found mixed reviews on how SRs ask supply chain actors to advocate for policy changes
- SRs have advocated successfully in countries with high capacity for fisheries management, e.g. US by Gulf of Mexico Shrimp SR, but there needs to be a more consistent approach and more effective tactics across geographies
- SFP will likely invest in improving SR strategies for policy advocacy

"SFP and the supply chain roundtables have been highlighting that national policies and regulations are what need to be in place to really make sure that these changes stick. You can do a lot of best practices and things like that. But if it's not made into law, then not everybody's going to do it. So I think we're seeing a bit of a shift to focusing more on policy, whether that's national or at the regional fishery management level." - KI

Sea Pact: Structure and governance



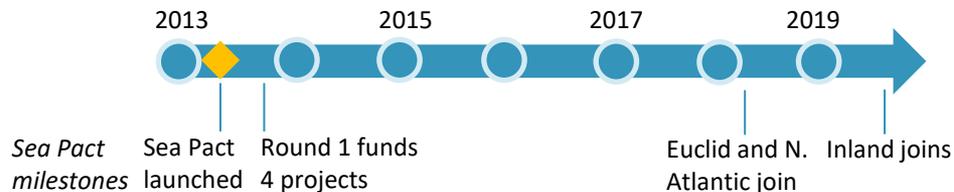
Structure and governance

Packard & Walton	Grants to New Venture Fund and Trust for Conservation Innovation from 2017 to 2019; primarily supplements company investments in FIPs and AIPs
PCC participants	North American mid-suppliers
Membership Requirements	Members agree pledge to support a set of issues
Funding model	Members contribute and conduct fundraising/takes donations; Multipliers is their fiscal sponsor
Governance model	Advisory Council with an elected Chair
Leadership structure	Managing Director position was created in 2016
NGO roles	Sea Pact has formal NGO advisory relationships with SFP, Fishwise, Ocean Outcomes, and New Venture Fund

Sea Pact: History and current value proposition

Collaboration history and key milestones

- Sea Pact is a coalition of like-minded North American seafood companies
- Sea Pact grew out of Santa Monica Seafood's successful "Responsible Sourcing/Vendor Partnership (RSVP) Program
- It was founded in 2013, and the six founding members were selected based on their progressive sustainability policies
- Five more companies have joined, bringing total membership to eleven
- All members of Sea Pact could be classified as mid-suppliers, and their position in the middle of the supply chain provides a vantage point that enables them to see sustainability opportunities and challenges across the supply chain.



Current value proposition

- The members of Sea Pact pledge to drive stewardship and continuous improvement of social, economic, and environmental responsibility throughout the global seafood supply chain
- To date, they have achieved this through financially supporting selected projects aligned with their mission.
- Key informants have consistently rated Sea Pact among the PCCs that generate the most value for the members, with meaningful collective action being the top value driver.

"[The members] were each assigned 3-4 grant fund requests. We needed to understand them inside and out, which means that we needed to be able evaluate what's a good fit, which is incredibly valuable in my mind. And being able to talk about it with others so that we all get to a shared understanding of what we consider to be the core traits that are likely to make them succeed" - KI

- Sea Pact members have highlighted the value of learning from both peers, who can share practical best practices, and NGO advisors, who can ground them in science and introduce other perspective. Some Sea Pact members do not have 1:1 NGO partnerships, suggesting that they get most of the technical advice they need through Sea Pact.

"I've got a great brain trust within the Sea Pact, and we've got three NGOs advising us." - KI

Sea Pact: Results and impact

Results and Impact

- Every year since 2013 Sea Pact has funded 4-8 projects aligned with priority areas, such as social responsibility, aquaculture, fisheries management, traceability, special species of interest like squid, and special regional areas of interest like the Great Lakes
- In 2019, Sea Pact funded six projects, focused on a range of issues and target species, including integrating social responsibility into the FIP model and developing eDNA tools for early detection of pathogens relevant to aquaculture in SE Asia

Key informants noted Sea Pact's important leadership role in demonstrating that business collaborations can work effectively and drive improvement throughout the industry

- In many cases, Sea Pact members have been early adopters of sustainability, and they see Sea Pact as a vehicle for maximizing their impact and raising the bar for everyone

"I think what Sea Pact can drive is some innovation around working together, innovation to where industry can take some more of the leadership...and that doesn't diminish what the NGOs and WFF and Packard continue to bring, but they don't have to do all the lifting themselves...I think what Sea Pact can provide is some people on the leading front to be able to start some of those conversations, gain some credibility inside this work to aggregate dollars and effort and align people towards a specific direction...these benefits accrue to the industry as a whole industry and lifts it up." - KI

- In addition, as part of fulfilling buyer demands, mid-suppliers have worked with most NGOs and have a perspective on what works and what doesn't, and Sea Pact enables them to unify and amplify their voice and bring a strong operational perspective to the table as buyers and their NGO partners work to implement their sustainability commitments.

Future

- Sea Pact members are working collectively on a responsible sourcing code of conduct, an idea that was sparked by direct engagement with the foundations
- In 2019 WFF funded New Venture Fund to develop a collective impact network concept to expand Sea Pact's impact and reach beyond the N American market.
- To accommodate business and cultural contexts, Sea Pact may share experience and lessons learned to help establish similar PCCs in countries like Mexico, Japan, and Spain, and later play a connecting and convening role for affiliated collaboratives

"As the world gets more and more globalized, we need to globalize some of these precompetitive collaborations." - KI

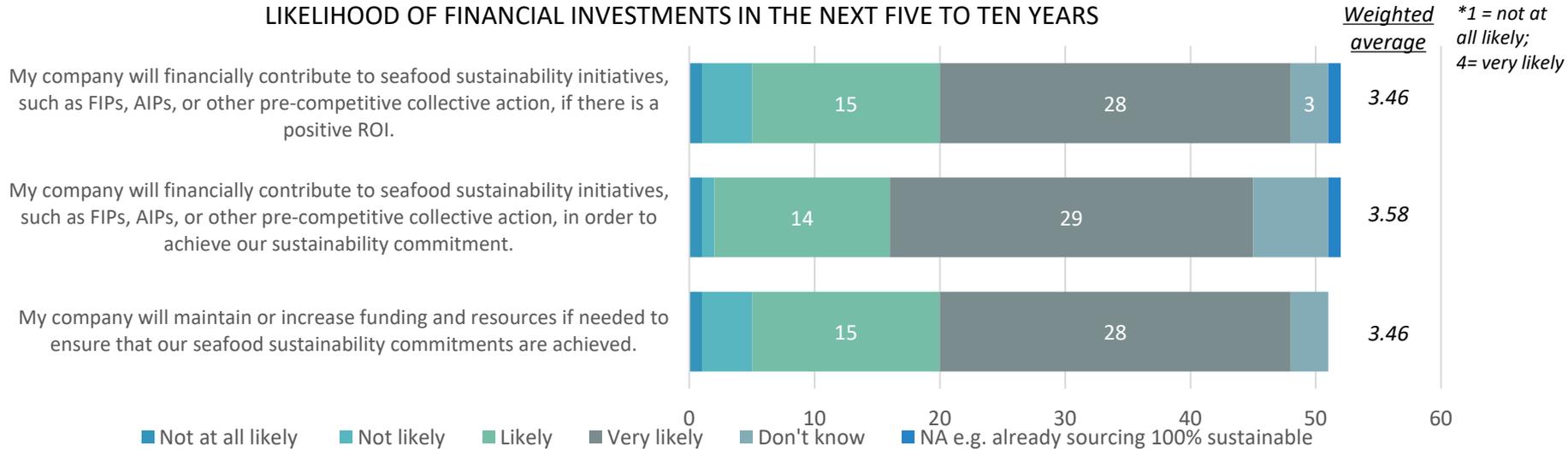
"We wanted to make more of a transformational change instead of just transitional. A lot of it was Lucas Simon talk at Sea Web a few years ago. And then Guy Dean who was at the time a member of Sea Pact, wrote an op ed. And we really wanted to see more change than just funding fisheries improvement projects and making small, transitional or transactional influence." - KI

Key informants recognize the foundations' contribution to fostering collaborative engagement with industry, and some see the need to shift to a more strategic approach to letting industry lead

“They [the foundations] have been invaluable in driving this movement forward. I just think that we have the opportunity now to be far more strategic and focused on where that money is used and how it's used. That'll get us to a better spot much faster than what's happened.” - KI

GSM evaluation industry survey respondents and key informants suggest that industry will fund sustainability initiatives that drive value, either through positive ROI or ability to meet commitments

LIKELIHOOD OF FINANCIAL INVESTMENTS IN THE NEXT FIVE TO TEN YEARS



“It’s not sustainable to expect NGOs to be doing all this, and it’s also not smart for business, because business needs to take some of the initiative and create some of the direction. And I think the NGOs are willing to build on it, but they can’t just be the provider of money for everything. That’s just not practical. They can point the direction that can create a support. They’ve done so much, and it’s time for industry to take more and more. So when these things do require some kind of contribution, it’s reasonable.” - KI

“I think if there is a great enough value to the companies, then they will pay for it themselves. So I think it’s not necessarily that they will there probably would be a lot fewer collaborations if industry had to pay for all of them themselves. And I don’t know if that’s good or bad. Just the fact that there wouldn’t be as many.” - KI

But the extent to which industry will fund sustainability initiatives, especially those that do not have a near term return on investment, is unclear

Industry has shown willingness to fund precompetitive collaboration structures and operations if they are getting value from the investment, but requested contributions have typically not been significant

“It was almost entirely Walton Family Foundation money from 2011 through 2016...there was a vote...and I think the recognition was, members were getting enough value out of being involved to really be funding it themselves. But all of the contributions are fairly modest. And they're banded, so even the very biggest businesses turning over a billion or more in a year will only pay \$3000 for their annual membership. And that goes right down to \$150 for businesses turning over 5 million or less. So it's very rare that a business would want to commit but decided not to do so because of the membership fee. The bigger barrier is actually then making this public commitment. They really feel the need to get their supply chains in order to back that up. So there's an internal restructuring and changing of buying decisions that's a bigger burden than the membership fee itself.” - KI

“It's not like you're paying five grand to belong to it, you're paying five grand to help make it work. So, we've always had this point of view that you have to give to give back, you have to take active participation in whatever needs to be done in your industry as far as making it sustainable because we want to reduce the supply risk...I wouldn't expect them to be free. - KI

Without philanthropic funding, it is possible that PCCs will focus on projects that deliver the highest return on investment versus the biggest sustainability challenges and/or skimp on technical assistance

“When you're talking about security of supply, then you're talking about the type of project that companies are most likely going to be focusing on. Sure, all of us are going to focus on efficiency improvement project in a fishery that's had a precipitous decline, where we think that the improvement project is going to result in the restoration of abundance with the next five years. No problem. Everybody will align behind something like that. But if we're talking about developing technology to do satellite surveillance, fishing at sea where we're not the ones who are doing the fishing and where, if anything, what that will do is potentially reduce the amount of product that comes on the market. I think we're all willing to bite the bullet and accept that we're going to have less product come to market as a result of it. But we don't have the financial wherewithal to invest money into something that will reduce our economic return. Nobody could get something like that passed the board. That's just not where we're going to put our efforts.” - KI

“While the markets work, including FIPs, has shifted to industry providing much more financial contribution and leading collaborations and FIPs themselves, they still require a fair amount of technical assistance from NGOs. I think it's important for the Foundations to consider this and not think that industry can entirely go it alone.” – GSM NGO survey participant



Context for Future Action: Challenges and Opportunities

Although precompetitive collaborations have grown rapidly and organically, industry informants do not see a risk of harm from proliferation

For the most part, precompetitive collaborations have grown organically as visionaries from across sectors have brought companies with similar interests together and developed a value proposition that would justify investment and engagement in precompetitive collaboration.

“One of the leaders of the crab importers organized other crab producers at the Boston Seafood Show...got everyone in the room, closed the door and described in a precompetitive way how the crab fisheries were basically in the toilet. What are we going to do? Forty-five minutes later, everybody had signed a document basically forming the crab council. We teamed up very quickly with SFP.” – KI

“We thought, wouldn't it be nicer to not passively study what the future could be, but actively try to shape it? Try to talk to companies to see if we could get them to engage as leaders...The key to success in getting these companies together was just asking them, ‘what's the problems that you need solved but you can't solve alone and could solve together with science and in collaboration with the other biggest companies?’” – KI

Industry key informants do not see a risk that the pre-collaboration space will become crowded, redundant, or competitive since:

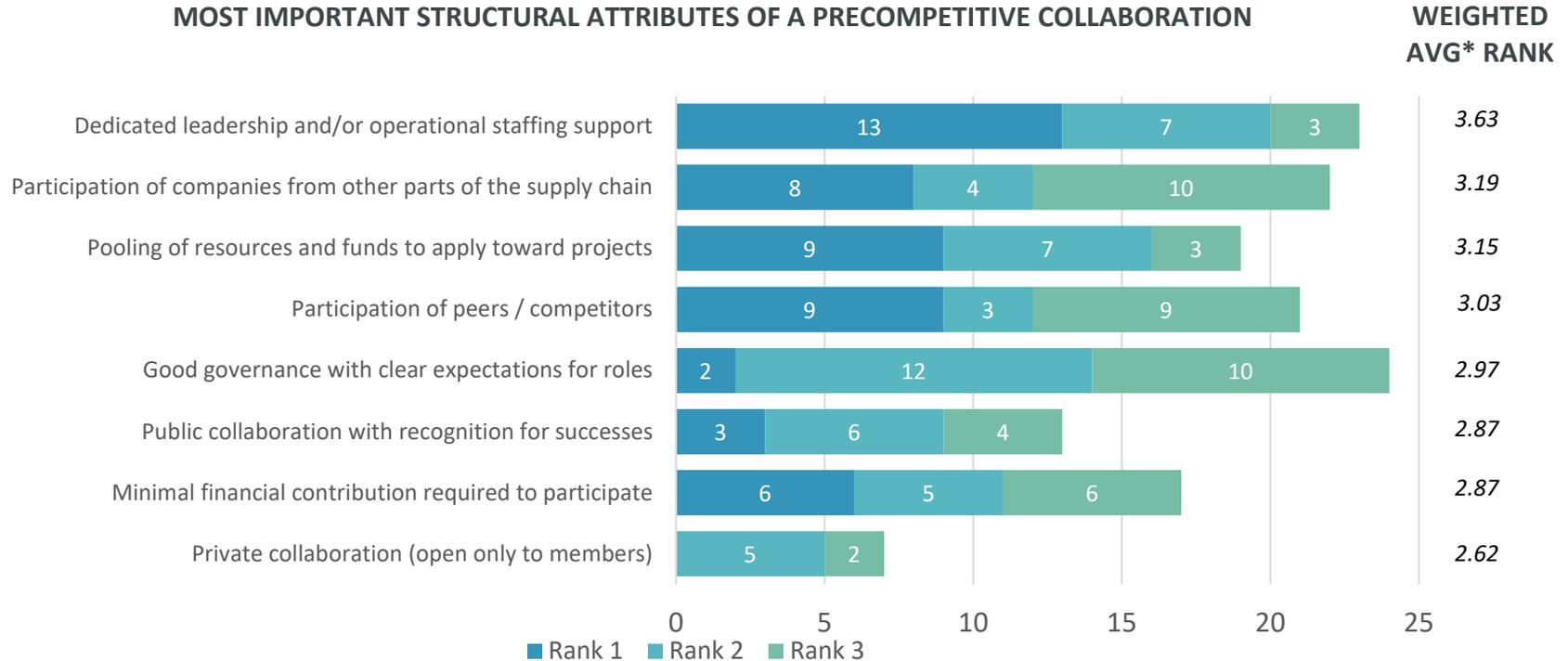
- Collaborations that are funded by participating companies have to be able to demonstrate return on investment; if the collaboration no longer provides a return or a different collaboration focusing on a similar problem yields a higher return, participating companies will shift their investments to the higher return
- Collaborations that are not funded by participating companies still require time and effort from company representatives; individuals participating in collaborations have limited bandwidth and they will not invest their time in collaborations that do not drive value or drive relatively lower value than others
- The potential impact of precompetitive collaboration proliferation is not of concern given the role that collaborations have played to date

“I don't think there's a big competition for funding, everybody's kind of putting in a lot of their own money. And I think that I think we want to accomplish things and we want to accomplish them very quickly at an industry pace. And so I think that if anybody, I don't I don't think it can be too saturated. I think I think the more the merrier.” – KI

“These organizations aren't revenue generating models. We need to pay money to Sea Pact, we need to pay to travel, we need to pay to stay at a hotel. I wouldn't be able to join three more Sea Pacts. I wouldn't get the money from my board. So I think that these precompetitive organizations are somewhat self limited because they are cost centers and businesses try to limit cost centers.” – KI

“Usually the bucket of money that a precompetitive collaboration has is smaller than an NGO, so they can do less harm and less good. So from that perspective, they kind of capped in terms of influence. And I think pre competitive groups, with the exception of SeaBOS, which is 10 of the largest and probably has funding to do what they want to do...precompetitive groups are exerting influence as opposed to creating rules. I think from that perspective, you can have a lot of people creating a lot of influence without it without it necessarily being detrimental.” – KI

Key informants described structural attributes as markers of successful or value-added collaborations, and these attributes were tested in the GSM evaluation industry survey



As one survey respondent commented, many of these points are equally important. Having focused goals and working to deliver on them in a timely manner is absolutely critical. Dedicated leadership and good governance are two attributes that enable focused goals and processes to achieve them.

Q17: Please rank the top five structural attributes of a precompetitive collaboration in order of importance (1=most important) for increasing the value that you / your company would get from participating. (n=51) (note: weighting is in reverse order such that the highest number reflects the most important attribute)

Dedicated leadership was described as a critical factor in driving value, both in the GSM evaluation industry survey and in key informant interviews

Dedicated leadership is a critical structural attribute...

Dedicated leadership and/or operational staffing received the most votes for most important structural attribute that would increase the value of participating in the collaboration.

Industry key informants were asked whether any collaborations were particularly valuable and why. Or on the flip side, which ones were less valuable. Good leadership surfaced as a defining characteristic of value.

“I would like for more of them to have a very clear sort of leadership. Not too many things are worse than sitting on phone calls or meetings that feel directionless...in some cases, pre competitive dialogues are really useful, and in other cases, it can disincentivize progress. Maybe it's still leadership. I was talking to a member of our team who's on the board and I asked why this thing is so slow and inept. He said it's just that they don't have a strong central lead.” – KI

...For example, ISSF was cited as a well-functioning collaboration, at least in part due to strong leadership

GSM evaluation key informants described ISSF as a collaboration that has proven valuable to its participants. ISSF has a dedicated leadership team consisting of a President and three Vice Presidents for policy and outreach, science, and communications. One key informant attributed ISSF's leadership as the driving force behind the value creation.

“ISSF is one that has a direct benefit because it's an industry group, and when industry works together and there's agreement over how to set a policy for purchasing that everybody can go ahead and enact, it's very fast. I think it's a very cool group for change... It's too much of a generalization [to say that industry led collaborations can move quicker]...I think it's leadership...Susan Jackson. I don't know if you've met her before, but she's like a rock star. She runs these meetings super efficiently. Everything is very clear.” – KI

More than 50% of the 18 GSM evaluation industry survey participants who are members of ISSF ranked “dedicated leadership” as 1st or 2nd most important structural attribute of a precompetitive collaboration.

Good governance helps ensure good leadership and efficient and effective use of members' time and resources

Good governance provides the foundation for meaningful engagement...

Good governance received the most votes for second and third most important structural attributes in driving collaboration value.

Governance includes the structures and processes that enable collaborations to:

- Set a strategy that members perceive to be legitimate and valuable
- Allocate funding and make operational decisions in line with the strategy
- Ensure appropriate resources are in place to execute on the strategy
- Monitor performance and hold the collaboration and its members accountable

“Everything is very clear. There's a vote on a measure. It passes or it doesn't. You know, it's all very clear. That helps move things along.” – KI

“Whatever you do, you've got to think it through how do you enforce it? How do you really make sure that not only is this collaboration coming up with great ideas, but if there's going to be some kind of collaboration around rules, that needs to be somebody that looks at who's breaking those rules and brings them to justice. Otherwise it falls apart too quickly.” – KI

...and could help ensure an appropriate and effective balance between collective and individual action

As precompetitive collaborations continue to grow and build influence, getting the balance right between collective and individual action will be important to ensure that progress is accelerated vs. held back.

“It's a forum that should be really useful...there seems to be some disincentives to move forward...kept saying, oh, we're going to do this as a precompetitive, like all of these companies are going to do it. But nobody was doing it. So we did it because we needed to...And then the members got angry with us for stepping out. They saw it as a kind a move to co-opt the agenda, and go rogue, get all the credit for something that the group was going to do.” – KI

“Engagement on the policy side for fisheries...in some cases it makes more sense for members to act individually, where it's the number of signatories on a letter to an RFMO or management board. So in that case, the collaboration is a way to coordinate that and connect that so that we have even more voices. In other cases, I think as a collective were able to provide that service better.” – KI

Trust is a critical factor of success that arose in KI interviews and helps explain why both peers and companies from other parts of the supply chain are ranked very important in the survey

Successful precompetitive collaborations often begin with a small group of peers with similar motivations creating space to build trust and develop solutions to common problems...

“So those early meetings were really, really important. And they were kept fit for purpose and fairly limited...to keep trust within the group and to make sure they could work collaboratively ...when the codes were published, there was more interest from other organizations in taking part. I think that's when the incentive changed slightly from being the industry leaders trying to actively solve a problem to other organizations wanting to align with the new standard and reap the reputational benefits that come along with that. So the motivation to commit has changed as the model progresses, particularly as it gets better established within the market.” – KI

“The key is to get companies that see each other as peers time to work together, develop their common approaches. And by peers, there are lots of companies that are interested. But among major buyers, you might say, a half billion dollars in revenue or more in order to sit in the room and talk to each other. You don't want to force two major companies and a small company and say, ‘you three figure it out.’ They won't see things the same way.” – KI

...Those small groups of leaders then demonstrate success and share tools and lessons learned to enable others to accelerate their sustainability journey

“There have been more precompetitive collaborations over the last five years. A lot more engagement as industry members come together and rather than individual companies trying to do things on their own I see a lot more engagement with the so-called seafood leaders that are trying to all come together and create change a lot faster than it's happened before...Those companies that have shown what has been effective are now coming together and introducing or bringing on new companies or companies that maybe weren't as far down the road on their sustainability objectives...they're trying to bring them along as well. – KI

“There are some companies and some segments where the level of understanding of the issues, the scope and the scale of the issues, just isn't there yet. It's not a priority within their companies. We see some companies that are happy to watch, while others stick their neck out and take the brunt of driving the change. And then when it makes sense, they'll talk along the same lines...we've built our structure around the mid-supply chain because there are like minded companies and they have a higher understanding of business issues. But we also feel that there needs to be broader stakeholder engagement. We feel that we can play a role as a connectivity agent in that because we have the supply chain relationships and the networks to help push or pull some of those other actors in into the conversation. – KI

Peers may be more important early on during the problem-solving phase, and later engaging other peers or companies upstream or downstream in the supply chain to help implement the solution drives greater impact. The nature of the problem may necessitate different actors, as well.

GSM evaluation industry survey participant feedback on how they would like to see precompetitive collaborations evolve over the next five to ten years generally falls into three buckets

1

Greater alignment within the sector around standards and efforts

“Industry and NGOs should collaborate, but there needs to be a greater alignment and consistency on the goals to be able to achieve them.”

“That all RFMO's adopt the same conservation measures in the respective areas and start working close together.”

“Need to agree on standards and have same definitions between all stakeholders including NGOs.”

“Agreement on a set of standards and adoption of those standards throughout the industry.”

2

More multi-stakeholder collaboration, including supply chain actors, NGOs, and governments

“More cross value chain pilots and innovation projects.”

“I would like the collaborations to become more inclusive of government and become more focused on making on-the-ground improvements in the fisheries and farms.”

“Bring all parts of the supply chain together. Help the smaller fisheries. Shape regional regulations.”

“There needs to be a cross-sectorial approach, not just limited to precompetitive. If the "push" industry (e.g.: novel ingredients, animal feed manufacturers) offer sustainable alternatives and the food service or food retailers don't pick them up into their value offer, then it goes no where.”

3

Greater focus on broader climate change and social issues

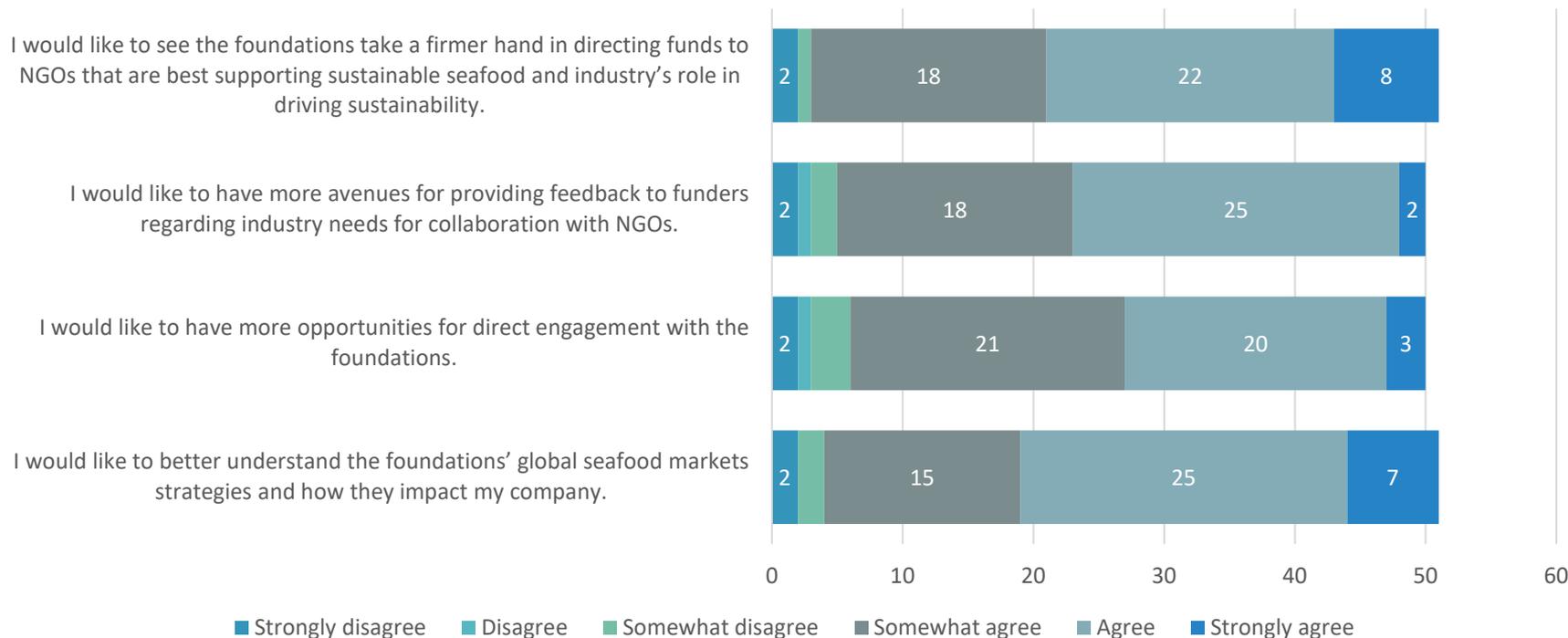
“Industry and NGOs must balance the sustainability of marine resources with the respect and foster of Human Rights in fisheries and in local communities.”

“Promoting sustainable development, not only environmentally, but also by adding real social and economic values to the actors of our eco-responsible supply chains.”

“Developments in some particular geographic areas can be done collectively including the NGOs. This will help in achieving sustainability sourcing from that whole area.”

“Related to climate change issue definitely would be one. Also organizing effort of many similar aimed initiatives about sustainable seafood may be taken through collective action. Human rights related theme would be evolving also.”

Industry would like to see the foundations take a firmer hand in holding NGOs accountable, as well as the opportunity to provide feedback and engage directly with the foundations



GSM evaluation key informants also suggested that more direct access to the foundations would be helpful, for maximizing performance of collaborations and sparking innovation

If the foundations fund NGOs to support industry collaborations, industry suggests that more direct feedback from industry to the foundations could improve accountability for performance

“For industry to collaborate, we need an independent third party. It’s difficult for one player to say, ‘All right, everybody, we’re all going to work together.’ Because there’s going to be a level of distrust. So you need that third party referee that’s going to say, all right, you know, we’re going to agree to some things and we’re going to referee this to make sure that what we agree to is what everybody does. And we’re going to put in some real enforcement mechanisms in there...I think that’s really important. Then there needs to be a mechanism for industry, because foundations don’t necessarily fund industry, they fund NGOs. And since the NGOs control the money, they kind of rule the world. And there’s no way for industry to disrupt the cash flow from the foundation to the NGO, if the NGO is not refereeing fairly...there needs to be more involvement on the funding side as to all right. How happy are the stakeholders that have become involved in this? If they’re not happy, how legitimate are their reasons for their dissatisfaction?” – KI

“Industry always has to report, to fill out report cards and tell everybody what they’re doing. But no one asks us to report or give a report card for the NGO community on how good they are doing and where they can improve. Sorry, little frustration there.” – KI

Key informants also suggest that industry could contribute more innovative sustainability ideas if they had direct access to potential funders

“What I’ve seen historically has been discomfort and a lack of a toolkit in terms of figuring out how to support commercial endeavors and improving their sustainability profile. It’s pretty easy for a foundation to fund an NGO. But when you have an industry group that is not an NGO, or when you have a specific company that has an improvement idea, nobody knows how to deal with that. There isn’t the funding model for that. And so that’s where I see that a lot of things dead end. When something goes through an NGO, it acquires the flavor and the priorities of that NGO, which is great when the idea is native to the NGO. But when the idea originated someplace else, if you need to get an NGO to be your sponsor in order to get funding, then it means that your idea could very well drift from your vision and could drift from the most productive outcome to a less productive outcome...I think work needs to be done to create a rule set here and to create a vetting process to be able to work in that regard. Whether that means that the foundations get in the business of impact investment or whether that means that there’s sort of tight criteria as to when they would fund things for private companies or whether it’s simply a no go - we don’t go there.” – KI



Strategic Options for Philanthropy

Summary of findings: precompetitive collaborations

#	Finding	Explanation	Slides	Confidence
1.1	Industry uptake of precompetitive collaborations surpassed the foundations' expectations	<ul style="list-style-type: none"> Foundations recognized importance of PCCs and potential to evolve, but haven't really pushed the envelope or laid out a clear strategy on how to use PCCs to achieve strategic goals Packard's original outcome indicators were met and retired 	284, 301	H
1.2	PCCs have proliferated organically to build support for and address common challenges with sustainability, both within and across supply chain segments and species	<ul style="list-style-type: none"> Two significant PCCs were established before 2007; over the following ten years, at least 11 new PCCs were launched PCCs engage all supply chain segments and many species 	281, 283, 291	H
1.3	PCCs have engaged companies, particularly suppliers and producers, that have not had formal partnerships with NGOs	<ul style="list-style-type: none"> At least 200 companies that do not have 1:1 NGO partnerships are members of at least 1 PCC SeaBOS engaged some of the biggest and most influential industry actors who had resisted NGO engagement 	292, 304, 306-308	H
1.4	Taking collective action on common challenges is a critical part of the foundations' PCC TOC, and it is industry's top value driver	<ul style="list-style-type: none"> Industry survey participants rated collective action as the top value driver for participating in a PCC No key informants consider PCCs a "check the box" activity where being listed as a member drives value, and survey participants rated "public collaboration with recognition for successes" as one of the least important attributes 	294, 295	H
1.5	PCCs, particularly those that the foundations have invested in, have led some critical supply chain actors to strengthen commitments and increase transparency and accountability	The SSC (UK), SeaBOS, SFP Supply Chain Roundtables, and Sea Pact have organized industry actors, generated commitments to common principles and standards, and reported on progress	303-314	M
1.6	The foundations' largest grantees have been actively engaged in multiple PCCs, and industry sees value in NGO support	<ul style="list-style-type: none"> SFP, WWF, and Fishwise have engaged in multiple PCCs Survey participants and key informants cited valuable contributions, but also see clear support vs leadership roles 	297-299	L

Confidence Levels (more details in methodology): High = robust set of evidence; triangulation across sources; Medium = moderate set of evidence; more limited ability to triangulate (may be mixed evidence); Low = limited set of evidence

Summary of findings: precompetitive collaborations

#	Finding	Explanation	Slides	Confidence
1.6	Industry is willing to fund PCC structures and operations, but without philanthropic investment, the focus and impact may be more limited and aligned with economic interests vs. environment	<ul style="list-style-type: none"> Industry has created and self funded PCCs, including Sea Pact and NFI Crab Council Survey participants see high likelihood for future investment in sustainability initiatives, but industry contributions will be focused on initiatives that generate ROI 	316-317	M
1.7	As industry takes more ownership of PCCs, harm from proliferation is unlikely to occur; some will likely remain more limited in span of actors and scope of focus, others may expand as they mature	<ul style="list-style-type: none"> Key informants suggest that industry resources, both financial and personnel, will limit proliferation Industry driven PCCs will likely be fit for purpose, with participation and funding aligned with value 	319, 324	M
1.8	Good governance and leadership are critical for PCC success; those without clear roles and decision rights for industry and NGOs, as well as dedicated leadership, may dwindle through attrition	<ul style="list-style-type: none"> When pressed to consider factors that drove PCC efficacy and efficiency, key informants landed on strong governance and dedicated (good) leadership Dedicated leadership and/or staff was the top ranked success factor in the industry survey 	320-323	M
1.9	Industry actors who are already engaged in PCCs would like to see: continued drive to align and standardize with industry leading and NGOs supporting; more cross-sector collaboration across the supply chain, NGOs, and governments; and increased focused on broader global issues like social responsibility and climate change	<ul style="list-style-type: none"> 37 of 53 industry survey participants provided open ended comments in line with these three themes Key informants also cited similar visions for the future of PCCs 	324	M
1.10	Industry sees value in more direct access to the foundations to understand their strategies and to collaborate on the most effective and efficient use of philanthropic funding and NGO support	<ul style="list-style-type: none"> At least 88% of survey respondents agreed with all four variations of this question around direct engagement Most industry key informants offered this insight when asked for open ended input for the foundations 	325-326	H

Confidence Levels (more details in methodology): High = robust set of evidence; triangulation across sources; Medium = moderate set of evidence; more limited ability to triangulate (may be mixed evidence); Low = limited set of evidence

Summary of potential paths forward for the foundations' support for precompetitive collaborations that are not part of a country strategy, e.g. Mexico

Potential path forward for the foundations'		Considerations for the future	
Not mutually exclusive	<p>Run-rate or status-quo</p> 	<p>Continue providing supplemental funds for precompetitive collective action, opportunistically funding early stage collaboration governance and operations, and/or funding NGO facilitators and contributors (e.g. research, travel costs)</p>	<p>PCCs funded to date have shown promising results and evolution; foundations would likely remain in “wait and see” mode</p>
	<p>Strategic targeting</p> 	<p>Strategically seek to strengthen or launch PCCs that align with the foundations' priorities and strategies (e.g. IUU), potentially engaging more directly with industry and use new funding approaches (e.g. PRIs) to widen the net for innovative ideas</p>	<p>Could shift some NGOs from 1:1 to 1:many, potentially increasing efficiency; could tap into and fund industry innovation & capabilities</p>
	<p>Drive overarching PCC strategy</p> 	<p>Engage stakeholders, including industry, NGOs, and governments, to develop a more strategic approach to leveraging precompetitive collaborations to further seafood sustainability goals and clarify philanthropy's roles and contributions.</p>	<p>Could help prevent collaboration fatigue, increase efficiency and accountability, and reduce start-up costs for new collaborative efforts</p>
	<p>Scale back or discontinue</p> 	<p>Discontinue direct funding for precompetitive collaborations, putting the onus on industry to fund their own governance structures and operations. May continue funding NGOs that provide advisory support and/or create community tools for PCCs.</p>	<p>Given industry's appetite for PCCs, they are likely to continue in absence of philanthropic support; could increase funding for the watchdog role to help influence and steer them</p>



Annex 7: Shallow Dive – Fishery Improvement Projects

- Executive summary
- Overview of evidence
- Definitions, theory of change, and portfolio overview
- Where we are today and contributions of the foundations to progress
- Context for future action
- Strategic options for philanthropy

Relevant Evaluation Questions: 2, 6, 7, 8, 9, 11, 12

- Packard and WFF's investments in FIPs reflect a focus on the role for FIPs in the theory of change in catalyzing industry ownership of fishery improvement and providing a pathway for improved outcomes.
- FIPs have been a major investment area in the foundations' GSM portfolios; Packard has invested 16% of its GSM-related funding in FIPs and AIPs over the past five years, while WFF has invested 15% in FIPs.
- The foundations' GSM investments have focused on FIP systems and tools with targeted FIP assessment and implementation support for specific fisheries, in coordination with the foundations' country programs.
- FIP implementation and industry ownership has increased considerably, indicating progress in Phase 3 of the market transformation framework (critical mass and institutionalization), even though there continues to be experimentation with FIP models.
- Key market drivers for FIPs are long-term product availability and buyer demands; these benefits are generally obtained upon FIP launch, decreasing motivation for further improvement.
- Many factors contribute to FIP success, including leadership and management, stakeholder involvement, market leverage, and dynamics outside of FIP control, such as government capacity.

- Packard achieved its goals to increase FIPs reporting policy reforms and outcomes, while each of WFF priority countries increased the number of certified fisheries and/or FIPs reporting improved outcomes over the past 5 years.
- Peer-reviewed research by Cannon et al. (2018) showed that FIPs improve fisheries by reducing overfishing and improving management and overall, 8% of FIPs have resulted in certifications; however, there is less evidence that FIPs are better than non-FIP fisheries for all types of fisheries, due to lack of data on interventions in non-FIP fisheries.
- Seafood industry stakeholders surveyed expect to increase the percentage of seafood sourced from improvement projects and continue to invest financially in FIPs, AIPs, and/or other sustainability efforts in the next 10 years.
- Priority challenges for FIPs include declining incentives for progress, insufficient accountability, and lack of attention to fishers and unintended consequences for human wellbeing and livelihoods.
- Options for continued philanthropic investment in FIPs include improving the current industry-led FIP model by focusing on accountability and strategic targeting and exploring new models for increasing impact by emphasizing community benefits or national policy reform.

Note: The FIP GSM shallow dive findings are consistent with and build on CEA Consulting's 2020 FIP Review.



Overview of Evidence

Evidence base:

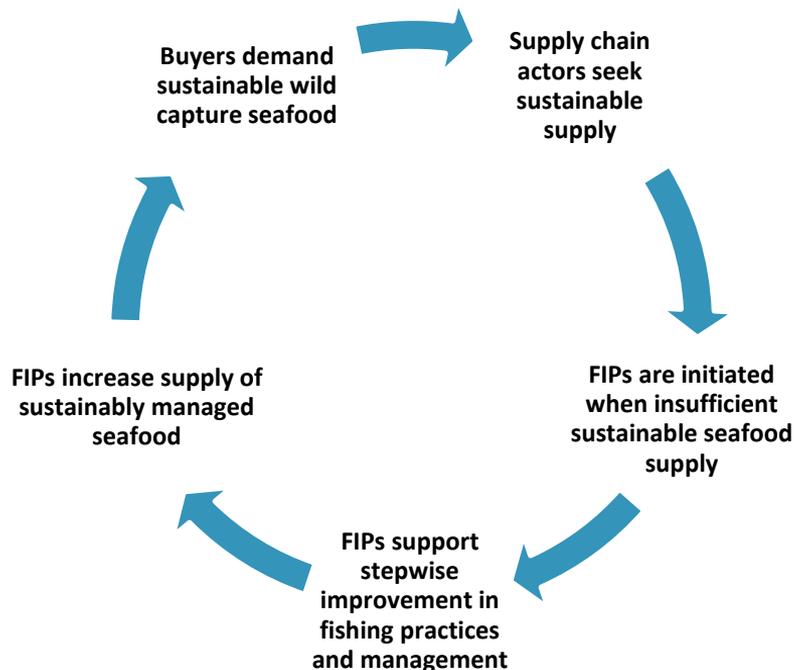
- CEA, 2020 Global Landscape Review of Fishery Improvement Projects, March 2020, which included 239 interviews, site visits to 28 FIPs in 11 countries, a market survey, and analyses of FIP databases
- Other online materials (e.g., FIP Guidance documents, 2018 peer-reviewed study by Cannon et al.)
- Grant documents
- 10 interviews focused largely on FIPs with local FIP implementers, global NGOs supporting FIPs, and country program officers
 - Supplemented by perspectives on FIPs drawn from the full suite of GSM key informant interviews, including industry, government, NGOs, academia, and others
- GSM evaluation surveys:
 - Seafood industry survey (52 respondents)
 - NGO/grantee survey (41 respondents)
- Topic of discussion at TWG and NGO convenings for the evaluation, as well as the Draft FIP Review findings workshop and public FIP Review webinar
- Supplemental information and thinking provided by the foundations



Definitions, TOC, and Portfolio Overview

FIPs are one of the main tools in the foundations' GSM Theories of Change for improving sustainability of seafood supply to respond to demand

FIPs are an important link between building industry demand and incentivizing improvements in supply in Packard's and WFF's GSM theories of change



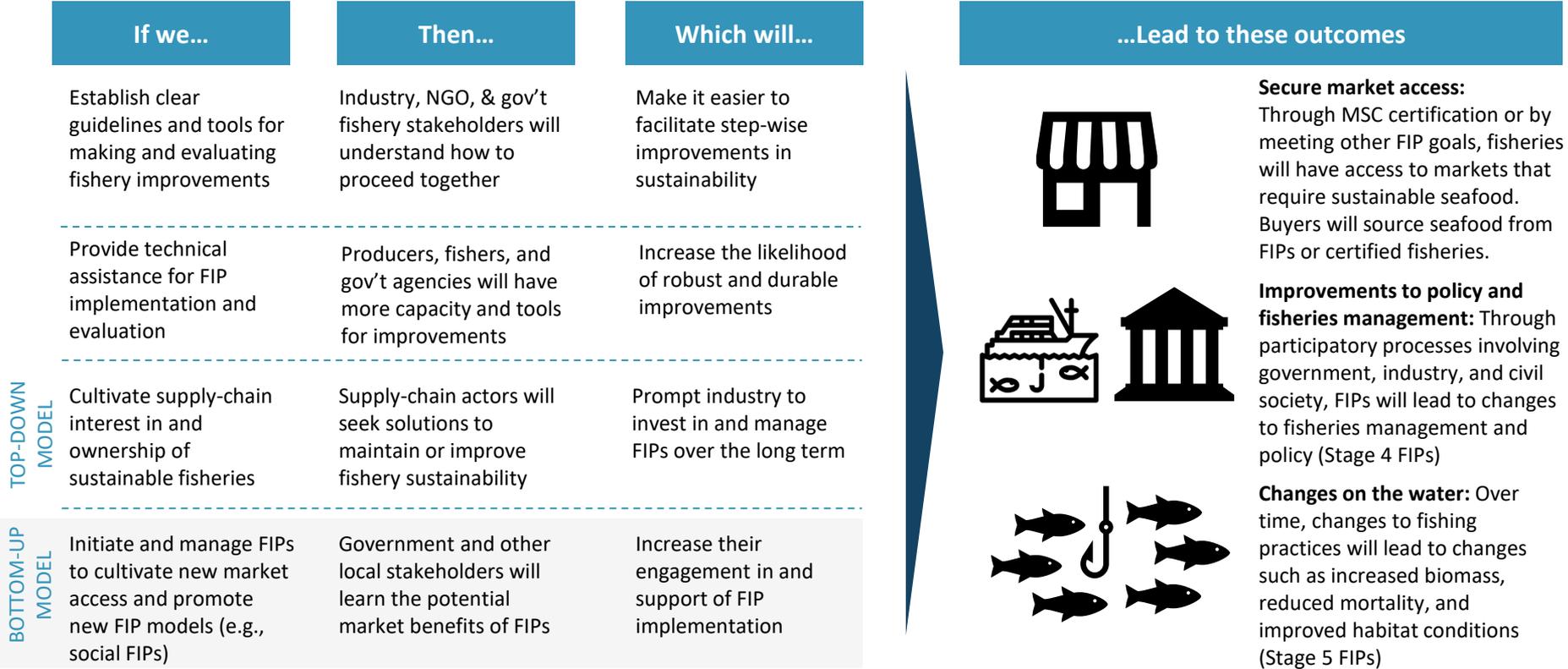
FIPs allow for step-wise improvement in environmental performance of fisheries through stakeholder processes

FIPs are stakeholder processes to improve fisheries and meet market demand; FIP progress is tracked according to 6 Stages:

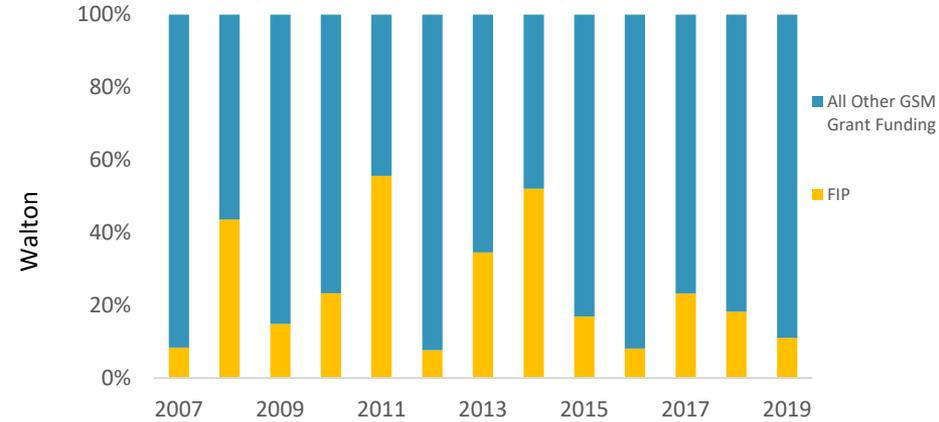
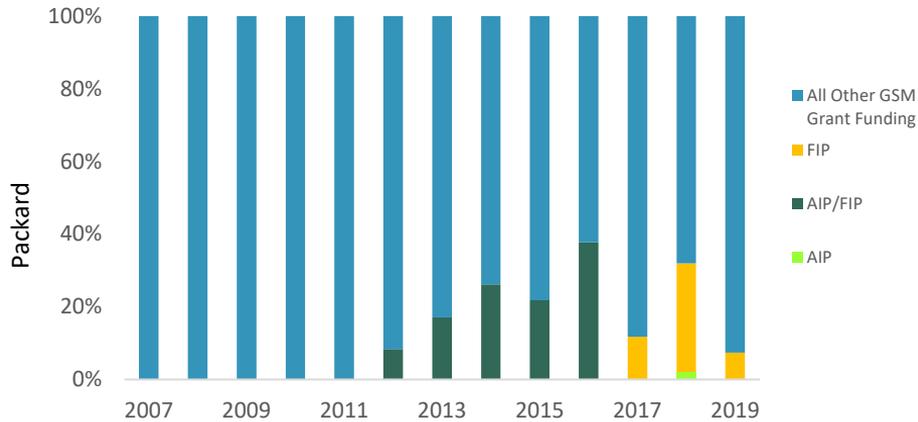
- Stage 0: FIP identification
- Stage 1: FIP development
- Stage 2: FIP launch
- Stage 3: FIP implementation
- Stage 4: Improvements in fishing practices or management
- Stage 5: Improvements on the water

Type of FIP	Definition
Basic	Designed to achieve 1 or more specific objectives (e.g., bycatch reduction)
Comprehensive	Designed to improve environmental sustainability, consistent with MSC certification
Top-down	Initiated by the supply chain, generally funded by industry but may have some NGO support
Bottom-up	Initiated at the local level to attract new market access, generally led by NGOs or third parties

The primary FIP Theory of Change (for top-down FIPs) involves catalyzing industry ownership of fishery improvement and providing systems and tools that enable fisheries to adopt sustainable practices and secure market access



FIPs have been a significant part of the GSM investment portfolio, although WFF's share of investments in FIPs has declined in recent years



- Packard and WFF have invested about 9% and 21% of GSM resources in FIPs (and aquaculture improvement projects, AIPs for Packard) respectively
- Grants have ranged from 0% (2007-2011) and 4% (2019) to 30% (2016) of total annual funding for Packard
- Grants have ranged from 8% (2007, 2012, 2016) to 56% (2011) of total annual funding for WFF, and declined to an average of 15% in recent years

Notes:

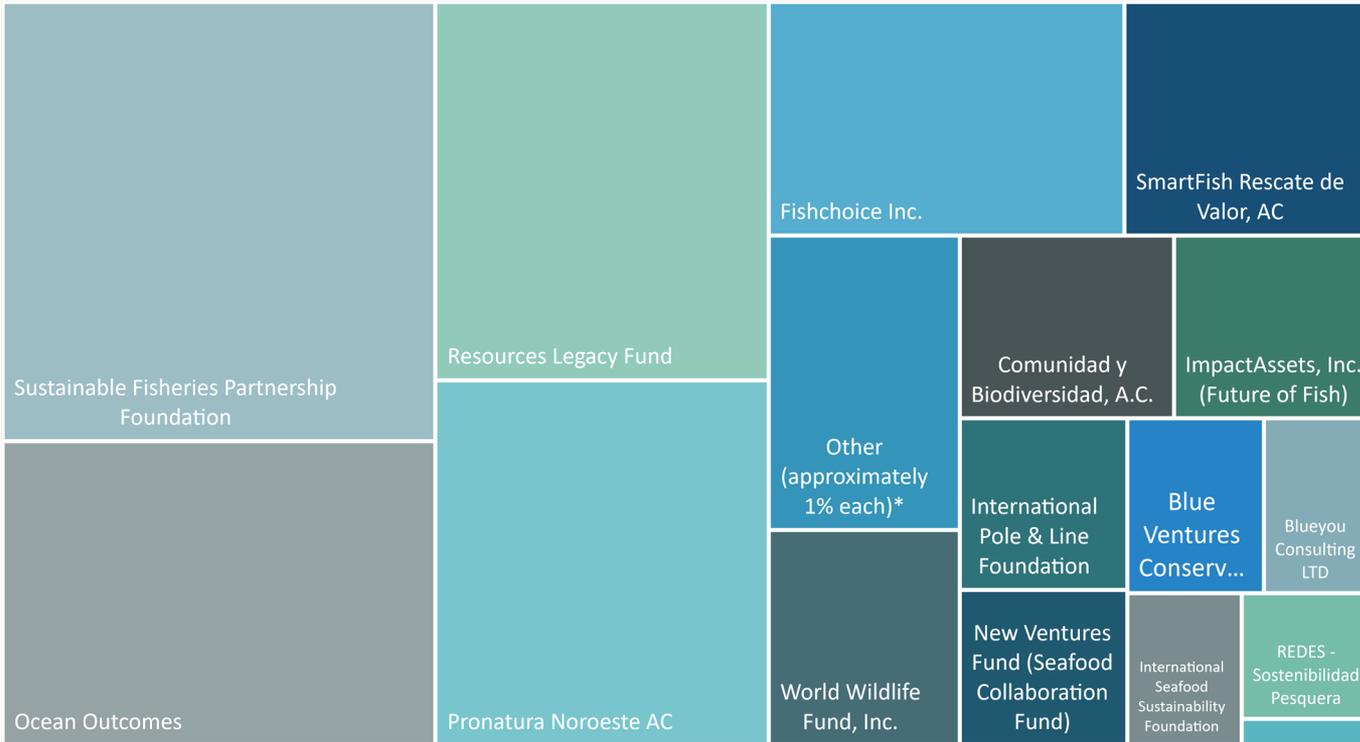
1. Packard grants database does not list FIP or AIP grants pre-2012.
2. From 2012-2016, Packard grants database has a combined AIP/FIP code

Average Annual Funding for AIPs and FIPs by Foundation

	Packard (AIP/FIP)	WFF (FIP)
Annual Grant Average	\$1,405,754	\$1,844,320
% of Total (All Grant Years)	9%	21%
Annual Grant Average (2015-19)	\$2,434,200	\$1,868,589
% of Total (2015-2019)	16%	15%

Packard and WFF GSM Funds Allocated to Organizations Supporting FIPs, 2017-2019

The tree map below illustrates relative percentage of funding to grantees within the category of FIPs from 2017-2019



Major organizations Packard and WFF supported in the last few years on FIPs (through GSM and related market investments) include global FIP actors such as SFP, Ocean Outcomes, FishChoice, and WWF; the regrantor RLF; and FIP implementers in Mexico and other geographies.

Note: Grant funding amount represent estimated portions of grants allocated to FIP support, including general operating grants from Packard divided between multiple outcomes

Other (less than 1%)**

* Includes: ISEAL Alliance, Fair Trade USA, CEA Consulting, PT Hatfield Indonesia, Yayasan Masyarakat Dan Perikanan Indonesia, Scaling Blue, LLC

** Includes: Seafood Industry Research Fund

The foundations' GSM FIP investments focus on systems and tools, with targeted implementation support in specific countries

GSM FIP System and Tool Investment Examples

- FIP tracking, reporting, and communications tools (e.g., FisheryProgress.org)
- FIP ratings and assessments
- Knowledge sharing and learning (e.g., community of practice, training, research papers)
- Associated supply chain ownership and advocacy efforts (e.g., supply chain roundtables, Target 75 initiative)

GSM and Country Program Fishery Investment Examples

- Capacity building
- Sustainable Fisheries Fund grants to fisheries entering the FIP pre-assessment & MSC certification pipeline
- FIP development and implementation
- Increasing industry engagement in fisheries management/reform
- Piloting new FIP models (e.g., integrating social and/or economic benefits)

FIP Funding Trends (CEA 2020 FIP Review)

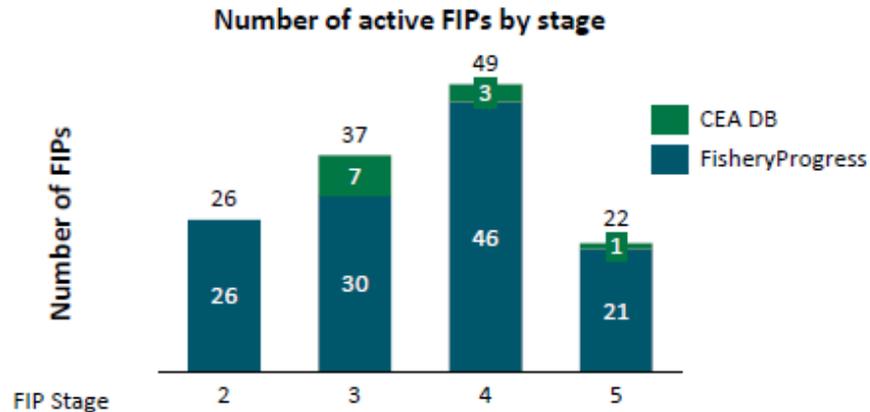
- Industry is funding more FIP implementation, while established FIP implementers are recruiting others (government, industry, domestic organizations) to lead
- Foundation country programs have increasingly funded FIP implementation, including by partners that are new to FIPs
- Direct foundation support of FIPs has caused confusion in the field (e.g., some FIPs are supported, but not others)
- Other FIP funding includes GEF Global Marine Commodities project, FIP financing in development (WWF FIP Fund, Walton Multiplier Fund)



Where We Are Today and Contribution of the Foundations to Progress

Over the past 15 years, FIP implementation has increased and many active FIPs now report changes in fisheries

- Since initial FIPs were launched in 2006, FIP activity has accelerated, increasing 64% from 83 active FIPs in 2014 to 136 in 2019
 - Slightly more than half (53%) of active FIPs in 2019 reported change events, with more in Stage 4 (change in management/policy) than in Stage 5 (change on the water)
 - There is more diversity of commodities in Stage 5 (change on water) than previously, not just whitefish
- About 38% of global catch may be considered relatively well managed or engaged in sustainability
 - 9% is engaged in FIPs (the majority with “A” or “B” progress ratings)
 - 13% is MSC certified
 - 16% is from countries covered by EU Common Fisheries Policy, Canada, US, Australia, and New Zealand



Includes “active” FIPs in Stages 2-5; excludes WWF-Indonesia projects

FIP implementation models have diversified as FIPs are increasingly implemented in more difficult fisheries and governance contexts



Source: CEA 2020 Global Landscape Review of Fishery Improvement Projects

“There's a lot of content out there, but everybody has a slightly different definition, you have Monterey Bay with a framework, the FIP framework on FisheryProgress.org ... the WWF definition of what's a credible FIP, there's the Conservation Alliance for Sustainable Seafood that has a definition for different FIPs, and then their subscribers that are still making their own definition. So I think **if you want to succeed in this space, and you want to bring people together, you need to have that common language, common framework that is bought in by industry and policymakers.**” – KI

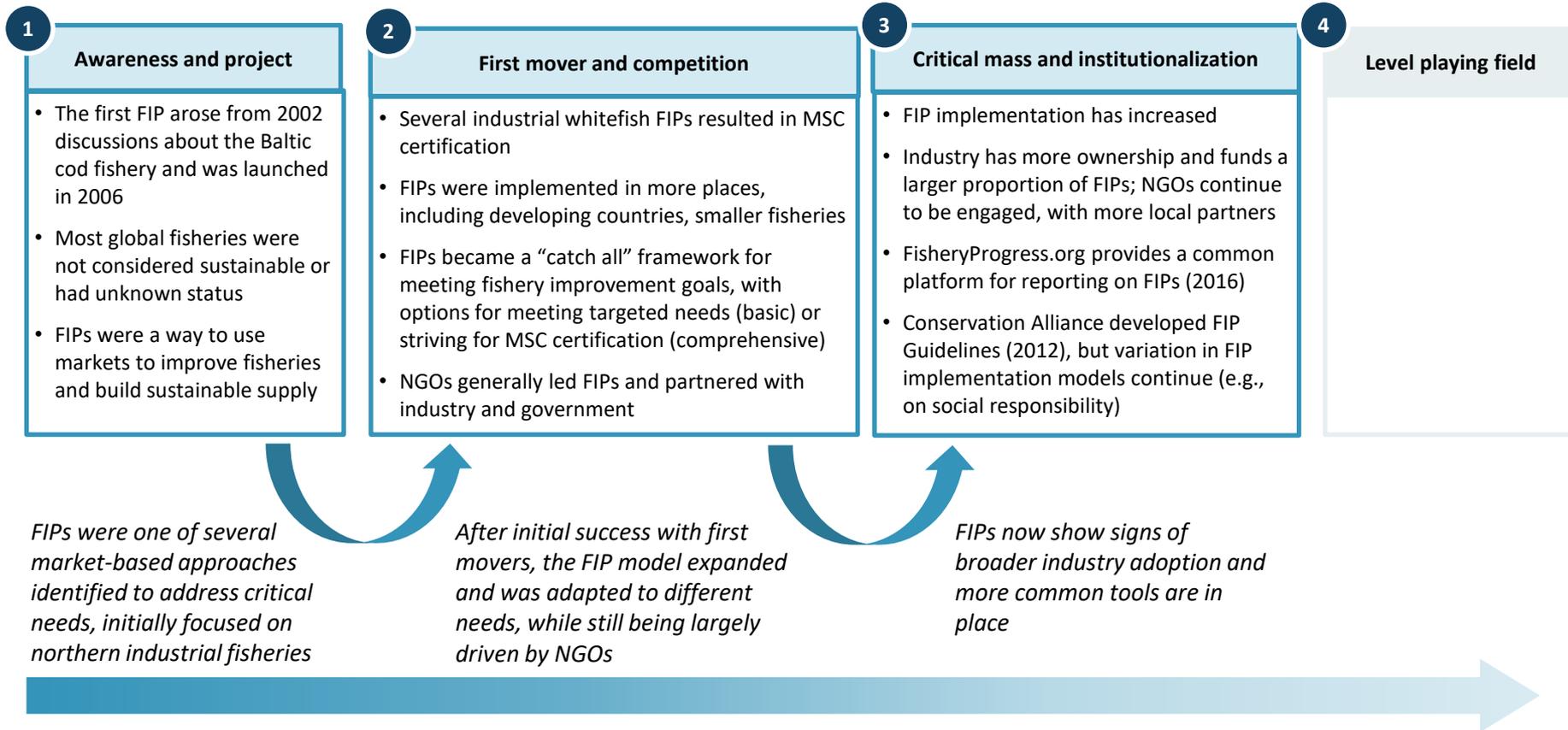
FIP Fishery Characteristics – More Difficult Contexts

- Mixed markets, not exclusively export oriented
- More artisanal fisheries (few industrial fisheries left)
- Lower volume fisheries
- Global south, with lower capacity for governance
- Engaging fishers, including social and labor issues

FIP Implementation – More Diverse, More Industry Led

- Majority of FIPs are run by local seafood companies
- Doubling of FIP implementers since 2015 (e.g., Mexico, Indonesia, China, Japan, Chile, and Peru organizations)
- Some NGOs are exploring how to integrate social and economic considerations into the FIP model
- FIPs have a variety of end goals (not all seek MSC); Target 75 Initiative seeks critical mass of participation
- Different strategies being tested in emerging markets:
 - *Time to impact* – engage with fishing communities & develop social/economic incentives to participate
 - *Time to scale* – focus on national constraints and consolidate FIP activities and/or asks throughout a country

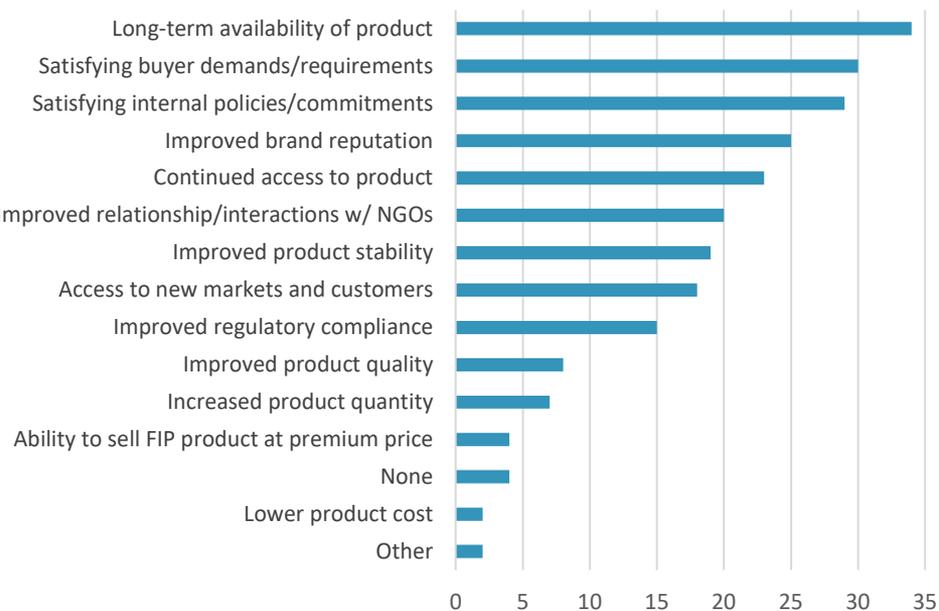
FIPs are in the third phase of the market transformation framework, where critical mass is starting to build and there is increased industry ownership and more common tools



Key market incentives for FIPs are long-term product availability and buyer demands; most market benefits are typically gained at the launch of FIPs

CEA's market survey indicated a variety of reasons why companies work with FIPs, especially product availability and satisfying buyer demands and internal policies

What are the primary reasons that you are working with FIPs? (from CEA Market Survey, 2020 FIP Review)



Market access is the primary market benefit from FIPs, and this is typically gained at FIP launch

Findings from CEA's 2020 FIP Review include:

- **Requirements for suppliers to source sustainably is a major driver for FIPs, allowing market access**
 - All lower-mid supply chain actors in CEA's market survey identified sourcing requirements as a motivation for FIPs
- **The majority of industry stakeholders, particularly domestic processors and producers, noted frustration with a lack of price premium for FIPs**
 - CEA found a strong sense of unfairness in some geographies, given the costs that local industry bears in making changes for FIPs relative to the benefits gained
- **Market benefits from FIPs are typically gained at launch (Stage 2); limiting incentives for further progress**
 - Other than for WWF's corporate partners, there is no preference for sourcing comprehensive FIPs
 - FIPs with more industry participants tend to report most improvements on FisheryProgress.org within the first year
 - Retailers that include FIP progress ratings in commitments include A-C FIPs (95%), providing little market differentiation

FIP success factors: many factors contribute to FIP progress and success, including dynamics outside of FIP control

Government capacity and other exogenous factors are major contributors to the rate of FIP progress

GSM research highlighted factors related to FIP success, including implementer capacity, government engagement, and accountability

Factors Affecting the Success of FIPs (CEA 2020 FIP Review)

Exogenous Factors	Endogenous Factors
Government capacity for fishery management	Leadership
Target species	Effort level
Fleet type	Stakeholder engagement
Initial fishery status	Market leverage

Market leverage:

- Fisheries with vertically integrated supply chains can more easily implement improvements
- Supply chain pressure is the primary motivator and incentive for ongoing participation for FIP stakeholders
- CEA found that the number of industry participants was correlated with achieving a Stage 4 or 5 FIP more quickly and a higher number of improvements reported the first year, but these FIPs report less than others after the first year

“Continued market demand for sustainable seafood is important to drive change on the water, but **in the end it comes down to the local stakeholders to implement fishery improvements in order to ensure fisheries are sustainable in the long-term.** Capacity building is needed for fishermen, governments, and industry (mid-supply chain) in particular to ensure they understand how to develop and implement robust FIPs that have an impact on the water.” – NGO Survey

“**A leading Chinese DWF policy advisor...** said most Chinese tuna fisheries targeting tuna stocks under RFMO management schemes do not need improvement, as they can get MSC certified as long as they are willing to invest in a full assessment...[This] **is setting up precedence that MSC is a relatively easy pass, undermining incentives for continuous improvement and increasing transparency.**” – KI

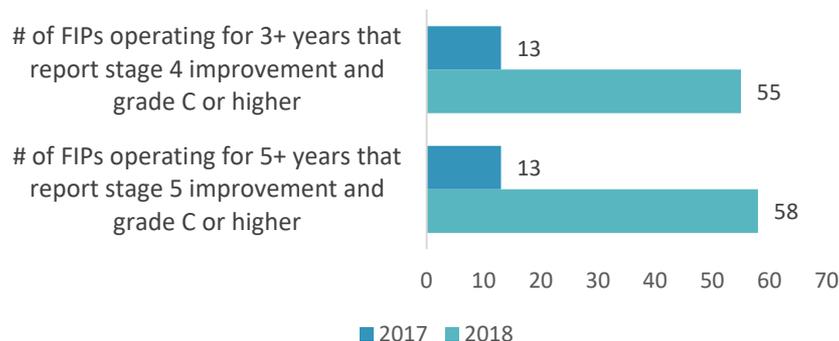
“It's a little hard because first of all philanthropic money's going towards things like FIPs and all that is potentially wasted relative to how industry might do it because industry probably would scrutinize it a lot more tightly. But at the same time, it's like, well, who should be doing this?...And it's like the tragedy of the commons, nobody's doing anything. So the NGO does it, but then **nothing gets done or finished because it's kind of 'soft money' and it just keeps coming in and there aren't hard managers over it.**”- KI

FIP impacts: Packard and WFF have made significant progress on their FIP-related goals to increase FIPs reporting Stage 4 and Stage 5 changes

There were dramatic increases in FIPs reporting policy reform and outcomes in recent years, meeting or exceeding Packard's goals

- FIPs reporting Stage 4 changes & grade A-C increased from 26% in 2017 to 76% in 2018 of all 3+ year old FIPs (including Stage 6); *meeting Packard's goal of 75% by 2022*
- FIPs reporting Stage 5 changes & grade A-C increased from 29% in 2017 to 73% in 2018 of all 5+ year old FIPs (including Stage 6); *exceeding Packard's goal of 25% by 2022*

Change in FIPs reporting contributions to policy reform efforts (Stage 4+) and outcome-oriented improvements (Stage 5+)



There were gradual increases in certifications and advanced FIPs in WFF's priority countries since 2015

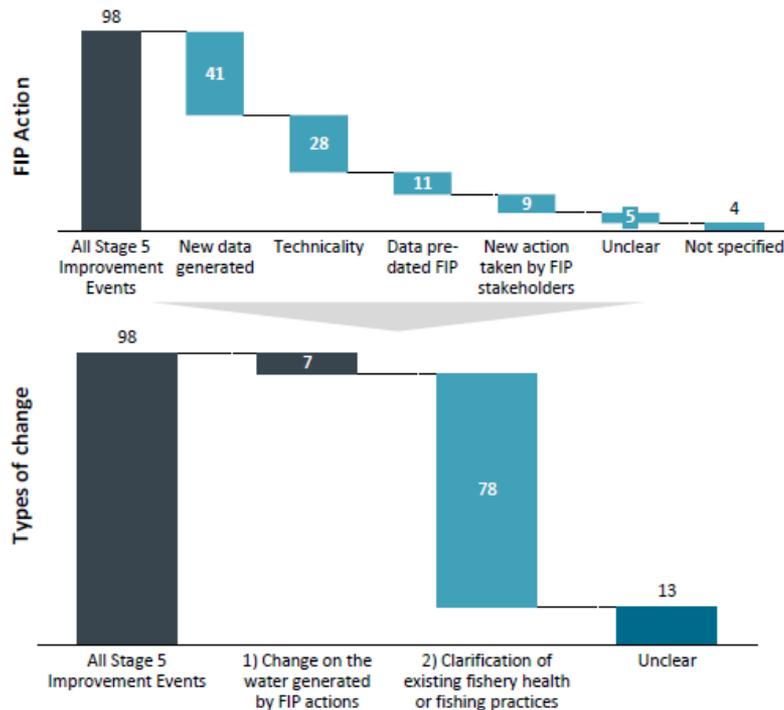
- All WFF priority countries showed an increase in MSC certifications in the last 5 years; Indonesia, Peru, & US increased Stage 4+, grade A-B FIPs; and Mexico and US increased Fair Trade certifications
- From 2018 to 2019, Chile added one MSC certified fishery, and Peru and the US each had one more FIP reporting improvements

Fisheries with MSC certification, Fair Trade Certification, or in a FIP with at least Stage 4, grade B, operating for 3 years in Chile, Mexico, Indonesia, Peru, and US



FIP impacts: FIPs have resulted in improvements and certifications, but there is less evidence of FIPs contributing to changes on the water vs. improving knowledge of existing conditions

CEA found most reported Stage 5 events to be clarifications about existing fishery health or fishing practices, not actual changes on water attributable to FIP actions



FIPs can improve fisheries in key areas such as fisheries management and reduced overfishing

- A peer-reviewed study by Cannon et al. (2018) showed FIP fisheries were more effective than non-FIP fisheries in reducing overfishing and improving management
 - CEA replicated this finding using the same data/methods
- There was not enough data about the health of non-FIP fisheries to confirm the findings for all types of fisheries
 - When CEA applied the methodology to a larger data set, the results were no longer statistically significant

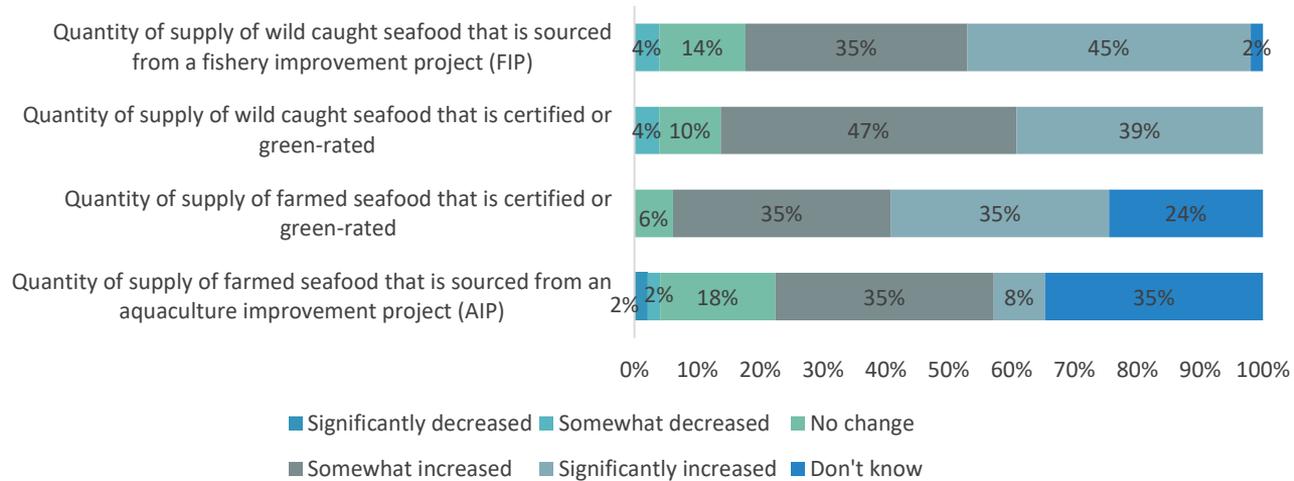
Overall, FIPs have been able to show progress

- About 8% of historic and currently active FIPs became certified (although some fisheries lost certification due to unrelated factors like climate change)
- FIPs have resulted in 3 promotions to Seafood Watch yellow ratings in Sri Lanka and the US Gulf of Mexico
- FIP progress ratings show that all but 2 FIPs are “failing” and the majority are well performing
 - Two-thirds of FIPs are rated “A” or “B,” considered “well performing,” and most are “C” or above
 - FIPs have shown the ability to improve ratings over time by moving out of poorer ratings – by improving or reporting to show improvements (i.e., grade inflation)

FIP impacts: sustainable seafood industry stakeholders have observed considerable improvements in the supply of seafood from FIPs, but less from AIPs

- 80% of companies surveyed (63% were based in Europe, US, or Canada) reported being able to access significant or somewhat increased quantities of seafood from FIPs in the last 10 years (vs. 86% for certified/green rated wild capture)
- Only 43% of companies reported being able to access significant or somewhat increased quantities of seafood from AIPs (vs. 69% for certified/green rated farmed fish), but almost as many (35%) did not know

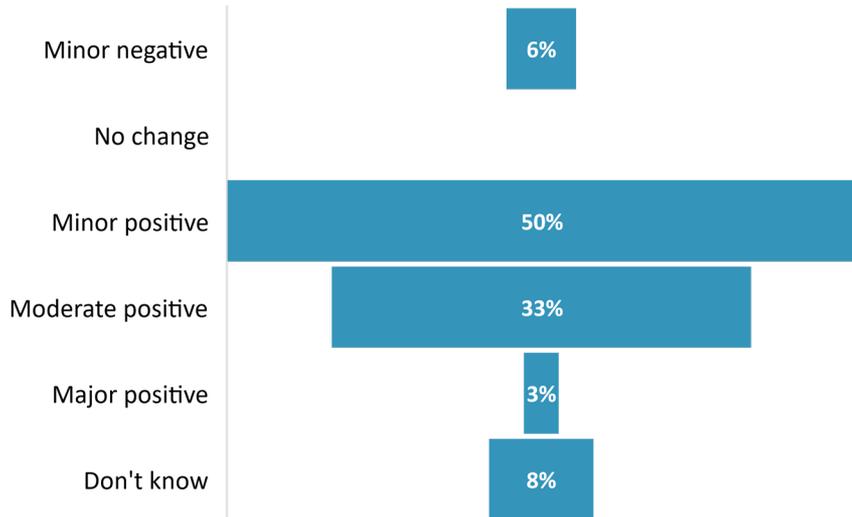
Changes observed in the last 5-10 years in the supply of sustainable seafood that your company can access



FIP impacts: GSM NGO survey and interview participants indicated some progress with incentivizing producers to use more sustainable fishing practices

Most NGO survey respondents indicate some progress with incentivizing producers, a key objective of FIPs

Extent of change in the last 5-10 years: Producers (fishermen, processors, middlemen) in key export markets (China, Indonesia, Chile, Mexico, Peru) are incentivized to adopt and use legal, sustainable fishing practices



GSM key informants and survey respondents highlighted examples of how market engagement in FIPs led to other changes in fisheries, based on supply chain pressure

“This FIP model that's been built and supported now by industry, I think is another really great example of where the market based approach has led to real on the water change for fisheries....we're at over 150 fisheries being listed on FisheryProgress.org already. And this tool only has been launched for just under 2 years, and **it's being used by industry to really put pressure on their supply chains to move these current fisheries to a more sustainable resource and reaching the MSC standard.**” - KI

“In some countries I have seen the **FIP framework has led to topics and issues around the sustainable seafood movement being embedded in fisheries policy**, where it probably wasn't beforehand. You've seen in India now the idea that ecolabeling is now embedded in fisheries policy.” -KI

“In Peru, a FIP with strong market support **helped 20% of the mahi and squid fleet (involving 2,000 fishers) implement a catch register and traceability system** where there was none before.” – NGO Survey

“Engagement of Spanish buyers has **increased incentives for South American fisheries and octopus and squid fisheries to engage in FIPs and seek certification.**” – NGO Survey

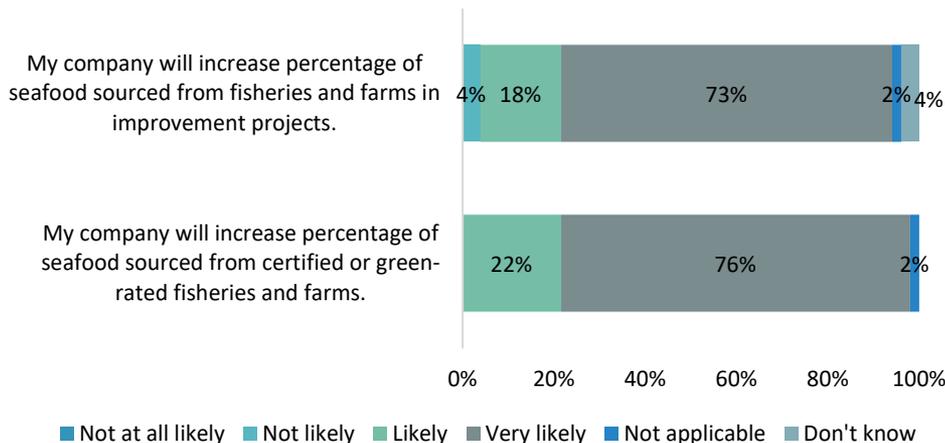


Context for Future Action

Sustainably minded seafood companies expect to increase the percentage of seafood sourced from fisheries or farms in improvement projects in the next 5-10 years

- About 90% of companies surveyed in the GSM industry survey indicated they were likely or very likely to increase the percentage of seafood sourced from FIPs/AIPs
- By comparison, all respondents planned to increase certified or green-rated supply (98%) or answered not applicable

Likelihood of changing seafood sourcing in the next 5-10 years



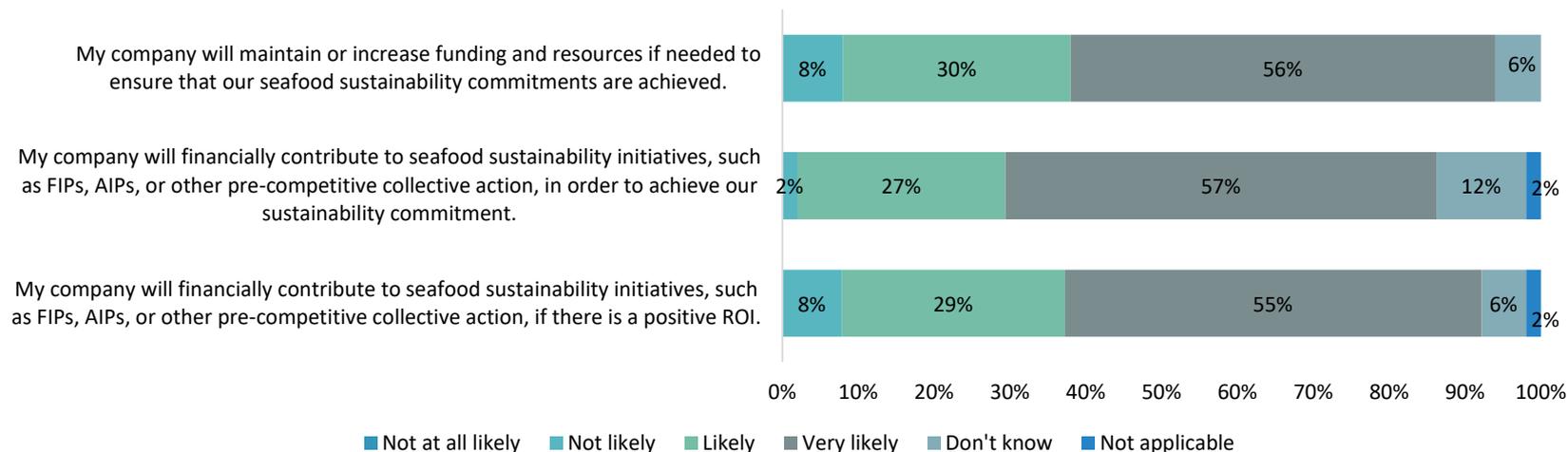
“Over the next decade, we will continue to see an increase in demand from retailers and consumers for more sustainable, more traceable seafood. **Companies that manage to stay ahead of the curve in terms of supporting AIPs and FIPs, and other sustainable initiatives will have the competitive edge over other companies.**” – GSM Industry Survey

Sustainably minded seafood companies expect to continue investing financially in FIPs, AIPs, and/or other sustainability efforts

- The majority of seafood companies surveyed indicated they were “very likely” to contribute financially to seafood sustainability initiatives such as FIPs, AIPs, and precompetitive collaborations to achieve sustainability commitments or for a positive ROI

“If there's 10 fishery improvement projects going on, which are the 2 or 3 that are most important?... **It's very hard for us to support them; a prioritization process would be helpful.**” – KI

Likelihood of investing in seafood sustainability initiatives in the next 5-10 years



Key informants identify a variety of fundamental challenges with FIPs going forward

What are key challenges that need to be addressed with FIPs?

Unclear benefits to livelihoods and ecosystems: “I’m concerned about all the investments in FIPs and whether or not it’s making a difference. **It’s certainly not making a difference in the lives of the majority of the fishers. And it’s certainly not making a difference in terms of the ecosystem health.** They are market friendly, they sustain a huge ecosystem of NGOs in the US and specialists, and they are feel good stories.” --KI

Policy and market link: “It’s not to say that they’re perfect or that we’ve got it all sorted out, but I’m not seeing anything that’s an alternative as a tactic or an approach. And I think one of the things that is also emerging more and more that will maybe advance this even better is **really strong connections between the market side of improvement projects and the governance or policy side of it.**” – KI

Adaptive management: “If something’s not working, a fishery improvement project approach or an effort isn’t working on the ground... We shouldn’t do it for 7, 8 years, like we’ve been doing with some fishery improvement projects, or **we should be adaptably managing them** more regularly.” – KI

Underfunding and greenwashing: “The FIPs of the world are chronically underfunded. It’s one of the biggest problems, and...the **chronic underfunding of FIPs is linked to the greenwashing that occurs** because FIPs become FIPs, but they don’t necessarily have sufficient resources to really achieve meaningful change. And so they just struggle along to try and maintain their status as a FIP that’s achieving some small progress.” – KI

Lack of accountability: “Buyer commitments are a key driver but must hold their source fisheries and aquaculture operations accountable for progress and real change - **it should not be sufficient to get market access just by being in a FIP or AIP.**” – NGO Survey

Priority challenges for FIPs include declining incentives for progress, insufficient accountability, and lack of attention to fishers and unintended consequences

Challenge	Explanation
Declining Incentives for Progress	<ul style="list-style-type: none"> • In general, most industry requirements for FIPs only require Stage 2 (launch) or A-C progress ratings, which capture the vast majority of FIPs and therefore provide very little market differentiation. • FIPs with more industry participation are less likely to report improvements on FisheryProgress.org after the first year.
Insufficient Accountability and Transparency	<ul style="list-style-type: none"> • The FisheryProgress.org website and database has been important for sharing FIP status, but not all FIPs, especially industry FIPs, are included, and the system has some room for improvement. • There are greenwashing concerns with the self-reporting system on FisheryProgress.org. • FIPs are not required to report on FisheryProgress whether they contributed to change events, such as policy reforms or changes on the water, so it is difficult to attribute changes to FIPs. • Key informants noted the importance of ensuring accountability for the commitments that buyers and precompetitive collaborations make to FIPs to ensure they deliver results on the water. • A few key informants noted that the foundations could be more directive in funding and adaptively managing FIPs to ensure they achieve results, and consider disinvesting in those that are not.
Lack of Attention to Fishers and Unintended Consequences	<ul style="list-style-type: none"> • Only 25% of FIPs report including fishers (an increase from 1 FIP in 2015) (CEA 2020). • CEA identified 26 FIPs on FisheryProgress.org that sought to address social dimensions of fisheries, and of those, determined that only 6 were credibly engaging producers and communities on human wellbeing. • Traditional FIPs were not designed to address social or economic issues, so FIPs can perpetuate inequitable value chains or other unintended consequences. • There are few examples of price premiums for FIPs, and many in-country producers and processors have expressed frustration about the lack of support for FIPs given the costs, based on CEA research. • Unintended negative consequences of FIPs can include the reduced catch volumes and revenues from legal compliance, uncompensated time, quota systems that exacerbate marketplace inequalities, and barriers to trade from the FIP costs.



Look Forward: Strategic Options for Philanthropy

Summary of findings: Packard and Walton FIP investments, impacts, and implications

#	Finding	Slides	Confidence
1.1	Packard and WFF's GSM investments in FIPs reflect a focus on the role for FIPs in the theory of change in catalyzing industry ownership of fishery improvement and providing a pathway for improved outcomes.	337-338	M
1.2	FIPs have been a major investment area in the foundations' GSM portfolio. Packard has invested 16% of its GSM-related funding in FIPs and AIPs over the past five years, while Walton has invested 15% in FIPs.	339-340	H
1.3	The foundations' GSM investments have focused on FIP systems and tools with targeted FIP assessment and implementation support for specific fisheries, in coordination with the foundations' country programs.	341	H
1.4	FIP implementation and industry ownership has increased considerably, indicating progress in Phase 3 of the market transformation framework (critical mass and institutionalization), even though there continues to be experimentation with FIP models.	343-345	M
1.5	Key market drivers for FIPs are long-term product availability and buyer demands; these benefits are generally obtained upon FIP launch, decreasing motivation for further improvement.	346	M*
1.6	Many factors contribute to FIP progress and success, including leadership and management, stakeholder involvement, market leverage, and dynamics outside of FIP control, such as government capacity.	347	M*
1.7	Packard achieved its goals to increase FIPs reporting policy reforms and outcomes, while each of Walton's priority countries increased the number of certified fisheries and/or FIPs reporting improved outcomes over the past 5 years.	348-351	H
1.8	FIPs have been shown to improve fisheries by reducing overfishing and improving management, and 8% of FIPs have resulted in certifications; however, there is less evidence that FIPs are better than non-FIP fisheries for all types of fisheries.	349-351	M
1.9	Seafood industry stakeholders surveyed expect to increase the percentage of seafood sourced from improvement projects and continue to invest financially in FIPs, AIPs, and/or other sustainability efforts in the next 10 years.	353-354	H
1.10	Priority challenges for FIPs include declining incentives for progress, insufficient accountability, and lack of attention to fishers and unintended consequences for human wellbeing and livelihoods.	355-356	M

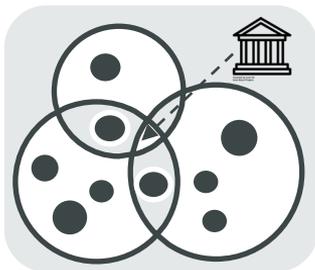
Confidence Levels (more details in methodology): High = robust set of evidence; triangulation across sources; Medium = moderate set of evidence; more limited ability to triangulate (may be mixed evidence); Low = limited set of evidence. *Less ability to triangulate CEA's findings on this topic given the scope of the GSM shallow dive.

Significant work remains to address challenges to FIPs and related market barriers, and there is a unique role for philanthropy and NGOs

Strategic question	Short answer	Explanation
Should philanthropy support work on FIPs? (Would industry fill the gap?)	Yes, but its role could be tightened	<ul style="list-style-type: none">• There are important functions that an industry-led FIP model is less well equipped to support on its own, such as common reporting tools, third-party evaluation, and accountability for results.• Although local seafood companies now run the majority of FIPs, FIPs often rely on outside funding and/or technical support from NGOs. Philanthropy could support the development of sustainable financing options or business models for FIPs.• Philanthropic funding may be useful to support the research, piloting, or development of new FIP models to increase impact and/or engage new actors, such as targeted research and exploration of options for mitigating unintended negative consequences of FIPs on fishers and domestic producers, or combining FIPs into national FIPs to more effectively advocate for policy changes.• Many of the long-term success factors for FIPs relate to enabling conditions for FIPs, such as government and institutional capacity for fisheries management, policy reform, and enforcement. Philanthropy, multilateral development banks, and/or other organizations may be better positioned to invest in longer term capacity-building and technical assistance than industry initiatives that seek to improve individual fisheries.

FIP challenges in the context of the market transformation framework

3. Critical mass and institutionalization



Phase 3 Challenges to Address

- *Doubts:* Are FIPs enough to create change on the water and incentivize changes on the ground? What barriers need to be addressed or strategy adjustments are needed?
- *Results:* How do we increase accountability and eliminate “greenwashing”? Have we targeted FIP investments strategically?
- *Approach:* Do we consider social/economic dimensions of sustainability in FIPs and if so, how are those considered relative to environmental priorities? Do we have the right balance between policy and markets work considering the factors for FIP success?

4. Level playing field



Phase 4 Transition Needs

- *Alignment:* What is the common vision for FIPs (e.g., are precompetitive collaborations and buyer commitments that include FIPs targeting the same type)?
- *Institutionalization:* What is the long-term FIP funding model? What government reforms will address common deficiencies and improve the management of all fisheries that FIPs engage in a country?

Paths Forward (not necessarily mutually exclusive)

- *Stay in Phase 3 to explore different approaches with more impact (but potentially more cost):* Emphasize depth and local impacts, then create more durable solutions to move forward to phase 4
- *Move to Phase 4 faster with largely the current model + accountability:* Emphasize scale and gaining critical mass, then build on that momentum for further changes

Strategic options philanthropy can consider to increase the impact of FIPs include focusing on accountability in top-down FIPs, leaning into community-level benefits, and/or targeting national policy changes

Strategic question	Short answer	Explanation
<p>What are some potential approaches for philanthropy to consider?</p> <p><i>Note: these are not necessarily mutually exclusive</i></p>	<p>Leverage industry leadership, but with more accountability</p>	<ul style="list-style-type: none"> • Buyer commitments and precompetitive platforms such as supply chain roundtables have been important for promoting FIPs, but less effective at advancing FIP progress and results • Philanthropy and NGOs could promote greater attention to improving FIP reporting, progress, and results by supplementing any industry engagements with an outside watchdog role to provide accountability • To be most effective, NGOs would need to be aligned with a consistent target for “good” FIPs • The foundations should be more clear and strategic about where they are investing in FIPs, given industry’s increasing role and the confusion about why philanthropy funds some FIPs and FIP implementers but not others • In-country FIP investments could focus on gaps that industry-led FIPs are less likely to address, including building enabling conditions related to government capacity for fisheries management and enforcement
	<p>Develop models to deepen and expand impact of FIPs</p>	<ul style="list-style-type: none"> • Philanthropy could continue to support the development and piloting of “social FIP” models, to minimize egregious human rights violations where possible and/or to address broader goals of improving the social, health, and economic wellbeing of fishers, communities, and local companies • More attention to incorporating the needs of local stakeholders and addressing barriers to participation in FIPs could also serve to expand and increase the durability of FIP impacts • While developing a broader framework, it will be useful for the foundations to be clear and transparent about their priorities relative to environmental sustainability, minimizing unintended impacts, and working towards broader equity and social responsibility goals
	<p>Scale FIP support in national markets</p>	<ul style="list-style-type: none"> • FIP success is inherently linked to government capacity for fisheries management, and many fishery reforms can only be made at the national level, not on the scale of individual fisheries • Coordinating FIP activities across multiple fisheries in a country to advocate for national policy changes could facilitate needed reforms and scale impacts from FIPs; local industry and industry precompetitive collaborations could also take a more active role in advocating for policy changes



Annex 8: Shallow Dive – Social Responsibility

- Executive summary
- Overview of evidence
- Definitions, theory of change, and portfolio overview
- Where we are today and contributions of the foundations to progress
- Context for future action
- Strategic options for philanthropy

Relevant Evaluation Questions: 2, 6, 7, 8, 9, 11, 12

- In 2014, a series of exposé articles brought to light the extent and severity of human rights abuses in the production of seafood supplying major global markets.
- Since then, efforts to address the issue of social responsibility in seafood production have increased within the sustainable seafood movement, which has historically focused on environmental sustainability.
- Motivated largely by the exposé articles and following scrutiny, both governments and companies started to take steps to mitigate human rights violations (e.g., in the form of stepped up law, policy, and governance, or major buyer commitments).
- The foundations have supported some important initial efforts targeting social responsibility, including providing guidance for industry on developing social commitments and more broadly on human rights and labor issues, making social responsibility a central consideration of the sustainability dialogue, and creating platforms for the environmental NGOs and labor/human rights groups to collaborate.
- Looking ahead, the philanthropies will need to decide whether, how, and to what extent their market-based strategies should seek to advance social responsibility in seafood production. While this appears to reflect aims of the Packard Foundation, alignment with WFF's priorities is less clear.
- By and large, key informants indicate that the top priority for focus within social responsibility efforts in the near term is human rights and labor violations.

Social Responsibility

Executive summary (2 of 2)

- Reasons the philanthropies might continue to engage on this issue include:
 - Many view social responsibility as a fundamental tenet of sustainability;
 - At a minimum, environmental sustainability work should follow a “do no harm” approach;
 - Social responsibility could potentially provide greater leverage to overcome key barriers shared with environmental sustainability (e.g., traceability, transparency, and good governance);
 - The philanthropies have unique convening power to facilitate alignment between environmental and human rights/labor groups – a necessary step to make meaningful progress; and
 - The philanthropies and their grantee partners could build from their environmental work to move the issue of social responsibility forward at a faster pace than might occur otherwise.
- Conversely, increased focus on social responsibility could lead to “mission drift” and further burden producers for whom environmental improvements alone may be economically infeasible.
- At this time, *the priority for markets work appears to be human rights and labor abuses*, with country programs tackling issues of equity and food and livelihood security, as appropriate and relevant, taking a “first do no harm” combined with a “win-win” approach: ensure environmental work does not come at social costs and pursue those priorities that also help to advance environmental sustainability aims.
- If one or both foundations elect to continue to engage on social responsibility, recommended focal areas to pursue include guidance for and technical partnership with industry; improving traceability and transparency; ensuring accountability and verification; promoting alignment between the environmental and human rights/labor communities; and targeted efforts on policy/governance.



Overview of Evidence

Evidence base:

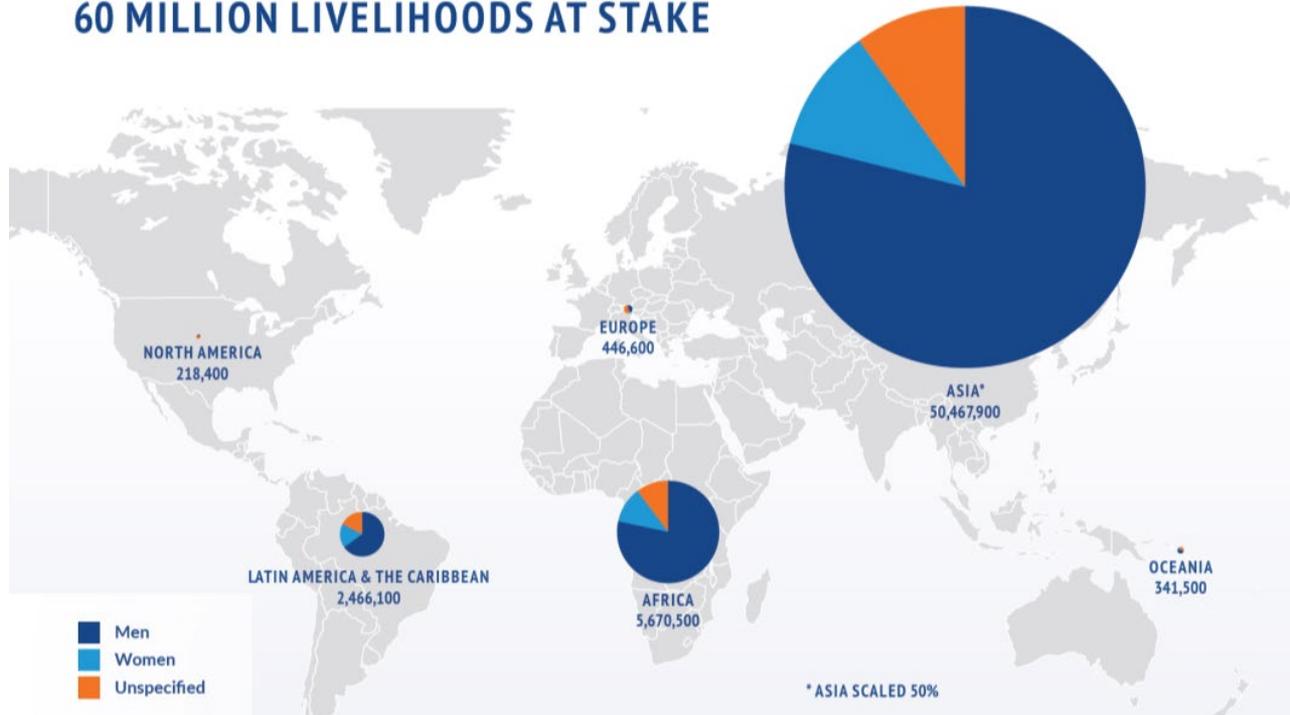
- Five targeted interviews with NGO representatives with expertise in social responsibility, supplemented by perspectives on social responsibility drawn from the full suite of GSM key informant interviews
- Topic of discussion at TWG and NGO convenings for the evaluation and at the Oceans 5 IUU convening
- Packard and WFF grant documents
- Online materials
- Supplemental information and thinking provided by the foundations
- GSM evaluation surveys:
 - Seafood industry survey (52 respondents)
 - NGO/grantee survey (41 respondents)



Definitions, TOC, and Portfolio Overview

Globally, wild and farmed seafood production employs nearly 60 million people, almost 85 percent in Asia alone. — *Certifications and Ratings Global Benchmark Report, 2019*

SOCIAL RESPONSIBILITY IN FISHERIES AND AQUACULTURE: 60 MILLION LIVELIHOODS AT STAKE



The role of social responsibility within the Foundations' theories of change has not been clear, but recognition of its importance continues to grow

Social responsibility in seafood production is featured in Packard's strategy and appears in Walton's goal.

The Packard foundation discusses the issue at some length in its strategy, indicating that it would focus efforts on: 1) evolving the sustainable seafood movement toward inclusion of social and labor criteria within the definition of seafood sustainability; and 2) the development and implementation of tools, strategies, and policies that dually support ending human rights and labor abuses and illegal fishing globally.

Packard has a specific sub-outcome: "By 2020, sustainability standard organizations will provide human rights and labor issue guidance to the seafood industry."

WFF's overall goal speaks to social responsibility but it does not seem to appear within the foundation's specific aims or objectives. Goal: "Create well-managed, sustainable fisheries that contribute to healthy ocean ecosystems and provide greater social and economic security to coastal communities and industries."

Looking ahead, NGO and industry key informants say social responsibility is an important priority.

"Investments in better fishing practices for biodiversity should simultaneously be investments in life and experience of workers." - NGO KI

NGO survey says: Social responsibility is an important—but not top—priority in the coming 5-10 years.

"Human rights will continue to rise to the top of concerns for companies ." – Industry KI

Industry survey says: Nearly all respondents say their company is likely or highly likely to conduct human rights due diligence in our seafood supply chain in the coming 5-10 years.

Social responsibility is seen both as a goal of sustainability efforts and an impactful lever to achieve the ultimate goal of sustainability

The Three Pillars of the Monterey Framework https://045d2403-c85b-42b4-96d2-ccd7e925ee3.usrfiles.com/ugd/d108a9_9a18318d586d481089005b3d72d4b705.pdf

PRINCIPLE 1: PROTECT HUMAN RIGHTS, DIGNITY & ACCESS TO RESOURCES

Fundamental human rights are respected, labor rights are protected, and decent living and working conditions are provided, particularly for vulnerable and at-risk groups

Rights and access to resources are respected and fairly allocated and respectful of collective and indigenous rights

PRINCIPLE 2: ENSURE EQUALITY & EQUITABLE OPPORTUNITY TO BENEFIT

Recognition, voice, and respectful engagement for all groups, irrespective of gender, ethnicity, culture, political, or socioeconomic status

Equal opportunities to benefit are ensured to all, through the entire supply chain

PRINCIPLE 3: IMPROVE FOOD & LIVELIHOOD SECURITY

Nutritional and sustenance needs of resource-dependent communities are maintained or improved

Livelihood opportunities are secured or improved, including fair access to markets and capabilities to maintain income generation

Ultimately, industry's feet need to be held to the fire, and human rights violations seem like the strongest "stick" to do that. — NGO Key Informant

There is genuine concern about this issue, and some believe one shouldn't work on environmental without social. Some see social responsibility as inherent to the definition of "sustainable," as in the UN definition.

Definitionally, "social responsibility in seafood production" is viewed by the environmental NGOs as having three key pillars, as outlined in the *Monterey Framework for Social Responsibility in the Seafood Sector*, developed by 33 NGOs and businesses.

Key informants representing both social and environmental perspectives say that the near-term priority is basic human rights, while the other two principles (opportunity to benefit & food security/livelihood) are more situation-specific.

Some say human rights and labor concerns can more effectively motivate change by consumers and industry than the environment. For companies, risk mitigation and corporate social responsibility are key drivers.

Working to advance social responsibility in seafood production may provide greater leverage in addressing key barriers shared with environmental sustainability (e.g., transparency/ traceability and counter-IUU, good policy and governance, clear guidelines/ standards and effective industry engagement, public and NGO pressure/demand, commitments and associated accountability, resolving the economics of making and sustaining improvements).

Dozens of social change organizations, industry groups, and government agencies are working to improve social responsibility in seafood production

Several environmental NGOs now focus on this (e.g., CI, FishWise) and have been drafting tools and resources (e.g., [Monterey Framework](#), FishWise's [RISE](#), CI's Social Responsibility Scorecard for the Seafood Sector, MBA's slavery risk assessment tool).

Organizations primarily focused on human rights and labor issues are critical, but many say engagement between them and the environmental NGOs has been more consultative than full partnership (or even properly deferential to the organizations leading in this space).

More than 25 businesses have voluntary commitments to social responsibility, per the Monterey Framework.

Precompetitive platforms also are prioritizing social responsibility, including the Seafood Task Force (supply chain oversight to drive down IUU and advance sustainability and social responsibility), SeaBOS (task force on IUU and forced labor), and Sea Pact.

About 19% of FIPs on FisheryProgress.org (26 FIPs) self reported as having a “social impact” component addressing human well being and/or labor issues, as of Oct. 2019.

Social responsibility is becoming a priority for NGO collaborations (e.g., it is a top priority within the Conservation Alliance for Seafood Solution's 2020-2024 strategic plan).

Organizations Identified by FishWise as Working on Social Responsibility in Seafood

<https://fishwise.org/resources/social-responsibility/>

- Anti-slavery International
- Business and Human Rights Resource Centre
- Conservation International
- Consumer Goods Forum
- Environmental Justice Foundation
- Ethical Trading Initiative
- Fair Trade USA
- FinnWatch
- Fortify Rights
- Framework For Social Responsibility in the Seafood Sector
- Global Fund to End Slavery
- Global Sustainable Seafood Initiative
- Greenpeace
- Human Rights at Sea
- Humanity United
- International Labor Organization
- International Labor Rights Forum
- International Pole and Line Foundation
- International Transport Workers Federation
- International Transport Workers Federation Blue Certificate
- Issara Institute
- Leadership Group For Responsible Recruitment
- Liberty Asia
- Made in a Free World
- Migrant Worker Rights Network
- Monterey Bay Aquarium Seafood Watch
- Pew Charitable Trusts
- Responsible Fishing Scheme
- SAI Global
- SCS Global Services
- SeaFish
- Seafood Slavery Risk Tool
- Seafood Task Force
- SGS
- Slave Free Seas
- Social Accountability International
- Solidarity Center
- Stop the Traffik
- Stronger Together
- Sustainable Fisheries Partnership
- The Freedom Fund
- The Sustainability Incubator
- US Department of Labor: Comply Chain
- US Department of State: Trafficking in Persons Report
- Verité
- Walk Free Foundation
- World Wildlife Fund for Nature

The foundations have supported some initial steps on social responsibility, including tools and guidelines, collaborations and convenings, and certification schemes

Organization and Grant Description	% of Funding for Social Responsibility
Conservation International Foundation Advancing Global Commitments to Social Responsibility in the Seafood Sector Connecting IUU Fishing, Overexploitation, and Human Rights Abuses in Global Fisheries Connecting IUU Fishing, Overexploitation, and Human Rights Abuses in Global Fisheries	16%
Fair Trade USA The Human Face of Seafood Sustainability: Expansion of FT's USA Seafood Program	3%
FishChoice Inc. Including Social Responsibility in FisheryProgress	2%
Greenpeace Fund, Inc. Campaign to reduce social and environmental impacts of fishing in Southeast Asia	10%
ImpactAssets, Inc. (Future of Fish) Sustainable supply chains, market access, traceability in Chilean artisanal hake fishery	19%
International Labor Rights Forum Seafood Workers' Rights Campaign	4%
Monterey Bay Aquarium Foundation Seafood Watch efforts to improve sustainability of fisheries and aquaculture globally	5%
New Venture Fund Certification & Ratings Collaboration Fund	10%
Sustainable Fisheries Partnership Foundation General Support	9%
Sustainable Fishery Advocates (FishWise) General Support (development of RISE, etc.)	7%
Trust for Conservation Innovation Conservation Alliance for Seafood Solutions: implement new strategic plan	8%
Waxman Strategies Advancing Human Rights and Labor Protections in Fishing	6%

Grant and Non-grant History for the Outcome: Human rights & labor issues are integrated into sustainability standards for seafood (2017-2019)

Grants

- 12 Grantees
- 14 Grants
- 21% from Walton, 79% from Packard
- Largest Grantees: ImpactAssets, Inc./Future of Fish and Conservation International
- Social responsibility also appears in other grants (e.g., support to FIPs)

Non-Grant

- The program officers for the philanthropies regularly engage in bilateral and multilateral discussions and explorations with regard to social responsibility, and many say that Packard especially has shown important leadership in this space



Where We Are Today and Contribution of the Foundations to Progress

There is broad awareness regarding the need to eliminate human rights and labor abuses in seafood production, and evidence of early movement, initial collaborations, and policy improvements



Revealed: Asian slave labour producing prawns for supermarkets in US, UK

Thai 'ghost ships' that enslave and even kill workers are linked to global shrimp supply chain, Guardian investigation discovers

- Trafficked into slavery on Thai trawlers to catch food for prawns
- Thailand's seafood industry: state-sanctioned slavery?
- Ask your questions - live chat as it happened

Photo: Kate Hodal, Chris Kelly in Songkhro and Felicity Lawrence



Slaves forced to work for no pay for years at a time under threat of extreme violence are being used in Asia in the production of seafood sold by major US, British and other European retailers, the Guardian can reveal.

1

Awareness and project

- Articles exposed human rights abuses in the seafood industry and linked these to the supply chains of major companies.
- These raised broad awareness and catalyzed industry first movers in the EU and N America to go beyond their CSR policies to make public, voluntary commitments.
- Awareness of issues around equity and food and livelihood security appear far more nascent and niche.

2

First mover and competition

- Pressure has continued to grow, prompting various NGO, government, and industry actors to become engaged and take action, particularly around the issue of human rights and labor abuses
- Voluntary guidelines also have begun to emerge (e.g., CI's scorecard and RISE by FishWise).
- Opinions among KIs vary regarding whether there should be a standard and associated certification.

3

Critical mass and institutionalization

- Companies starting to collaborate; an array of precompetitive platforms prioritize this issue (Sea Pact, SeaBOS, Seafood Task Force).
- Efforts underway to align NGOs around common guidelines for industry to make improvements.
- Doubters remain with regard to the need for or utility of a possible standard.
- Important questions re: how to hold industry accountable to verifiable improvements.

4

Level playing field

- Initial examples of Stage 4 behavior exist, especially around government policy.
- In 2015, the EU issued a "yellow card" to Thailand, prompting improvements in its fisheries management and control systems.
- Many say, however, that these have not resulted in verifiable and meaningful improvements with regard to labor rights issues.

Progress to date is largely attributed to the exposés launched in 2014 and subsequent response by industry and government

The philanthropies and their grantee partners are not seen as having significantly contributed to progress to date, although noting that most progress has been made just since 2014.

“Everyone knows that the increased focus on social was catalyzed by the exposés that came out years ago. Those working in Asia know that these practices have been happening for decades. The exposés connected things to the supply chain and it became a market issue.”- KI

“Going back 5 years, most important were the exposés by journalists and NGOs [e.g., supported by Humanity United]. Because journalists, activists, and NGOs were willing to travel to fishing vessels and publish, that brought to light working conditions in the commercial seafood industry. That really triggered so much activity in terms of government regulatory and legislative reform, particularly in Thailand and throughout Southeast Asia.”- KI

The foundations and their partners made some important initial contributions, particularly around convening and alignment and tools and guidelines



CERTIFICATION AND RATINGS
COLLABORATION

asc
aquaculture
certification
seafood
watch

FAIR TRADE
CERTIFIED

MONTEREY BAY
SEAFOOD
WATCH

Sustainable Fisheries
PARTNERSHIP

**Framework for Social Responsibility
in the Seafood Sector**

Charlotte Opal
for the Seafood Certification & Ratings Collaboration

Packard's specific sub-outcome with regard to social responsibility has been achieved.

In 2018, the Certification and Ratings Collaboration issued the Framework for Social Responsibility in the Seafood Sector <https://certificationandratings.org/wp-content/uploads/2018/03/Framework-Final-Print.pdf>.

Norms and guidance around social responsibility in seafood production have been developed by grantees (e.g., Monterey Framework, RISE, Seafood Slavery Risk Tool).

Social responsibility is now positioned as a central tenet of seafood sustainability efforts. Several attribute this to the Packard Foundation, specifically, which has supported opportunities for discussion and exploration around this issue.

An array of companies have made commitments regarding social responsibility. More than 25 are identified in the Monterey Framework.

Collaborations and coordination between human and labor rights organizations and environmental NGOs continue to increase, but many say greater alignment is needed, with human rights and labor abuses typically identified as the top priority.

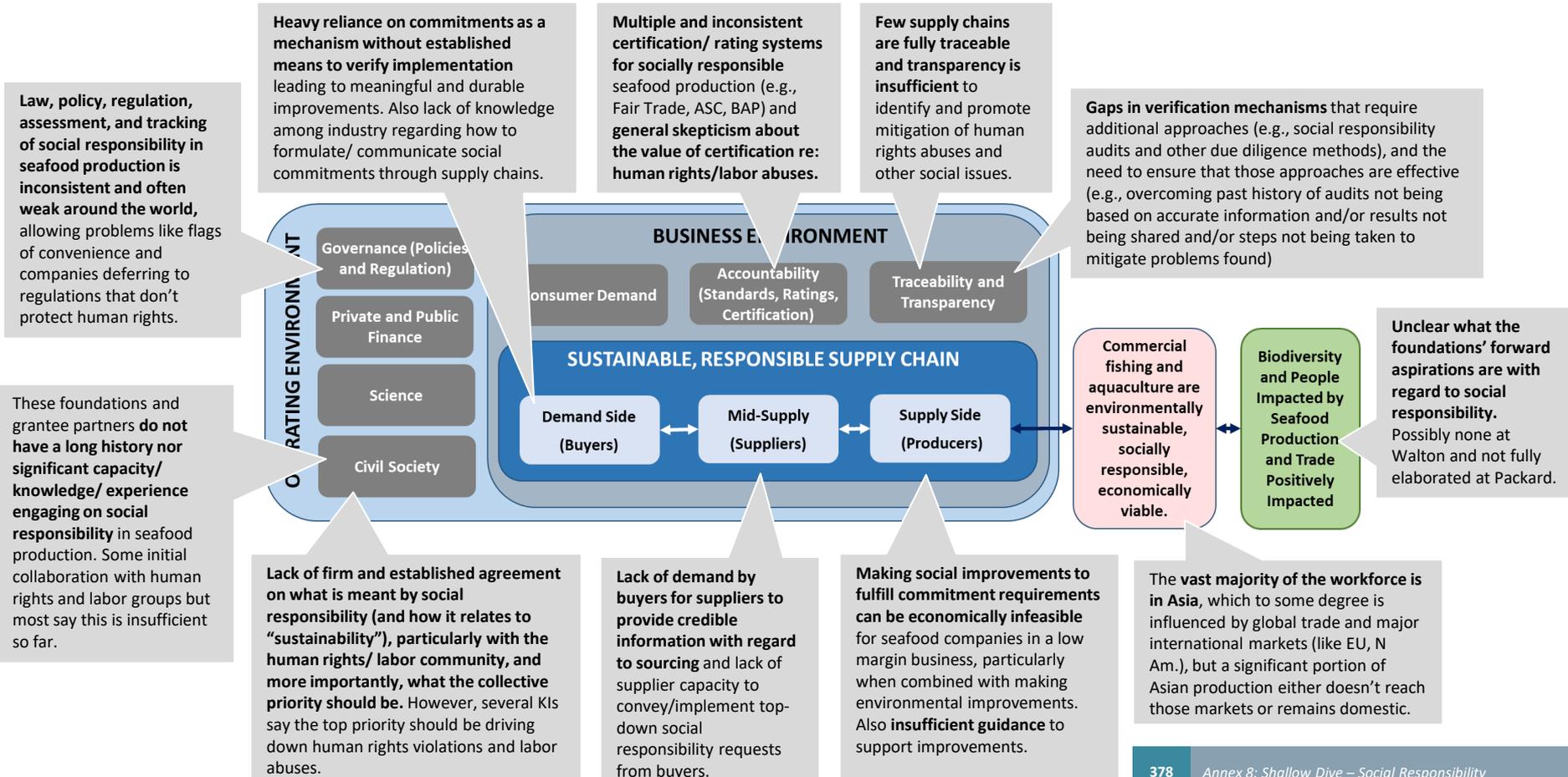
Progress has been made on increasing transparency in seafood supply chains, which is seen as fundamental to making headway on social responsibility.

About ~19% (26 of 158) of the FIPs on FisheryProgress.org as of October 2019 self-report addressing social impact considerations, but only 4% (6) were found to be credibly engaged with local communities and fishers to promote social outcomes (CEA Global FIP Review 2020)



Context for Future Action

Priority challenges to advancing social responsibility exist all along the theory of change



Fundamental challenges to making progress on social responsibility include establishing a business case, avoiding fragmentation or mis-alignment of effort, and costs of social improvements

“Making the case for worker rights [from a bottom-line business perspective] is a real struggle. On the environmental side, you can say that if improvements are not made, there will be no more fish. But much more difficult on the human rights side.” --KI

“Some of the most difficult conversations are regarding where the money will come from to make these types of improvements. I don’t know that the buyers have accepted or are willing to talk about that yet.” --KI

Looking ahead,
what are the
critical challenges
to promoting
socially
responsible
seafood
production?

“For environmental standards, certifications, and ratings, we never started with collective agreement on approach or principles. **There was competition from the outset to define standards and develop programs. We seem to be replicating this process on the social side and I fear that we are repeating many mistakes.**” --KI

“For the Alliance NGOs, it makes sense to focus on [voluntary steps by businesses]. But another crowd – OxFam, Greenpeace—does a lot on governance, labor laws, etc. **Not sure the two sides are interacting enough though.**” --KI



Strategic Options for Philanthropy

Significant work remains to ensure that companies know and transparently demonstrate that the seafood they buy and sell comes from sources that are legal, sustainable and ethical

#	Finding	Slides	Confidence
1.1	The role of social responsibility within the Foundations' theories of change has not been clear, but recognition of its importance continues to grow	369	H
1.2	Social responsibility is seen both as a goal of sustainability efforts and an impactful lever to achieve the ultimate goal of sustainability	370	H
1.3	The foundations have supported some initial steps on social responsibility, including tools and guidelines, collaborations and convenings, and certification schemes	372	H
1.4	There is broad awareness regarding the need to eliminate human rights and labor abuses in seafood production, and evidence of early movement, initial collaborations, and policy improvements	374	H
1.5	Progress to date is largely attributed to the exposés launched in 2014 and subsequent response by industry and government	375	H
1.6	The foundations and their partners have made some important initial contributions, particularly around convening and alignment and tools and guidelines	376	H
1.7	Priority challenges to advancing social responsibility exist all along the theory of change	378	H
1.8	Fundamental challenges include establishing a business case, avoiding fragmentation or mis-alignment of effort, and costs of social improvements	379	H

Continued philanthropic support will be important to future progress; whether these philanthropies engage depends upon their assessment of alignment to their internal priorities and strategies

Strategic question	Short answer	Explanation
Should philanthropy support work on social responsibility?	Depends on strategic fit	<p>Whether the philanthropies engage on social responsibility ultimately depends on whether it is a priority for them. Social responsibility could be an end unto itself, or an important means to the priority end of environmental sustainability. The foundations will need to decide where it fits, if at all, in their theories of change.</p> <p>Past foundation support has been effective and led to important steps upon which future progress can be made (e.g., guidance for industry on social commitments and from sustainability standards organizations, making social central to the sustainability dialogue, and creating platforms for alignment).</p> <p>For many important aligned objectives (e.g., transparency, governance), social may have greater leverage than environmental. Gaining traction on the need for improvements may happen more quickly, efficiently, and broadly if social and environmental aims are advanced in tandem.</p> <p>Driving down human rights and labor abuses is considered a moral imperative. Some believe it is irresponsible to promote environmental without social (but not necessarily the other way around).</p> <p>Some say engaging on social could distract from or even compete with environmental aims, resulting in multiple priorities posed to industry and government and/or overstressing already constrained resources on the production side.</p> <p>At a minimum, it will be important to ensure environmental work does not undermine social work (e.g., by advancing economically inviable changes in fishing practices).</p>

Potential strategic priorities range from advocating for and supporting voluntary measures by industry to working with industry to advocate for policy and governance change

“First, **social responsibility needs to be embedded in the board room and at CEO level**. Second, **regulatory regime** – access to markets and fiscal measures. Third, by introducing **an agenda that drives transparency** through regulations.” --KI

“The ask needs to be that **companies push for [social] reforms** because it’s in the interest of companies to have rule of law and a level playing field. Companies can use their market power to get governments to make policy changes.” --KI

What are the strategic options for philanthropy?

“First, a subset of NGOs and of philanthropy needs to continue to **keep the heat on and turn it up**. Second, need an equivalent role focused on **de-risking the pathway** – tools so buyers can get on a path. Third, there’s a role for **a certification body**.” --KI

“**Can’t fix this problem unless governments get involved**. If the buyer for Walmart said, no more flags of convenience, that would cause governments to get their acts together, or vessels to flag to countries with laws.” --KI

Challenges and potential paths forward in the context of the market transformation framework

Phase 2 Challenges to Address

- *Strategic Positioning:* Is social responsibility a priority in and of itself for the sustainable seafood community—NGOs and funders—or is it a tactic toward environmental sustainability?
- *Markets Focus:* What is the actual priority for a market-based strategy? Is it primarily human rights and labor abuses or does it also capture issues of equity and food and livelihood security?
- *Alignment:* How to best align and collaborate with the human rights and labor community?

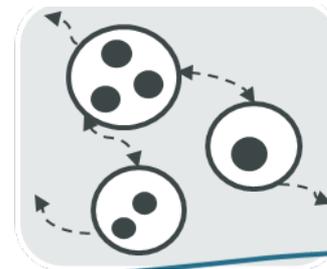
Phase 3 Transition Needs

- *Approach:* How to leverage work and relationships regarding environmental responsibility to progress efficiently on social? How to ensure efforts are complementary and not competing?
- *Critical Mass:* Should standards and certification be pursued regarding human rights and labor abuses? How to ensure broader uptake and implementation of social commitments?
- *Institutionalization:* What is the balance of supply chain focused ("build demand") and policy ("set the floor") tactics regarding social responsibility?

Path Forward

- *Focus on Human Rights and Labor:* Evaluation data suggest that foundations interested in engaging on social responsibility should focus first on human rights and labor issues.
- *Strategic approach:* Proposed strategic approach appears to be "do no harm" + "win-win:" ensure environmental work does not result in or exacerbate social harm *and* advance mutually beneficial issues, such as formulation and implementation of buyer commitments, traceability, accountability/transparency, and adoption and implementation of import control policies.

2. First mover and competition

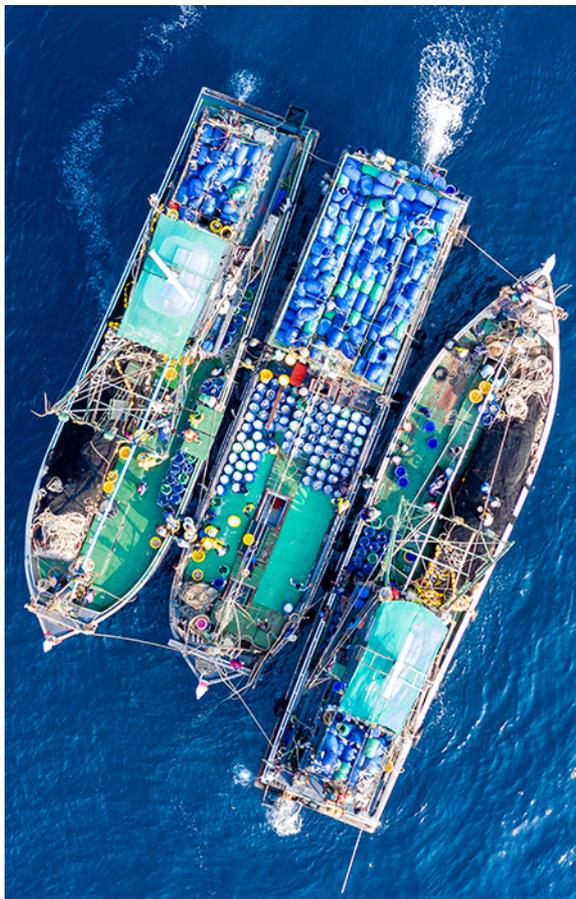


3. Critical mass and institutionalization



Strategic options to advance social responsibility in seafood production span the theory of change, across the seafood supply chain and throughout the operating environment

Strategic question	Short answer	Explanation
<p>What are the potential options for using market-based approaches to drive greater social responsibility in seafood production?</p>	PARTNER WITH INDUSTRY	<ul style="list-style-type: none"> • Buyer Commitments to Social – increase early adopters and expansion at scale. • Provide and promote consistent guidance/asks to industry and support in formulation of commitments. • Establish systems/practices for accountability and verification of improvements.
<p><i>Note: With regard to focus and objectives, KIs seem to converge around mitigation of <u>human rights and labor abuses as the near-term priority</u>, as opposed to issues of equity and livelihoods. These, however, remain important for FIPs and other place-based work.</i></p>	ENABLING BUSINESS ENVIRONMENT	<ul style="list-style-type: none"> • Ensure full traceability; significantly grow dialogue and effort around transparency • Social certification mechanism – but wide disagreement on the need, how, who would hold the standard, how certification would happen without whitewashing
	CONVENE	<ul style="list-style-type: none"> • Environmental and Labor/Human Rights alignment among NGOs and funders on priorities, objectives and approach for environmental + social efforts • International + local partnerships to build in-country capacity and link through the supply chain and from local to national to international policy • Find alignment with and leverage bi- and multi-lateral funders supporting fisheries.
	ADVOCATE	<ul style="list-style-type: none"> • Ensure support for a select set of partners that will “keep the heat on” • If full traceability/transparency is not possible soon, consider selecting case studies based upon perceived risk, investigate, and expose
	ENABLING OPERATING ENVIRONMENT: GOVERNANCE & POLICY	<ul style="list-style-type: none"> • Ensure import control policies include social (e.g., SIMP, evolving policies in Japan) • Cultivate collective response from industry to advocate for policy changes in key production geographies • Possibly “low cost, high impact:” promote elimination of flags of convenience, assignment of discrete vessel numbers to enable more effective monitoring



Annex 9: Shallow Dive – Traceability and Transparency

- Executive summary
- Overview of evidence
- Definitions, theory of change, and portfolio overview
- Where we are today and contributions of the foundations to progress
- Context for future action
- Strategic options for philanthropy

Relevant Evaluation Questions: 2, 6, 7, 8, 9, 11, 12

- Traceability is the credible tracking of seafood from production to consumption. Traceability is needed to know and credibly demonstrate that seafood bought and sold is sustainable, socially responsible, and/or legal. Traceability typically involves business-to-business sharing of information.
- Transparency is the disclosure of sourcing information to others within a supply chain and with stakeholders, which may include the public, governments, and other businesses. The companies themselves typically decide what information to share, although this can sometimes be mandated by government.
- Traceability and transparency are often discussed together because the credibility of information transparently shared will depend in good part on the quality of traceability, and there may be a role for transparency to help verify the information shared through traceability.
- Both foundations have focused on advancing traceability; WFF as a means to drive down IUU and Packard in support of transparency to demonstrate sustainability.
- WFF's has a 5-yr goal that, "By 2020, US, Japanese, Spanish imports from core geographies meet minimum requirements for sustainability and traceability..."
- Relevant Packard outcome statements include: "By 2022, 90% of N Am retailer commitments include traceability... and "By 2022, all seafood sold in the US and Canada is traceable back to vessel or farm."
- In the period 2017-2019, the foundations have awarded \$4.26M in total grantmaking on traceability and transparency to 11 grantees for 19 grants. 59% came from Walton, and 41% from Packard.

- The evaluation cannot detect clear alignment between the foundations' strategic aspirations and their grantmaking; grants awarded do not seem to correspond to the scale and scope of stated objectives. This may be because the Moore Foundation funds heavily in this space, the field itself is fairly fragmented, and both foundations also fund this work through their place-based programs.
- Traceability in support of food safety has long existed but has not captured and passed through the supply chain the information needed to support assessments of legality, sustainability, or social responsibility.
- Good progress has been made on traceability. Many businesses have made this a priority and say they are making strides. Global voluntary standards were just released by the Global Dialogue on Seafood Traceability, an NGO-Industry collaborative. Some countries include traceability in policy and regulations, often driven by the need to respond to import control requirements imposed by major market states.
- The topic of transparency remains in a very nascent phase; NGOs widely agree that increased transparency is fundamental to success but there is limited agreement on transparency of what, for whom, for what purpose.
- These two foundations are not seen as having made important contributions in this space yet, but are seen as having vital roles going forward, particularly around institutionalization of traceability and in advancing dialogue, thinking, and action on transparency.



Overview of Evidence

Evidence base:

- Four targeted interviews with NGO and industry representatives with expertise in traceability and/or transparency, supplemented by perspectives on T&T drawn from the full suite of GSM key informant interviews
- Topic of discussion at TWG and NGO convenings for the evaluation and at the Oceans 5 IUU convening
- Packard and WFF grant documents
- Online materials (e.g., from Global Dialogue on Seafood Traceability, SALT, FishWise)
- Supplemental information and thinking provided by the foundations
- GSM evaluation surveys:
 - Seafood industry survey (52 respondents)
 - NGO/grantee survey (41 respondents)



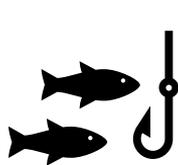
Definitions, TOC, and Portfolio Overview

Increased transparency is a foundational element of the theory of change, viewed as a critical means to ensure efficiency and accountability across a market-driven strategy

TRACEABILITY

Supply chain traceability is generally understood as the process of tracking the provenance and journey of products and their inputs, across the chain of custody, from the very start of the supply chain through to end-use.*

In seafood production and trade, traceability helps companies capture information—and transparently share with stakeholders (if they choose to)—regarding the safety, legality, sustainability, and social responsibility of the products they source.



Traceability involves information sharing from business to business while Transparency is typically viewed as information flow from businesses to stakeholders, such as consumers. Governments also can be aggregators of traceability data as well as audiences for transparently shared information.

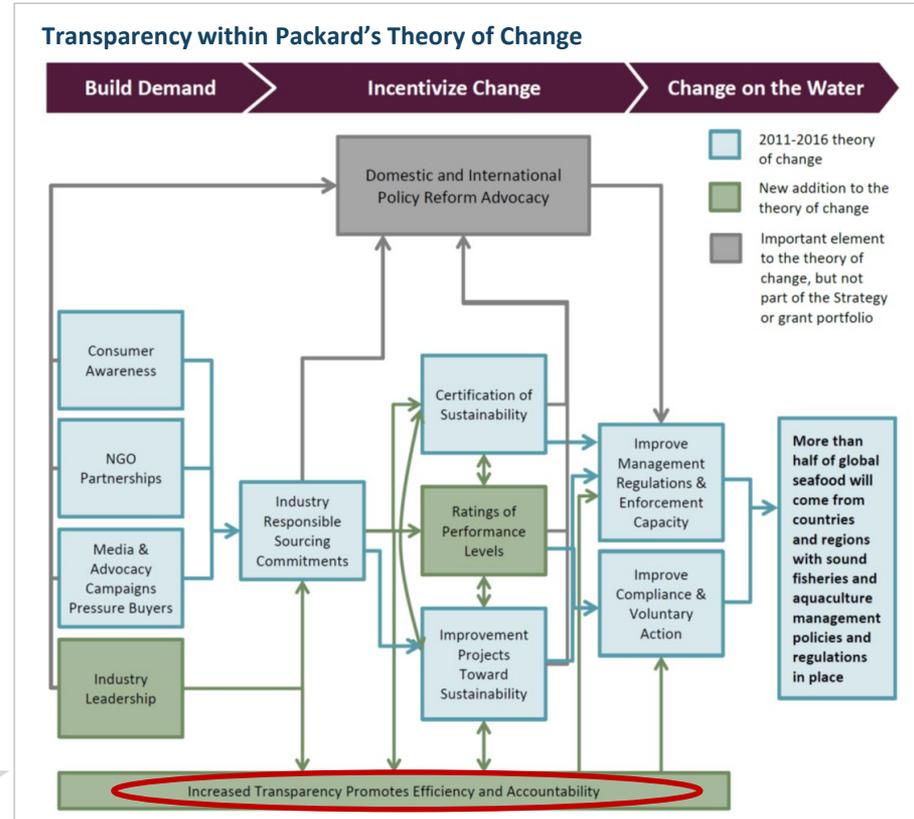
TRANSPARENCY

Supply chain transparency generally refers to the disclosure of supply chain and sourcing information to stakeholders. Transparency is defined by what data a company is transparent about, to whom, or when.*

The Packard Foundation has sought to advance traceability, primarily as a means to ensure companies know and can demonstrate that their products are environmentally sustainable

- Increased *transparency* is a foundational element of Packard’s theory of change.** “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. 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.”
- Packard’s stated objectives focus on *traceability*, as a necessary step toward increased transparency.**
 - Outcome: By 2022, 90% of N Am. retailer commitments include traceability and an expanded scope of products is included within the commitment (e.g., fresh, frozen, shelf stable, proprietary and national brands).
 - Outcome: By 2022, all seafood sold in the United States and Canada is traceable back to the vessel or farm.

“Market commitments need to be credibly and transparently verified in order for market incentives/disincentives to be effective.” – NGO survey respondent



The Walton Family Foundation has sought to advance traceability, primarily as a means to ensure companies know and can demonstrate that their products are legal

- WFF focuses on traceability as a vital component of its Trade Policies strategy, which is focused largely on IUU. “Traceability is widely seen as a necessary tool in the effort to combat IUU fishing, however, traceability on its own will not end IUU fishing. Robust traceability systems, combined with strong market incentives, either voluntary or compulsory through trade policies, can increase the incentive to use traceability tools to weed out IUU products from supply chains, and increase accountability of supply chains to identify and address IUU products. Traceability systems, whether mandated by law or voluntarily used by parts of the supply chain, are woefully inadequate.”
- WFF’s aims regarding traceability are variously described in the strategic plan, including:
 - Build the business case for traceability and support the implementation of traceability and IUU policies in the US and Japan.
 - Define the market for traceability tools to ensure the technology and financial capital are available to deploy traceability systems in core geographies.
 - 5-year goal: By 2020, ...the US, Japanese and Spanish imports from core geographies meet minimum requirements for sustainability and traceability...
 - Traceability systems track product from boat to export.



“Traceability is fundamental to resolve the critical market failure of, ‘Private companies accessing a public good out of sight of citizens of source countries and jurisdictions.’” -- KI

The foundations have supported various efforts targeting and related to traceability and transparency

Packard and Walton funds in support of the outcome, “Increase seafood supply chain transparency,” 2017-2019

The tree map below illustrates relative percentage of funding to grantees within the category of Traceability and Transparency from 2017-2019



- 11 Grantees, 19 Grants
- \$4.26M total grantmaking
- 59% Walton, 41% Packard
- Largest grantees included:
 - Future of fish (26%), for traceability work in the hake fishery in Peru
 - George Chmael, for the Modernizing US Fisheries Data for Sustainability project (17%)
 - General support grants from Packard to SFP and SFA-FishWise (23%)
 - FishChoice for FisheryProgress.org and FishChoice.com (12%)

Notable efforts in recent years include the Global Dialogue on Seafood Traceability (GDST) and the Seafood Alliance for Legality and Traceability (SALT), but these foundations have only supported the latter

- **Global Dialogue on Seafood Traceability.** Primarily funded by Moore, GDST was launched in 2017 “to enable access to verifiable information to ensure the legal origin and responsible sourcing of seafood products.” Today, GDST has more than 60 industry members, is facilitated by World Wildlife Fund and the Institute for Food Technologists and has an advisory group that includes various technical experts, NGOs, and civil society members. GDST has largely focused on a consensus-based process to generate and launch the *GDST Standards and Guidelines for Interoperable Seafood Traceability Systems, Version 1.0*.
- **Seafood Alliance for Legality and Traceability.** A partnership formed among USAID, WFF, Packard, and Moore, and facilitated by FishWise, SALT exists to support learning and exchange regarding traceability. Participants include representatives from governments, the seafood industry, and NGOs.
- Additional initiatives relevant to seafood sustainability transparency include:
 - **FisheryProgress.** FisheryProgress.org is viewed by many as an important tool regarding transparency of environmental and, increasingly, social information on fishery improvement projects.
 - **Ratings and Certifications Programs.** The foundations have supported seafood ratings programs (such as Seafood Watch) which seek to enhance transparency around the sustainability status of specific fisheries relevant to established standards. Seafood certifications programs (such as MSC) typically include Chain of Custody (CoC) standards and audits to support assurances of the provenance of sustainable seafood through the supply chain. CoC efforts are supported by advancements on traceability systems. (See *the Standards, Ratings and Certifications deep dive section for more discussion.*)



Where We Are Today

Important progress has been made on tools and standards in support of Traceability but how much of the seafood supply is fully traceable may be limited

- **Traceability has been a focus for many years, but exposure of human rights abuses in seafood supply chains serving Walmart, among others, significantly increased interest in ensuring traceable supply to mitigate reputational risk.** Suppliers are also motivated by the need to credibly demonstrate to their buyers that they are upholding quality claims, while buyers need information and data for transparent consumer-facing demonstration of sourcing.
- **Over the past 5-8 years, many tools, systems, and initiatives have emerged** (e.g., as described in <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6282506/>). Many say that the technology now exists to support end-to-end electronic traceability and the challenge now is uptake by companies all along the supply chain.
- **GDST launched the “first-ever global voluntary standards for seafood traceability” in February 2020.** Although backstopped by significant NGO effort, principally WWF and the Institute of Food Technologists’ (IFT) Global Food Traceability Center (GFTC), the standards were issued by the GDST companies themselves, including Whole Foods and Thai Union.
- **Some KIs say significant work is needed to promote broad uptake of and adherence to the standards, while industry key informants indicate significant progress on traceability of their supply.** Half of industry survey respondents say that the quantity of supply that is traceable to the source has increased somewhat, while the other half say it has increased significantly. (n = 50).

“For traceability, at this time, buyers seem to still be relying on suppliers for sustainability/ responsibility assurances. Different ball game than for food safety.” --KI



GLOBAL DIALOGUE
on Seafood Traceability

Standards and Guidelines for Interoperable
Seafood Traceability Systems –
Core Normative Standards (Version 1.0)

February 2020

Some say Traceability is close to the “finish line” and industry indicates progress has been made, but NGOs say uptake and full traceability is still very limited

NGO Perspectives

“Uptake on traceability has been at a slow boil, enterprise by enterprise. Traceability as a word is now commonplace. Understanding has gone up, but **adoption and implementation has been slow.**” – NGO KI

“SALT and the Global Dialogue are big indications of the recognition of the problem but **progress has been slow.** You can point to supply chains that are traceable or claim to be. But are they scalable?” – NGO KI

“For traceability, the technology is there and it’s probably a price that is affordable but **adoption level is minimal.**” – NGO KI

“**Not many examples of fully traceable supply chains, except maybe tuna.**” – NGO KI

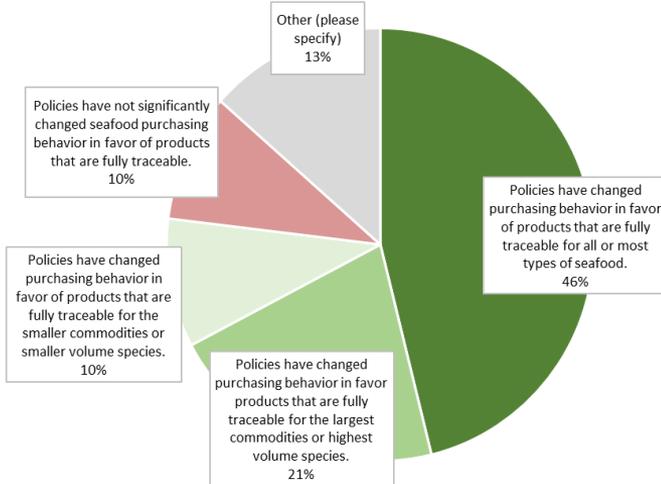
Industry Perspectives

“**Much of the material sourced is fully traceable, but we have not had a system to collect that information.**” – Industry survey

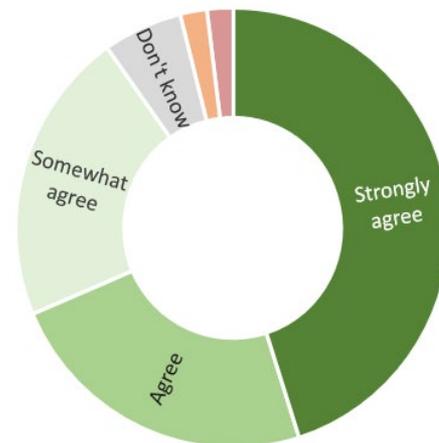
“**We require all products to be traceable to the greatest extent practical.**” – Industry survey

“**Traceability to the source has been well established for years.**” – Industry survey

“**What impact has your company’s sustainable seafood sourcing policies had on purchasing behavior with regard to traceability?**” (n = 52)



“**My company is purchasing more seafood products that are fully traceable to the source than it did five years ago.**” (n = 51)



Ensuring transparency of information needed to demonstrate legality, sustainability, and social responsibility is in a very nascent phase

- **There is widespread agreement among NGOs, philanthropies, some governments, and even some companies that greater transparency is needed.** NGO survey respondents rate, “Lack of accountability for market actors implementing sustainable sourcing commitments,” as the second most important barriers to success of the sustainable seafood movement and “Unclear or insufficient traceability” as the fifth most important barrier (out of a list of 12 offered).
- **Most effort to date in the name of greater transparency has focused on traceability,** viewed by many as a necessary but insufficient condition to transparency.
- **While many key informants consulted say progress on transparency has been limited, others say progress has been meaningful.** 70% of NGO survey respondents say there has been only minor or moderate improvement in the past 5-10 years, but 80% say advancements around transparency and traceability have been very to extremely important to changes in the sustainability of global seafood supply.
- **It will be up to companies and governments to decide what information they share with stakeholders** and most will require some outside pressure and support to release that information. The NGO community is not yet positioned or organized to provide that pressure and support, however.
- **Particularly lacking is a common view of what success looks like for transparency.** There is little agreement regarding the key audiences, end-uses, and therefore data and information that should be transparently shared.

Interestingly, KIs and convening and IUU workshop participants did not identify or mention certifications and ratings programs as a form of transparency.

“What do the foundations think transparency is and what do they want to know? If it’s supply chain transparency, don’t really see a lot of progress there.” – NGO KI

Many are pushing for increased transparency, but agreement is needed on transparency of what, for whom, and for what purpose

“There is pushback from industry that transparency means anyone should be able to see anything and of course they think that’s not okay. **We need to identify the purpose of transparency** – who needs to see what for which purposes.” – NGO KI

“**[Transparency] should be the norm rather than the exception** and if you do that, I guarantee you will transform [social responsibility and environmental sustainability in seafood production].” – NGO KI

“**The NGO community is pushing for everything to be transparent but that’s not practical or necessarily useful.** What do you really need to know and why?” – NGO KI

“**Buyers need to release information down to the vessel level.**” – NGO KI

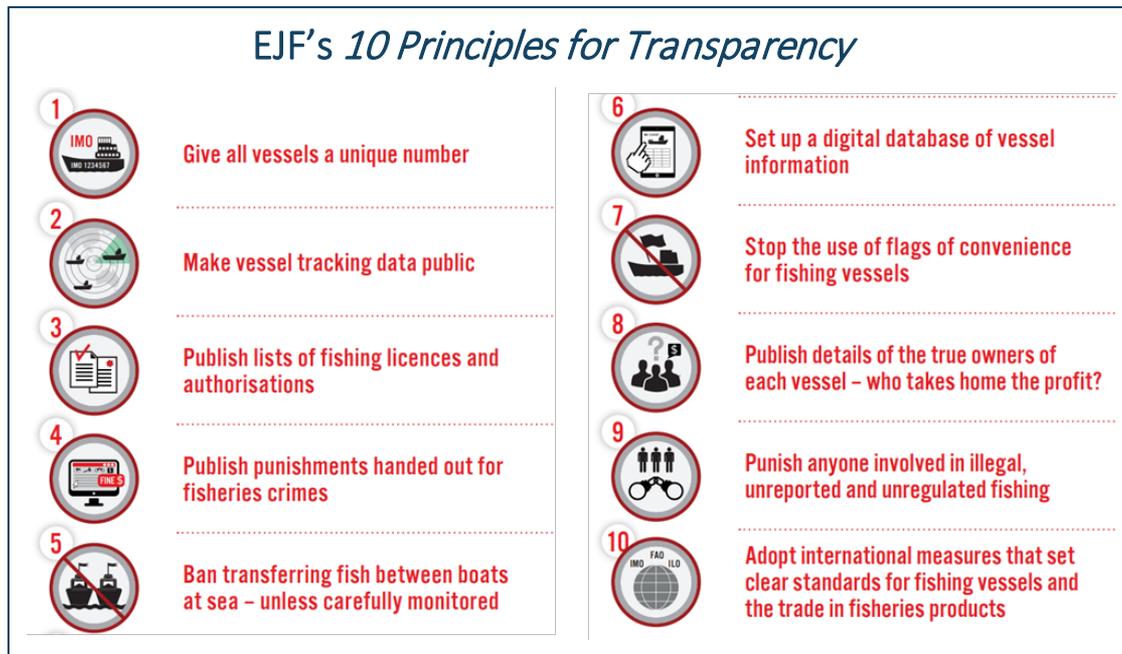
“**More transparency isn’t necessarily better** because of privacy laws. If you make things fully transparent, that can drive abuse underground and make it harder to fix than easier.” – NGO KI

“Transparency is to support accountability. **What sort of accountability do we need and therefore what kind of transparency do we need?**” – Independent KI

Transparency for Whom, of What, for What Purpose? Potential audiences and key questions

- **Consumers:** Was this produced in a way that was environmentally sustainable and socially responsible? Will this make me sick?
- **Buyers:** Have those who are responsible done their job, in terms of safety and legality? Can I feel confident that my sustainability claims will stand up to scrutiny?
- **Production governments:** Is production happening in a manner that complies with rules and regulations? Is it legal with regard to social and environmental legislation?
- **Importing governments:** Did the government of origin do its due diligence to ensure that the product was produced in a manner that was compliant?

The Environmental Justice Foundation's *10 Principles for Transparency* are often referenced as the best available articulation of what is needed at this time, but some say this is insufficient



Some KIs say these principles represent necessary but insufficient transparency, viewing them as largely in service of enforcement at the fishery level to drive down illegal fishing and human rights abuses.

Additional information needs may focus on how fisheries governance is applied or to establish that best labor practice is being followed (e.g., worker voice, grievance mechanisms).

Additionally, seafood may be sourced legally but not necessarily be sustainable. Things like catch limits or permitting processes are not always informed by scientifically defensible criteria.

There are different understandings of the relationship between traceability and transparency

“Transparency is one element of robust traceability. It is the ability to see the whole map of the supply chain, including information about the companies that supply the product, who touches the product, where it has gone. Some include traceability within transparency where we think about it the other way around.” – NGO KI

“If you have traceability in place, any user should be able to access any data valuable to them [transparency], but that alone isn’t good enough and of itself doesn’t create change.” -- KI

“Traceability” and “transparency” are often used synonymously or conflated, even though they are notably different. A business may be able to trace the pathway and provenance of a product but still not be transparent about its sourcing. Similarly, a business may be willing to be transparent about its sourcing, but not be able to trace back to the point and means of production.

Some see traceability as a means to enable greater transparency while others view transparency as an element of traceability.

Historically, work on traceability has been the primary tactic to achieve greater transparency. In recent years, that thinking has evolved based on the understanding among many, although not all, that traceability is necessary but insufficient to ensure transparency.

“Traceability will become the norm, “instant transparency.” – Industry KI

“It needs to be understood how traceability for food safety purposes pre-disposes many business in the global food supply chain to question why more is needed of them.” – Industry KI

“The conversation 5 years ago was about leveraging traceability in service of transparency. Transparency in the context of traceability. But now we’re thinking of transparency supporting various purposes around accountability.” -- KI

“The definition or meaning of ‘supply chain transparency’ is far more comprehensive today than in the past. It is no longer circumscribed to traceability. Supply chain transparency now encompasses myriad issues ranging from ethical and regulatory considerations, such as implementing safeguards to prevent slavery and child trafficking, to sustainability.” <https://www.naturalproductsinsider.com/contract-manufacturing/supply-chain-traceability-and-transparency>

The groundwork has been laid to move to attaining critical mass and institutionalization of traceability.

TRACEABILITY



Catalyst

“The Moore OSMI Traceability Collaboration (2014-2016?) was a very catalytic piece. Some work from that has continued, like GDST. That’s been slow but important regarding engaging industry. We’re hopeful we will see outcomes.” -- KI

1

Awareness and project

- As a standard business practice, awareness of the need for and potential utility of traceability among across the seafood industry is widespread.
- Awareness of how to improve traceability, including best tools and platforms, and of costs and potential benefits is growing.
- Motivation to improve traceability also is increasing, particularly given the need for risk management.

2

First mover and competition

- In February 2020, GDST released voluntary global standards regarding traceability.
- Significant work remains to promote awareness of adherence to the standards across industry.
- Those who have signed commitments are committing to sourcing sustainable, traceable seafood. Commitment to actually establishing traceability, however, is less clear.

3

Critical mass and institutionalization

- Various precompetitive platforms are working on traceability (e.g., GDST, SeaBOS).
- “...nations are increasingly mandating traceability measures to collect and verify information that they hope will improve the likelihood that illegal products will be detected.”*
- This includes advances supported by WFF, including SIMP in the US and progress on an import control policy in Japan.

4

Level playing field

“Sometime in the next 5-10 years, I’d like to see that being compliant with these standards is a condition for market access like health and safety in most cases.” – NGO KI

Transparency of information to assess environmental sustainability and social responsibility is in Phase 1, with some initial forays into Phase 2

TRANSPARENCY

Catalyst

“A lack of transparency results in distrust and a deep sense of insecurity.” -- The Dalai Lama

1

Awareness and project

- Exposure of slave labor in supply chains serving major buyers in North America and beyond particularly increased industry concerns around risk and public and governmental concerns around knowing the origins of their seafood.
- The concept of increasing transparency is discussed across industry and NGOs, but there is not a commonly held view—or even a meaningful dialogue yet—around “transparency of what, for whom, for what purpose.”

2

First mover and competition

- Some view industry efforts, often supported by NGOs, to improve traceability as initial demonstrations of effort to increase transparency, however industry ultimately chooses what to make transparent.
- Certifications and ratings and associated labeling of product is viewed as a form of transparency.

3

Critical mass and institutionalization

4

Level playing field

“We really need the ultimate aim to be holding people to account – whether those are supply chain actors or governments – holding them to the promises they’ve made. Even if you have traceability and make everything fully transparent, you don’t get accountability – nothing necessarily changes.” -- KI



Contribution of the Foundations to Progress

The Moore Foundation is seen by many as a key catalyst for progress on Traceability, with WFF and Packard playing niche roles

The Moore Foundation is seen as a principle catalyst (through OSMI) and primary funder engaged on traceability, particularly given its support to GDST. GDST is said to have made slow but good progress, particularly given the recent launch of the voluntary standards. Moore also is the primary funder for the Seafood Traceability Collaboration (of which GDST is a part), which works on traceability toolkits and other resources to help businesses improve traceability.

Packard and WFF are not seen as having significant investment in this space, except in the case of WFF's support to SALT, the effectiveness of which is unclear. There is some skepticism regarding SALT's effectiveness in expanding traceability of seafood. Some say there has been a proliferation of pilots but in a manner that has been too unstructured to really facilitate learning, identification of best practices, and scaling. Others say there have not been enough pilots. The collaboration between the philanthropies and USAID is identified as a notable example of alignment of bilateral and philanthropic funding interests and resources.

Other platforms and efforts supported by these foundations are also identified as helping to advance transparency, including FisheryProgress, FishChoice.com, and the certifications and ratings programs, although some say these could go further in support of transparency and traceability.

“SALT is a really promising mechanism but that is a collaboration and learning exchange platform, not an implementation platform. And you can only gather and share learning if you have a lot of pilots but I see a huge gap there.” -- KI

“Embracing GDST should enhance the breath and depth of technology solutions available, thus making it easier and less cost prohibitive to have the traceability in place that is necessary to encourage and support sustainability.” -- KI

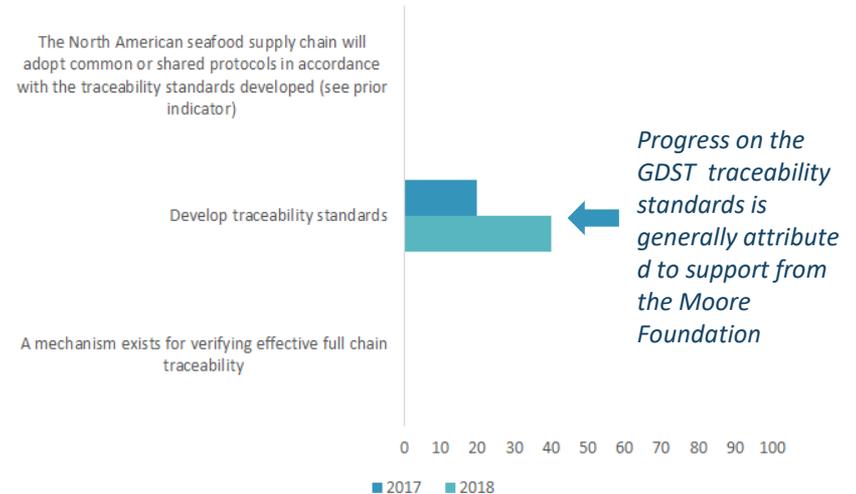
“Third party certification is used by many buyers as a transparency aid and defense of their supply chains. If all certification standards embedded into themselves the KDE's from GDST it would help scale the adoption dramatically.” -- KI

Progress toward WFF's and Packard's stated outcomes on transparency and traceability appears limited or is unclear

WFF has helped to advance traceability required by SIMP.
Progress toward other aims is unclear.

Stated Aim	Evaluation Findings on Progress
Build the business case for traceability and support the implementation of traceability and IUU policies in the US and Japan.	WFF provided important support to the Seafood Import Monitoring Program (SIMP), which "establishes permitting, data reporting and recordkeeping requirements for 13 imported fish and fish products vulnerable to IUU fishing and/or seafood fraud." Similar work is advancing in Japan.
Define the market for traceability tools to ensure the technology and financial capital are available to deploy traceability systems in core geographies.	The evaluation did not find any data that indicates whether or not this has been advanced or accomplished.
5-year goal: By 2020, imports from core geographies to the US, Japan, and Spain meet minimum requirements for sustainability and traceability.	Data are lacking regarding the extent to which these targeted results have been achieved. NGOs say it largely is not while industry says meaningful progress has been made.
Traceability systems track product from boat to export.	

Packard's monitoring data show limited change on transparency and traceability indicators and progress made is generally attributed to Moore (Baseline: 0 Target: 100)



The portfolio of transparency and traceability grants does not appear to align with the scale and scope of the foundations' intended outcomes

- **The set of grants could contribute to but not realize the foundation's traceability outcomes**, such as Packard's, "By 2022, all seafood sold in the United States and Canada is traceable back to the vessel or farm," or Walton's, "By 2020, ...the US, Japanese and Spanish imports from core geographies meet minimum requirements for sustainability and traceability..." The portfolio of grants appears to have been exploratory, supported targeted pilots, or enabled continuation and refinement of knowledge management platforms like FishChoice and FisheryProgress.
- **This may be a reflection of the fact that the Moore Foundation provides significant support in this space** and therefore, by agreement, Packard and Walton do not.
- **Work on these issues is itself fragmented and occurs all across the NGO community and seafood industry, providing few focused, concerted efforts at scale that the foundations could get behind.** 75% of NGO survey respondents say their organizations work on transparency and traceability (the most of any tactic listed).



Context for Future Action

Priority challenges to improving traceability revolve around industry motivation, tools and technology, information flow and use, and general knowledge to inform strategy (Trace. Challenges 1)

Information Collection, Quality, and Flow

- **Collation of information for the monitoring of fish stocks and fisheries is a difficult and time-consuming task;** information can be spread across different databases and is modelled using different methods.
- **Competent authorities to verify data are often lacking,** running the risk of “garbage in, garbage out” traceability.
- **The burden of traceability often falls to the mid supply chain** to translate buyer commitments and associated information/data requirements to producers, and in turn must translate/massage producer information for credible use by buyers.
- **“Unless we get to an electronic system,** get rid of middlemen who are falsifying, and have more enforcement, **don’t think we’ll get to where we want to be.”** -- KI
- **“If you’re a big buyer, you pass responsibility of legal compliance to your supplier but don’t require any information from them to demonstrate compliance.** There’s limited impact on the water if there’s no traceability or accountability.” – KI
- **“Downstream buyers get an avalanche of data** in which poor actors, errors, and illegality gets lost in the noise of information.” -- KI
- **“Data entry issues** (sausage fingers) creates data errors and **overly broad search terms** prevent effective interrogation of the data.” – KI

Information Use

- **Governments are often a primary audience for traceability information, yet often lack the organization, capacity, or governance structures to effectively use data** in service of ensuring sustainability, responsibility, and legality.
- If governments can’t use the information generated, they may not be motivated to play their own role in ensuring data collection and verification.
- **Whether consumers see information to support their decision-making depends on companies’ willingness to share that information** (transparency).
- Seafood certification chain of custody standards and audits could involve enhanced use of traceability systems and information to verify conformance.

Priority challenges to improving traceability revolve around industry motivation, tools and technology, information flow and use, and general knowledge to inform strategy (Trace. Challenges 2)

Motivation

- **“Industry says [traceability] is cost prohibitive and time consuming** and that they don’t have control over what’s going on in foreign countries, so should leave things as they are. **Reality is they don’t want to know what is going on.**” -- KI
- **“...the ROI companies get from traceability investment will vary from one company and supply chain to the next...”**
<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6282506/>
- **“There are still no good proven models of ROI for traceability systems and no one has figured out financing.** Who pays and how do you convince companies there are benefits to them?” -- KI

Information Use

- **Governments are often a primary audience for traceability information, yet often lack the organization, capacity, or governance structures to effectively use data** in service of ensuring sustainability, responsibility, and legality.
- If governments can’t effectively use the information generated, they may not be motivated to play their own role in ensuring data collection and verification.
- **Whether consumers see information to support their decision-making depends on companies’ willingness to share that information** (transparency).

General Strategy and Approach

- **No one seems to know where things really stand with traceability.** Views range, from NGOs believing traceability is very limited to companies saying it has improved and is significant in some cases.
- **“The kinds of studies and work that would help to get the proof of concept out there doesn’t seem to be getting a lot of funding.** Traceability was trendy and funding increased, but now attention is shifting more to social issues. Systems change requires a steady compass for like 15 years though, and that is even optimistic.” – KI
- **“There are a number of markets and supply chain actors that have never really been engaged in the conversation** which will perpetuate holes in the solution needed.” -- KI

The central challenge for improving transparency is taking some critical first steps regarding definition, priorities, and approach

“We don’t have a common conversation happening around transparency.” -- KI

“Is this all potentially meaningless because we there’ isn’t a competent authority to verify the data?” -- KI

“There are many actors in the supply chain who don't want transparency of data as it will expose fraud, tax avoidance, money laundering, laundering of IUU etc.” -- KI

- Broadly speaking, real dialogue and collaboration around transparency is yet to begin.
- Some say it was a “hot topic” in the recent past but attention has shifted to other priorities.
- There is not a common vision in the movement regarding success. There is limited established agreement on “transparency of what, for whom, for what purpose?” And many say this discussion isn’t even happening.
- Data verification will be needed for transparently shared information to be credible, but verification is largely lacking.
- On the upside, some say that there are likely many areas of convergence in the movement on how to approach the issue of transparency and that agreement around priorities could be reached fairly efficiently.
- Others caution that transparency dialogues should focus on the “transparency for whom for what” versus on “transparency of what information and how,” based upon the sense that the latter could stall progress.
- Efforts around increasing transparency must be cognizant of the fact that some industry actors argue against it.

“Attention has moved off from transparency before it’s been addressed.

People got so caught up in immensely complicated technical systems. Transparency can be about the high tech. But it can also be much simpler. We need to reengage the agenda.” -- KI

“Unless there is a clear international agreement among industry/ government and civil society on what transparency means and looks like when implemented, **industry actors will continue [use the excuse], ‘We don't know what’s needed and don't agree with some views on what is required.’**” – KI

“Our position is that we want it all and want it to be public, but the benefits we want are getting the information to decision makers because my mom isn’t going to be looking at IMO lists. **What we should push for depends a lot on what information has the greatest potential to shift management.**” – IUU evaluation workshop participant

Looking ahead, despite the numerous and significant challenges, improving traceability and, to some degree, transparency is a clear priority for Industry and NGOs

NGO survey respondents say the top priority to transform the global seafood market and create meaningful changes for seafood sustainability in the next 5-10 years is “Improve accountability and transparency in the seafood industry to uphold sustainable sourcing commitments.”

Half of industry survey respondents say their companies are very likely to invest in technology as needed to improve traceability, and another quarter say their companies are likely to do so. (n = 51)

“Over the next decade, we will continue to see an increase in demand from retailers and consumers for more sustainable, more traceable seafood.” – Industry survey respondent

“There will be an increasing expectation of commitments and demonstration of change to meet them. Transparency will be expected.” – Industry survey

Looking ahead...

“Traceability will be key - for minimizing IUU risk and also ensuring sourcing from sustainable fisheries. Tools to illustrate traceability / low IUU risk will be important. Success will be to focus on the high-risk species to start and eventually rolling the system out to all products.” – Industry survey respondent

Efficiently improving traceability requires industry leadership, investment, collaboration and coordination. Several precompetitive platforms have traceability and/or transparency as an explicit priority, including Sea Pact, SeaBOS, and GDST.

“Unless seafood buyers can track and trace their seafood back to its logical origin then they will never be able to mitigate and remedy the issues within their supply chains. However, asking questions and having information means something then needs to be done, which is also a barrier to doing nothing in the first place.” -- KI



Strategic Options for Philanthropy

Significant work remains to ensure that companies know and transparently demonstrate that the seafood they buy and sell comes from sources that are legal, sustainable and ethical

#	Finding	Slides	Confidence
1.1	The Packard Foundation has sought to advance traceability, primarily as a means to increase transparency.	393	H
1.2	The Walton Family Foundation has sought to advance traceability, primarily as a means to ensure legality.	394	H
1.3	The foundations have supported various efforts targeting and related to traceability and transparency, but the portfolio of grants does not appear to align with the scale and scope of the foundations' intended outcomes.	395, 396, 409	M
1.4	Some say Traceability is close to the “finish line” and industry indicates progress has been made, but NGOs say full traceability is very limited. Traceability is likely in Phase 2 of the market transformation framework, possibly poised to move to Phase 3.	398, 399, 404	M
1.5	Ensuring transparency of information needed to demonstrate legality, sustainability, and social responsibility is in a very nascent phase. Transparency is likely in Phase 1 of the market transformation framework.	400-402, 405	M
1.6	The Moore Foundation is seen as the primary supporter of progress to date, with the recently issued GDST voluntary standards on seafood traceability typically identified as the most notable achievement. WFF and Packard are seen as playing niche roles, for example through their support of SALT, the effectiveness of which is considered limited.	407	M
1.7	Priority challenges to significantly scaling up the extent to which seafood is traceable revolve around industry motivation, tools and technology, information flow and use, and general knowledge to inform strategy.	411, 412	H
1.8	Improving transparency requires taking critical first steps among the philanthropies and with NGOs and industry regarding definition—transparency of what, for whom, for what purpose—and setting strategic priorities and approach.	413	H
1.9	Looking ahead, despite the numerous and significant challenges, improving traceability and transparency are considered necessary conditions to ensure legal, sustainable, and socially responsible seafood production globally.	414	H

Confidence Levels (more details in methodology): High = robust set of evidence; triangulation across sources; Medium = moderate set of evidence; more limited ability to triangulate (may be mixed evidence); Low = limited set of evidence

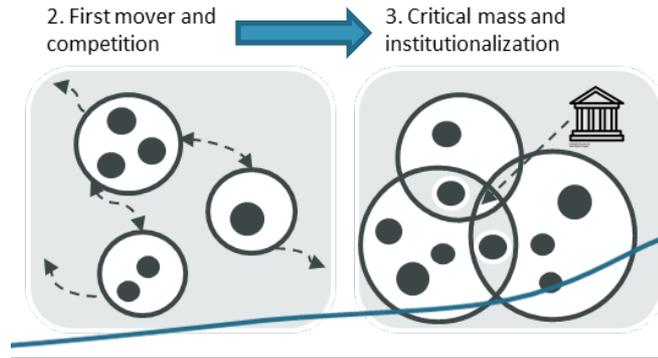
Continued philanthropic support and engagement may be fundamental to future progress

Strategic question	Short answer	Explanation
Should philanthropy support work on Traceability and Transparency? (Would industry fill the gap?)	Yes, but its role could be tightened	<p>While it is ultimately up to industry to adopt, pay for, and implement traceability systems and practices, significant work remains to ensure they have the motivation and know-how to do so. Motivation, in particular, will be both carrot and stick: “carrot” in the form of establishing the business case and providing support around capacity building and awareness, and “stick” in the form of watchdogging that exposes poor practice and even lack of knowledge thereof.</p> <p>Regarding transparency, industry will remain largely unmotivated to provide more information than is mandated, yet lack of that information impedes holding industry accountable. If philanthropy and the NGOs believe more data should be readily visible on legality, sustainability, and social responsibility, they will need to clearly ask and incentivize industry to provide it.</p> <p>The philanthropies hold a unique position to convene, with the ability to organize among themselves, engage in constructive dialogue with industry, and convene NGOs to reach agreements and set forward priorities and collective, coherent approaches regarding traceability and transparency.</p> <p>Given the foundational nature of traceability and transparency within the philanthropies’ theories of change, continued investment appears warranted, but a more targeted approach toward clear behavior- and state-change outcomes is recommended.</p>

Traceability appears poised to advance beyond first mover phase to gain critical mass (from Phase 2 to Phase 3), with emphasis placed on overcoming barriers to uptake of the GDST standards

Transition Needs: Moving Traceability from Phase 2 to 3

- *Capacity*: How to establish practical, sufficient technological and technical capacity to gather, convey, and use traceability information by businesses and governments? How to establish these in “the first mile”? How to leverage what can be learned from traceability for food safety?
- *Business Model*: Who pays and how? What is the value proposition for industry and for governments to ensure traceability?
- *Relative Focus*: What is the right balance between advancing traceability versus transparency? Between promoting voluntary adherence versus regulatory? Between directly engaging and watchdogging industry versus supporting via NGO partnerships?

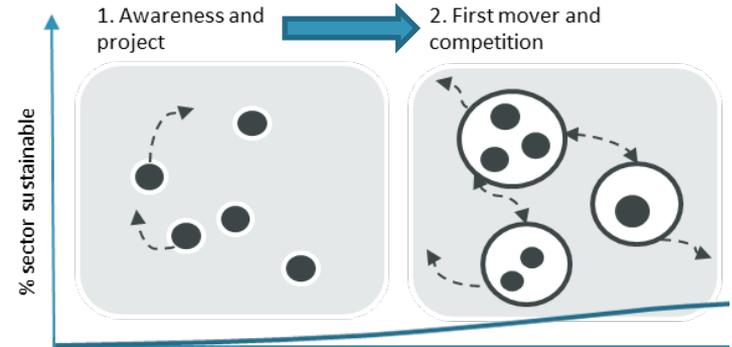


Potential strategic priorities to expand uptake of traceability include overcoming barriers to uptake of the GDST standards, including better focusing and leveraging SALT

Strategic question	Short answer	Explanation
What are the potential strategic options for increasing traceability?	<p>Support uptake of GDST Standards by industry and governments</p> <hr/> <p>Focus and leverage SALT to resolve key barriers to GDST standards adherence</p>	<ul style="list-style-type: none"> • Ensure consistent asks to industry and government regarding the adoption of the GDST KDEs. • Strengthen the business cases (including proof of concept) for industry and government that demonstrates what they will gain from implementing and, in the case of government, mandating proper traceability systems. • Potentially focus on the “first mile” challenge – how to ensure technology, capacity, and practice exist to enable credible traceability, including verification. • Clarify philanthropic role, versus industry, and relative focus given Moore’s emphasis on this issue. <hr/> <ul style="list-style-type: none"> • More clearly articulate the purpose and strategic priorities for SALT, and then track and measure results so all involved understand extent of progress, learning, and achievements. • Potential objectives could include: <ul style="list-style-type: none"> • Prioritizing exchange/learning to overcome priority barriers to adoption of traceability. • The “first mile” problem: is the right information being collected in the “right way” at the source in order to support governance, accountability, and supply chain purposes, including ensuring verification? • Assessing the true extent of the challenge: Clarifying and tracking the degree to which traded seafood is actually traceable (given that NGO and industry views on this differ widely). • Where seafood is fully traceable, gathering and sharing learning from technological AND behavioral standpoints in a manner that is readily accessible and applicable.

To move work on transparency from a general awareness of need (Phase 1) to meaningful progress requires overcoming challenges regarding clarity, alignment, and motivation

- **Challenges to Address to Solidify Awareness and Focus Effort (Phase 1) Regarding Transparency**
 - *Strategic Clarity*: What is the need for transparency to ensure accountability? Where does the theory of change fall down because of lack of information?
 - *Alignment*: What is the common vision within the philanthropic and NGO communities and with industry regarding “transparency of what, to whom, for what purpose”?
 - *Carrot and Stick*: How to motivate and work with industry to share more information? Can this be done credibly while not compromising business interests? Are there first movers that can be encouraged and highlighted?



To move work on transparency from a general awareness of need (Phase 1) to meaningful progress requires overcoming challenges regarding clarity, alignment, and motivation

Strategic question	Short answer	Explanation
What are the potential strategic options for increasing transparency?	Clarify strategic purpose and approach regarding transparency and ensure consistency going forward	<ul style="list-style-type: none"> • Convene among philanthropy, with NGOs, and with industry to clarify focus and priorities of transparency work: transparency of what, for whom, for what purpose(s). • Consider framing needs within a larger accountability analysis: Where does the theory of change, or particularly tactical approaches, not play out because of lack of accountability supported by adequate, transparent information? • Clarify the strategic relationship between traceability work and transparency. What does traceability provide and enable regarding transparency? How far does it get you? • Ensure funders and NGOs arrive at a common vision and core messaging for asks of industry regarding transparency. • Consider a landscape analysis of efforts in the name of greater transparency and, where necessary, align competing asks or fragmented efforts. • Ensure internal alignment within philanthropies and grantee partners: what markets staff and FIP staff are requesting may differ, confuse, and/or compete.
	Tackle issue of verification	<ul style="list-style-type: none"> • Within discussions regarding transparency, keep issue of verification on the table. • Consider streamlined, high priority, targeted transparency asks (initially) for which verification may be possible.
	Motivate industry action	<ul style="list-style-type: none"> • Provide carrots: Identify, engage, and celebrate first movers • Use sticks: Keep the heat on



Annex 10: Shallow Dive – Trade Policy and Import Controls to Mitigate IUU Fishing

- Executive summary
- Overview of evidence
- Definitions, theory of change, and portfolio overview
- Where we are today and contributions of the foundations to progress
- Context for future action
- Strategic options for philanthropy

Relevant Evaluation Questions: 2, 6, 7, 8, 9, 11, 12

- WFF has sought to strengthen trade policies to make import of IUU fish unacceptable in major markets; this “set the floor” strategy complements WFF’s “build demand” strategy.
- Trade policy aims include expansion of the US Seafood Import Monitoring Program (SIMP), adoption of new trade policy in Japan, and implementation of the EU anti-illegal fishing rule. WFF grantmaking (\$3.43M, 2017-2019) has been very closely aligned to its aims in the US, EU (Spain), and Japan.
- Important progress has been made over the past five years regarding international and national policy instruments to drive down IUU. Despite policy gains, IUU fishing remains a major challenge to achieving sustainability, representing nearly 20% of global catch value, estimated at more than \$11B USD.
- Import controls are nearing critical mass (Phase 3 of the market transformation framework); those imposed by the US, EU, and Japan can influence an estimated 60-70% of globally traded seafood.
- WFF is said to have made important contributions to progress on SIMP and in Japan; evaluation data are insufficient to assess contribution in Spain/the EU.
- While important progress has been made on IUU policy in the US, EU, and Japan, numerous challenges remain across WFF’s theory of change to get to meaningful, durable impact. Direct effort and investment continues to be needed to strengthen trade restriction laws, policies, implementation, and response at all scales, across industry and governments. Achieving critical mass requires the new import control policy in Japan and progress in China; institutionalization requires implementation at all scales, which may include support for production side improvements.



Overview of Approach and Evidence

This is a light touch assessment of the WFF's past and potential future work on trade policy and import controls to mitigate illegal, unreported, and unregulated fishing

The foundations both provide support through their GSM portfolios for mitigation of IUU fishing. WFF focuses on the formulation and implementation of trade policies that disallow IUU fishing, with a particular emphasis on the United States, the EU (through targeted work in Spain), and Japan. This complements work on IUU executed by WFF's country programs. Packard focuses on engaging major buyers in: 1) formulating commitments that require legality and verifiable traceability for all seafood products and 2) supporting key policy initiatives that combat IUU fishing. This complements Packard's portfolio on IUU within its Oceans Strategic Framework.

This analysis focuses specifically on WFF's work on trade policy/import controls, given that Packard's work in this space is largely through major buyer engagement (covered elsewhere in this evaluation) and a portfolio outside of GSM.

The evidence base for this analysis is very limited, including two targeted interviews with NGO representatives with expertise in trade policy, perspectives on import controls drawn from the full suite of GSM key informant interviews, foundation grant documents and direct input, select online materials, and a few questions on this topic in the evaluation's GSM seafood industry survey (52 respondents) and NGO/grantee survey (41 respondents).



Definitions, TOC, and Portfolio Overview

Eliminating illegal, unreported, and unregulated fishing is a precondition to achieving seafood production that is environmentally sustainable and socially responsible

IUU Fishing Undermines Sustainable Management and Livelihood and Food Security and Can Involve Human Rights Abuses

Fishing is illegal if:

- 
- no authorisation
 - against conservation and management measures by Regional fisheries management organisations (RFMO)
 - against national laws or international obligations.



Fishing is unreported if:

not reported, or the reporting contravenes international, RFMO or national laws and regulations.

Fishing is unregulated if:

- the fishing vessel has no nationality
- fishing activities jeopardise fish stocks.



https://ec.europa.eu/fisheries/sites/fisheries/files/docs/publications/2019-tackling-iuu-fishing_en.pdf

If IUU fishers target vulnerable stocks that are subject to strict management controls, efforts to rebuild those stocks to healthy levels will not be achieved, threatening marine biodiversity, food security for communities who rely on fisheries resources and livelihoods of those involved in the sector.

<http://www.fao.org/iuu-fishing/background/what-is-iuu-fishing/en/>

IUU fishing accounts for millions of tons of seafood and billions of dollars in trade every year. It is a major threat to sustainability because IUU fishing often employs gear and practices banned due to their environmental consequences, and sometimes involves forced labor and other human rights violations.

<https://certificationandratings.org/sustainable-seafood-a-global-benchmark/>

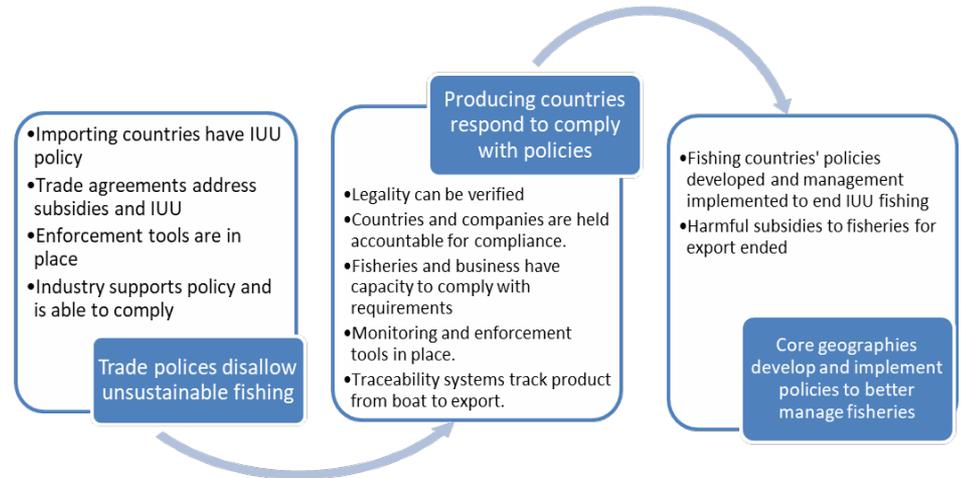
WFF has sought to strengthen trade policies to make import of IUU fish unacceptable in major markets; this “set the floor” strategy complements WFF’s “build demand” strategy

WFF Markets Theory of Change: To support the development of national-level policies that secure healthy, sustainable fisheries in core geographies, the foundation will employ two related approaches: 1) promoting policies and programs to encourage sustainable fisheries (“set the floor”) and 2) engaging the supply chain to support healthy fisheries practices (“build demand”).

WFF’s “trade restrictions” strategy seeks to support the development and implementation of trade policies that restrict the import of IUU seafood to the major markets of the US, EU, and Japan. The strategy is designed to advance two WFF GSM goals:

- By 2020, US, Japanese, and Spanish imports from core geographies meet minimum requirements for sustainability and traceability; this will include reducing the amount of illegal seafood entering the US from 30% to 15% (*note: after the 2015 strategy was in place, Oceans found that illegal exports to the US had fallen to 15%**).
- By 2030, the United States, European Union, and Japan have effectively limited the entry of IUU products into their markets.

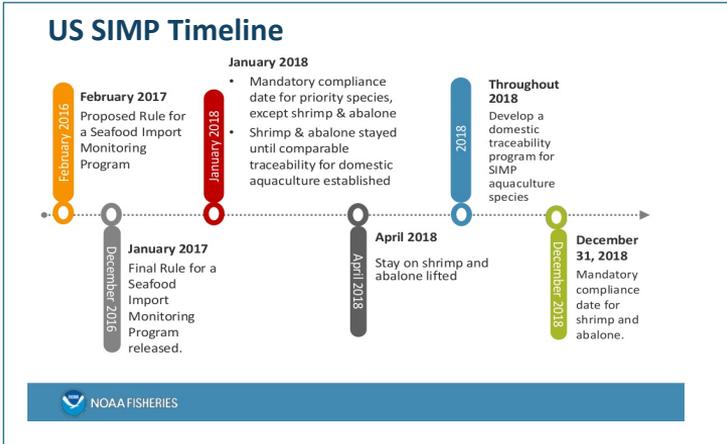
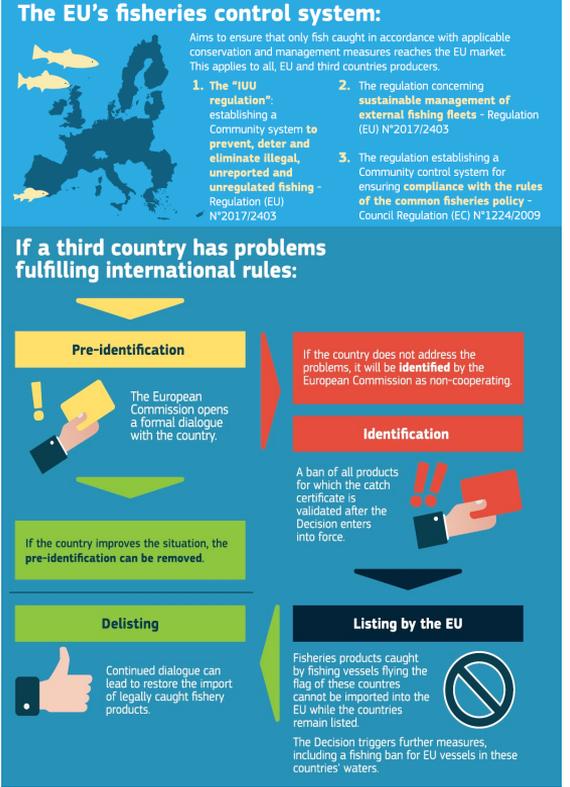
WFF theory of change for the strategy, “trade restrictions as an incentive to improve fisheries management.”



Trade policy aims include expansion of the US Seafood Import Monitoring Program (SIMP), adoption of new trade policy in Japan, and implementation of the EU anti-illegal fishing rule

Targeted results of the strategy to promote policies and programs that encourage sustainable fisheries

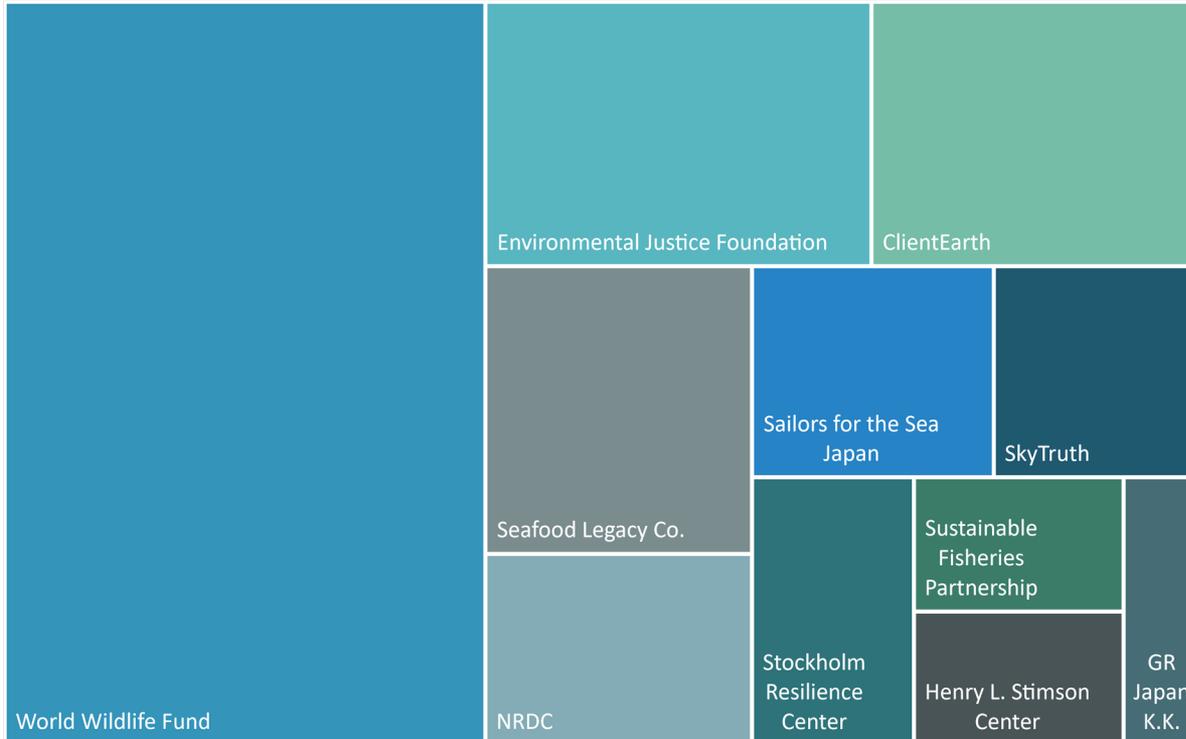
Overarching Goal	US	Japan	Spain
Clear market signals, codified in policy, that IUU seafood is not acceptable.	All of the at-risk species identified in the Federal register coming from priority geographies are traceable.	Japan has developed a comprehensive IUU policy for imported products that aligns with the US and EU policies	The EU has not rolled back its IUU policy and has transitioned its catch certificate program from paper to electronic.



WFF grantmaking in the period 2017-2019 (\$3.43M) has been very closely aligned to its aims in the US, EU (Spain), and Japan

WFF 2017-2019: 11 grantees, 15 grants

The tree map below illustrates relative percentage of funding to grantees within the category Trade Policies and Import Controls from 2017-2019



Consistent with intended outcomes of the trade restrictions strategy, WFF funded work focused on import controls policy in the US, Japan, and the EU (with a focus on Spain):

- *United States:* Approximately half of the trade policy portfolio supported WWF and Henry L. Stimson Center efforts to support SIMP, including expanding coverage to all species imported to the US, ensuring effective implementation, and initiating inclusion of forced labor in the policy. Stimson also worked to advance the Maritime SAFE Act, a comprehensive US policy regarding IUU.
- *Japan:* About \$1M USD supported four different organizations to align EU import control requirements with the US and Japan and build support, alignment, strategy and momentum among Japanese NGOs, businesses, and society regarding the importance of stronger import controls in Japan.
- *EU-Spain:* WFF provided funding to ClientEarth for work in Spain to build support for and ensure effective implementation of the EU anti-illegal fishing import regulations.
- *Other:* WFF also supported targeted efforts around IUU in Peru and Indonesia and via the precompetitive platform, SeaBOS.

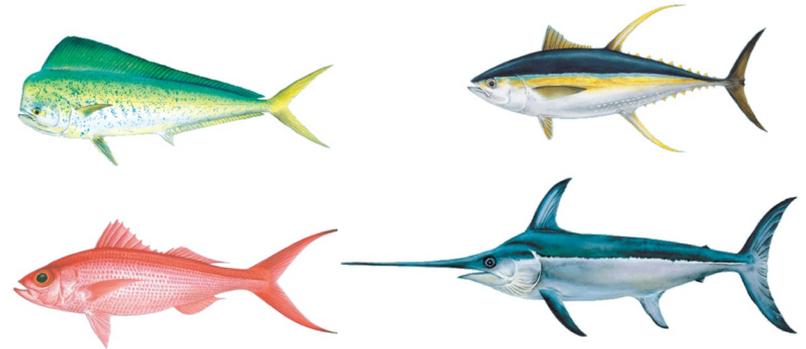


Where We Are Today and Contribution of the Foundations to Progress

Important progress has been made over the past five years regarding international and national policy instruments to drive down IUU (1 of 3)

“Most countries have taken measures to combat [IUU] fishing and have adopted an increasing number of fisheries management instruments in the past decade.” -- <https://sustainabledevelopment.un.org/sdg14>

- **The final rule for SIMP was released in December of 2016**, following intensive policy work reportedly carried out primarily by WWF and Simson, with additional campaign support from Oceana and on and off engagement by NRDC and Greenpeace. SIMP aims to enhance traceability in the seafood supply chain and thereby lead to a reduction in IUU and fraudulent fish entering the US market, with an initial scope encompassing 13 species groups.
- **Key informants say more time for implementation is needed before on-the-water impacts become apparent.** To get to effective implementation is estimated to need another five years. Mexico and Indonesia are cited as taking steps to ensure compliance for certain fisheries, however.

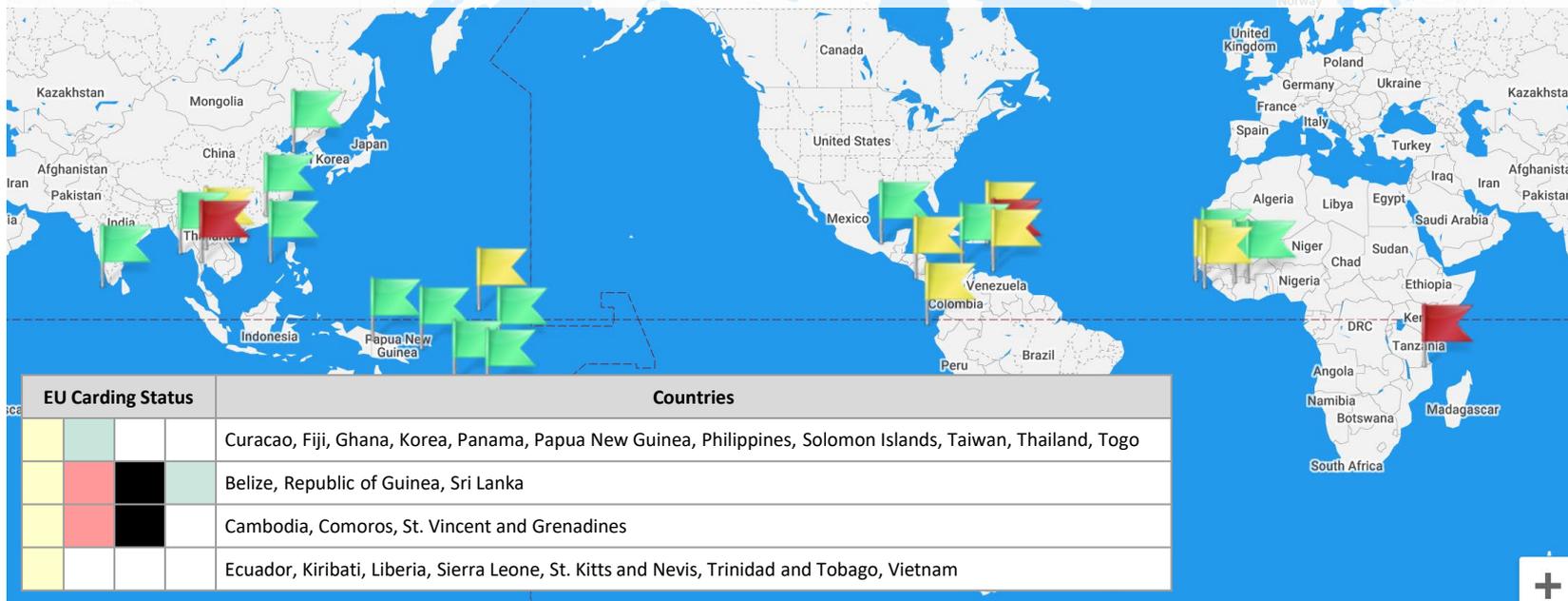


Artwork: Les Hata © Secretariat of the Pacific Community

Species included under SIMP: Abalone, Atlantic Cod, Blue Crab (Atlantic), Dolphinfish (Mahi Mahi – *upper left*), Grouper, King Crab (red), Pacific Cod, Red Snapper – *bottom left*, Sea Cucumber, Sharks, Shrimp, Swordfish (*bottom right*), Tunas (Albacore, Bigeye, Skipjack, Yellowfin – *top right*, and Bluefin)

Important progress has been made over the past five years regarding international and national policy instruments to drive down IUU (2 of 3)

The EU IUU Regulation went into effect in 2010 and since that time, appears to be catalyzing improvements around the world. Of the 26 countries that have received a “yellow card” — pre-identification of EU concerns—13 made improvements and were returned to “green” status, another 3 were eventually blacklisted but then improved to green, 3 remain blacklisted, and 7 are still yellow-carded.

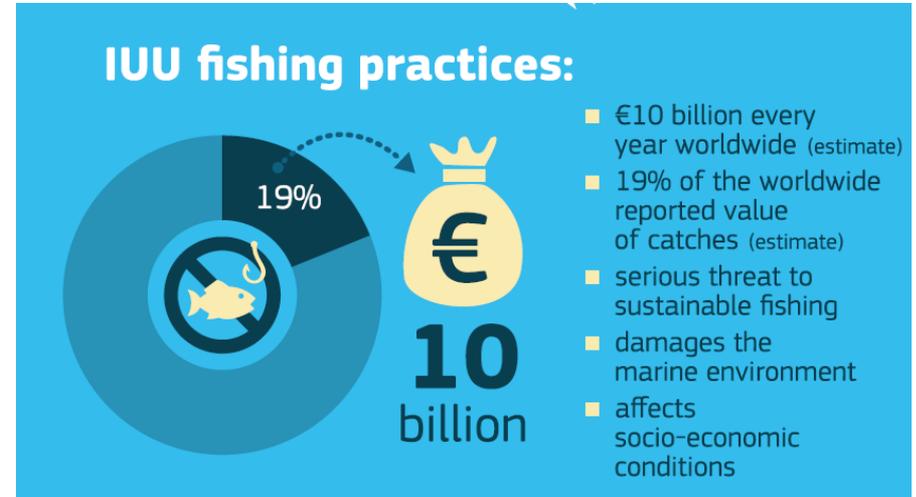


Important progress has been made over the past five years regarding international and national policy instruments to drive down IUU (3 of 3)

- **A new international import controls policy is being considered in Japan:** In 2018, Japan amended its domestic fisheries laws in an effort to protect overfished species by increasing penalties, imposing individual quotas on fishing vessels, and introducing a science-based total allowable catch system. The country is said to be exploring adoption of new legislation on the order of US SIMP or the EU IUU regulation.
- **The United States Maritime Security and Fisheries Enforcement (Maritime SAFE Act) passed.** The Maritime SAFE Act was enacted in December of 2019 and is designed to advance a comprehensive strategy to combat IUU fishing, including elements of diplomacy, law enforcement, technology, transparency, and international capacity-building, with efforts focused on global priority areas where IUU fishing is considered prevalent. Focus now must move to implementation.
- **More than a quarter of all countries have signed on to the International Agreement on Port State Measures.** This is the first international binding agreement to combat [IUU] fishing and entered into force in June 2016. The number of parties to the Agreement stood at 58 as of February 2019. As with the other major policies regarding trade in IUU seafood, implementation remains a challenge.
- **China is said to be reducing subsidies more effectively conducting anti-IUU on fleets.** There is some hope that China will fully end subsidies in the next few years.

Despite policy gains, IUU fishing remains a major challenges to achieving sustainability, representing nearly 20% of global catch value, estimated at more than \$11B USD

- **Sustainable Development Goal (SDG) 14, set in 2016, sought to end IUU by 2020, which has not been achieved.** As of October of 2019, the EU estimates that IUU continues to represent nearly 20% of worldwide reported value of catches, equivalent to ~\$11B USD.
- **The state of IUU globally may be improving, however.** EU materials indicate that more than 50 countries have strengthened their systems to combat IUU fishing. In 2015, WFF believed that 30% of seafood entering the US was illegal but commissioned a study that same year that demonstrated that figure had already fallen to 15%.
- **IUU likely remains an unabated challenge in other parts of the world.** Lewis and Boyle (2017) indicate, “40% of West Africa's total catches may be illegal, and in some places illegal and undocumented fishing can be double the documented harvest numbers.”



https://ec.europa.eu/fisheries/sites/fisheries/files/docs/publications/2019-tackling-iuu-fishing_en.pdf

Import controls imposed by the US, EU, and Japan influences an estimated 60-70% of globally traded seafood; effecting near full “closure” to IUU would require import controls in China

1 Awareness and project

- The problem of IUU has been on the global radar appear around 2001 but momentum has particularly grown over the past decade. Seemingly driven by wanting to recover revenue losses due to IUU, governments have started to take action to limit IUU fishing directly through better governance and indirectly through import control policies.

2 First mover and competition

- The EU passed its IUU Regulation in 2009, with ongoing implementation since.

“Having the US, EU, and Japan move together fundamentally changes supply chains. At least that’s my theory.” -- KI

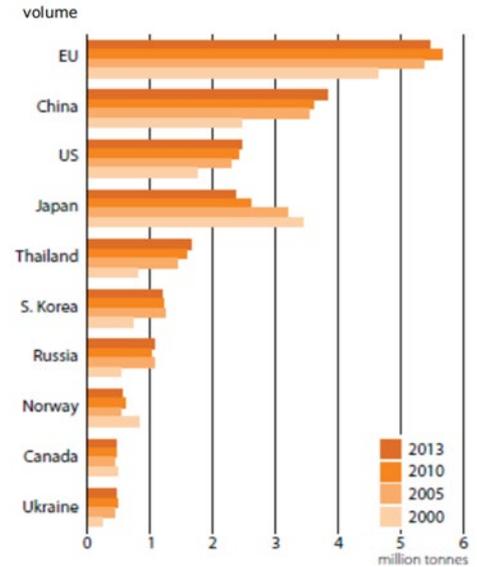
3 Critical mass and institutionalization

- Need solid implementation of SIMP, Maritime SAFE Act, Port State Measures.
- Japan is nearing an import control policy for seafood.
- Buyer commitments include provisions for sustainable/ traceable seafood, but traceability and verification remain challenges.
- IUU is one of 7 SeaBOS task forces, illustrating industry engagement.

4 Level playing field

- To avoid a “balloon effect,” wherein IUU seafood simply shifts to major markets without import controls, action by China is needed.
- Together with the US, EU, and Japan, this would encompass nearly 80% of globally traded seafood.
- Continued technical assistance is needed to help countries make required improvements.

The major global importers of seafood, 2000-2013



From: Rabobank World Seafood Trade Map 2015

WFF is said to have made important contributions to progress on SIMP and in Japan; evaluation data are insufficient to assess contribution in Spain/the EU

WFF's support has been critical to progress to date

"The administration has come to us and said it wants to pursue sanctions against countries, like the EU does. We'll see if that materializes but **that level of access and progress is really thanks to the support of Walton.**" -- KI

"Without Walton funding, the Maritime Safe Act wouldn't have happened, the US Mexico Canada language wouldn't have happened." -- KI

"Walton has helped to ensure that we all get on the same page. Now we have regular calls. And trust, which is so important." -- KI

"IUU fishing had been on the radar, but Obama really helped catalyze government agendas around the issues. NGO and foundation support has been helpful in pushing these issues in the right direction. **Would these advances have happened anyway without the NGOs and foundations? Not to the same extent.**" -- KI

"What has been the contribution of the foundation? **It's a really small world working on this stuff.**" -- KI



Context for Future Action

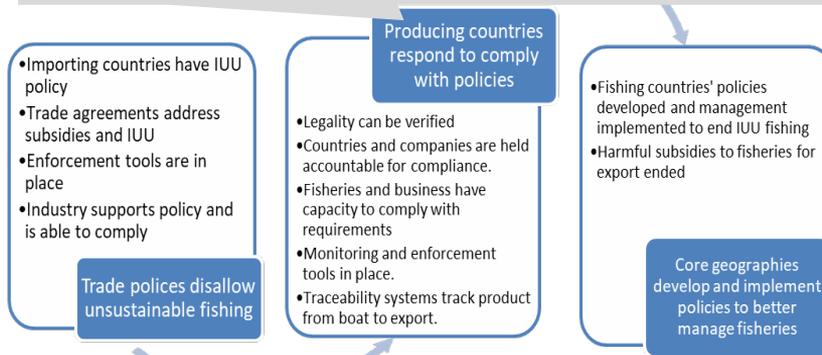
While important progress has been made on IUU policy in the US, EU, and Japan, numerous challenges remain across WWF's theory of change to get to meaningful, durable impact

Challenges in policy development:

- Of the major markets, Japan and China are yet to adopt import control policies, necessary to avoid the “balloon effect”
- Expanding SIMP to all species and including human rights and labor
- China still uses subsidies, but reportedly less so than in the past
- Implementation of all import control regulations is needed (no backsliding in the EU, ramp up in the US, and initiation in Japan)
- Implementation requires adequate and sustained funding
- Industry is not yet advocating for, and in some cases is obstructing, policy progress

Challenges to establishing conditions for compliance:

- Verification remains a challenge in many producing geographies
- Major markets other than the EU are not yet holding others accountable for compliance
- Capacity, monitoring and enforcement, and traceability are important barriers across many producing countries
- RFMOs are said to be a challenge



• Importing countries have IUU policy
 • Trade agreements address subsidies and IUU
 • Enforcement tools are in place
 • Industry supports policy and is able to comply

• Legality can be verified
 • Countries and companies are held accountable for compliance.
 • Fisheries and business have capacity to comply with requirements
 • Monitoring and enforcement tools in place.
 • Traceability systems track product from boat to export.

• Fishing countries' policies developed and management implemented to end IUU fishing
 • Harmful subsidies to fisheries for export ended

Core geographies develop and implement policies to better manage fisheries

Challenges to attaining targeted impact:

- Beyond evidence of producing countries making improvements in response to EU yellow cards, KIs indicate that impact of other trade restrictions on the water need more time to be realized.

“Improvement measures fall on those least able to absorb them.” – KI

“RFMOs are a mess. More work needs to be done to shine a light on that, how they operate, their lack of transparency.” -- KI
 If RFMO's could be improved, this would be huge especially for seafood not destined for Japan, US or EU. -- KI

“It’s one thing to say it [SIMP], another to start doing it such that NOAA starts to enforce against noncompliance.” -- KI

“It has been super frustrating getting companies to engage in the policy space. They have not been on board with the idea that more regulations should be brought into the marketplace.” -- KI

“There has been some impact. So much is nascent though, so we have to keep on the pressure. It’s going to take awhile.” -- KI

Direct effort and investment continues to be needed to strengthen trade restriction laws, policies, implementation, and response at all scales, across industry and governments

“The floor needs to be set by government. Voluntary measures don’t cover enough of the supply to make a big enough difference. For example, MSC is just 6% of the supply sold in the US. We’ve seen it time and again—water quality, seatbelts. Until the government requires it, you can’t get to scale.” -- KI

“We have to **ensure the dollars are there** to make sure programs like SIMP actually run. We have seen annual increases in the appropriation, so that is a good sign for durability.” -- KI

“We need to **expand SIMP to all species and ensure implementation** is working as it should.” -- KI

“To leverage industry, we need to identify the best ones who understand good management, transparency, equity, interest in economic viability. Bring them into the tent. **Engage those who want to make a difference.**” -- KI

Looking ahead, priorities revolve around:

- Maintaining a regulatory approach to complement voluntary approaches
- Expanding and ensuring implementation of import control policies
- More constructively engaging and leveraging industry in making policy gains
- Supporting producing country improvements, including around traceability (refer to traceability analysis)
- Generally keeping the pressure on and visibility up to advance all of the above.

“This HAS to be mandatory. The supply chain won’t act unless it has to, except for the few who understand it.” -- KI

“China is the big dog and has to be brought along eventually. The NGOs could play a big role there. We’ll need to campaign around clean, healthy, safe seafood..” -- KI

“There needs to be more on-the-ground work to match the demands coming from the EU, US, and Japan. **Many countries are not prepared to put in the management systems required.**” -- KI

“Companies are more willing to engage in the policy conversation when they feel the heat. **We need to keep the pressure on, keep industry a little scared.**” -- KI



Strategic Options for Philanthropy

Significant work remains to ensure that companies know and transparently demonstrate that the seafood they buy and sell comes from sources that are legal, sustainable and ethical

#	Finding	Slides	Confidence
1.1	Eliminating illegal, unreported, and unregulated fishing is a precondition to achieving seafood production that is environmentally sustainable and socially responsible.	427	H
1.2	WFF has sought to strengthen trade policies to make import of IUU fish unacceptable in major markets; this “set the floor” strategy complements WFF’s “build demand” strategy	428	H
1.3	Trade policy aims include expansion of the US Seafood Import Monitoring Program (SIMP), adoption of new trade policy in Japan, and implementation of the EU anti-illegal fishing rule	429	H
1.4	WFF grantmaking (\$3.43M, 2017-2019) has been very closely aligned to its aims in the US, EU (Spain), and Japan	430	M
1.5	Important progress has been made over the past five years regarding international and national policy instruments to drive down IUU	432-434	H
1.6	Despite policy gains, IUU fishing remains a major challenges to achieving sustainability, representing nearly 20% of global catch value, estimated at more than \$11B USD	435	H
1.7	Import controls are nearing critical mass (Phase 3 of the market transformation framework); those imposed by the US, EU, and Japan can influence an estimated 60-70% of globally traded seafood	436	M
1.8	WFF is said to have made important contributions to progress on SIMP and in Japan; evaluation data are insufficient to assess contribution in Spain/the EU	437	M
1.9	While important progress has been made on IUU policy in the US, EU, and Japan, numerous challenges remain across WFF’s theory of change to get to meaningful, durable impact	439	M
1.10	Direct effort and investment continues to be needed to strengthen trade restriction laws, policies, implementation, and response at all scales, across industry and governments	440	H

Continued philanthropic support is likely needed to get from past policy progress to implementation and impact

Strategic question	Short answer	Explanation
Should philanthropy support work on import controls to combat IUU?	Yes	<ul style="list-style-type: none">• Significantly driving down IUU is viewed as a precondition to sustainability, and a critical element of driving down human rights and labor abuses.• Regulatory measures are considered fundamental to complement voluntary measures to get to market transformation.• This appears to be relatively low cost, high impact work; a few high capacity, connected grantees can make great progress.• Few are investing in this space so if WWF were to stop, it is unclear who would fill the void.• To see real returns on investments to date, additional effort is needed to ensure implementation of all policies.• Efforts to date in Japan appear close to paying off, but continuing pressure is needed.• There are some initial signs that WWF and its partners could leverage progress and learning to date in the US, EU, and to influence China, ultimately needed to avoid the “balloon effect.”• Understanding and overcoming barriers to eliminating IUU is needed in major production countries; the foundations are in a unique position to provide this type of support.

“Progress on implementing SIMP and figuring out what to do in Japan, none of that would happen without Walton...I hope the foundations don’t say, ‘We’ve been working on this and we’re done, let’s move on.’ We have aligned laws now and can’t walk away. We have to keep the pressure on and make it all work.” -- KI

Achieving critical mass requires the new import control policy in Japan and progress in China; institutionalization requires implementation at all scales, which may include support for production side improvements

3. Critical mass and institutionalization



Strategic question	Short answer	Explanation
What are the potential strategic options for expanding the existence and impact of import control policies?	Expansion and implementation in the US	<ul style="list-style-type: none"> • Continue efforts to expand SIMP to all species • Consider whether and how to incorporate human rights and labor abuses • Ensure implementation, including sufficient funding
	Avoid backsliding in the EU	<ul style="list-style-type: none"> • The EU IUU regulation is identified as the most impactful under implementation • The evaluation has insufficient information on whether WFF should keep up its effort in Spain on import control policy implementation
	Cross the finish line on the Japan import control policy	<ul style="list-style-type: none"> • Ensure aligned import controls policies are passed • As in the US and EU, implementation then will be needed
	Keep the pressure on in China	<ul style="list-style-type: none"> • Continue efforts and messaging in China to encourage continued reduction of subsidies and adoption of import controls
	Help producing countries improve	<ul style="list-style-type: none"> • Significant improvements are still needed regarding capacity, traceability, and monitoring and enforcement
	Leverage industry partnerships	<ul style="list-style-type: none"> • More effective engagement of industry is needed to mitigate obstruction of, and build collective industry response calling for, policy improvements and implementation