



Japan Seafood Market & Fisheries Strategy

MAY 2016

the David &
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FOUNDATION

Introduction

This document was first presented in January 2015. The current version of the strategy reflects feedback from the Oceans Strategic Framework Board Working Group, foundation colleagues, and partners in Japan. In 2015, we made grants to seven organizations primarily in support of the market demand strategic initiative. Within the Oceans strategic framework, Japan is both a key market for the Global Seafood Markets strategy as well as a focal geography. The political climate in Japan is presently very dynamic, particularly with regard to fisheries and trade policy issues. As such, we expect the Foundation's Japan Strategy will continue to evolve as external circumstances continue to change and our own understanding of opportunities matures.

The Packard Foundation began grantmaking in Japan in 2012. Our early grants focused on better understanding the nature of the Japanese seafood market and the political climate around fisheries and seafood, with an eye toward laying the groundwork for a sustainable seafood movement in the country.

1. Why Japan? The rationale for Packard to focus on Japan

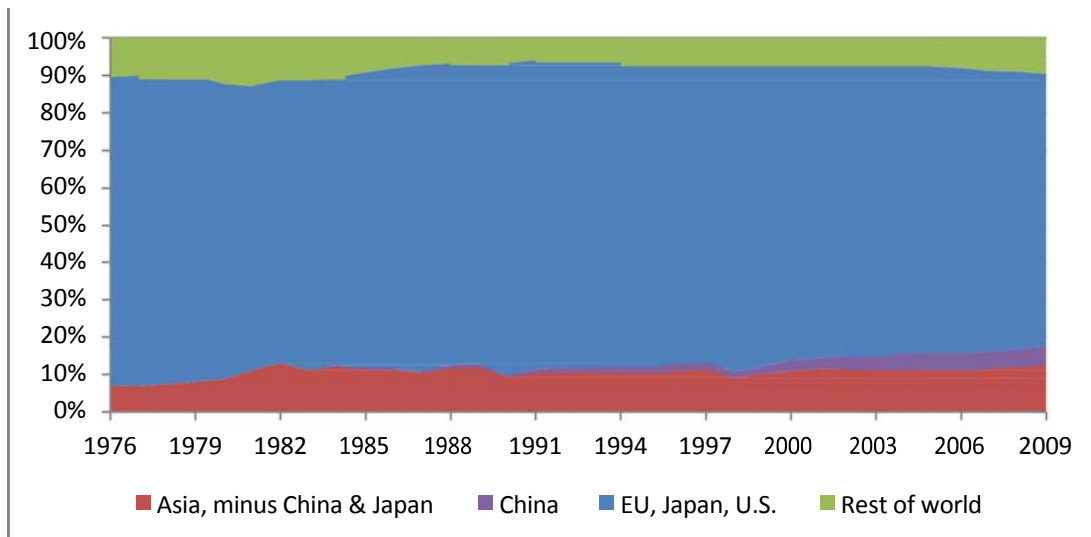
The simplest rationale for our work in Japan is the hope that the large Japanese seafood market can become a powerful force for global fisheries sustainability.

The Global Seafood Market strategy’s overarching theory of change is based on the premise that creating demand for sustainable seafood in premium markets can effectively change the economic and political dynamics of fisheries globally. As consumers and major buyers ask for more sustainable seafood, producers, and regulators will be more likely to improve the sustainability of their fisheries. To that end, the foundation has helped to both cultivate demand for sustainable seafood in North America (e.g., major buyer work, seafood cards) and create the NGO systems that underpin this movement (e.g., Marine Stewardship Council, Fishery Improvement Projects, Conservation Alliance for Seafood Solutions). In Europe, consumer demand for sustainable seafood and corporate engagement has grown largely without the Packard Foundation’s engagement, though with support from other groups such as WWF and the Oak Foundation.

Our initial rationale for an expanded focus on Japan was the recognition that, along with the US and the EU, Japan is one of the world’s three premium import markets for seafood, particularly for select commodities such as tuna, salmon, and shrimp. After the European Union and the United States, Japan is the world’s third largest importer of fishery products by value, accounting for 13 percent of global seafood imports.¹ Collectively, the US, EU, and Japan represent two thirds of total seafood by value in 2013.

Relative share of global fishery imports by value since 1976

Source: FAO FishStatJ



¹ The most important sources of imports, by value in 2011, include China (18 percent), Chile (9 percent), and Thailand, Russia, and the United States (8 percent each). Key sources of tuna are China, South Korea, Indonesia, and Thailand, while China is the primary source of eel for the Japanese market.

Seafood remains a mainstay of Japan’s culinary culture. Though national consumption has plateaued, the Japanese still eat more fish per capita than any other major country: around 128 pounds annually, as compared to a global average of 38 pounds.

Consumption of fish products per capita per year, in kg (1961-2007)

Source: Fisheries Agency (2011)

	1961	1970	1980	1990	2000	2005	2006	2007
Japan	50.4	61.3	65.5	71.2	67.2	61.5	58.0	56.9
China	4.9	4.6	5.3	11.5	24.5	25.7	26.0	26.5
United States	13.0	14.5	15.4	21.1	21.7	23.9	24.7	24.1
EU (27 countries)	14.5	17.1	16.6	20.1	21.0	22.2	22.1	22.0
India	1.9	2.8	3.1	3.8	4.5	4.8	5.2	5.1
World average	9.0	10.9	11.5	13.5	15.7	16.5	16.6	16.7

We believe that the creation of consumer demand and corporate procurement policies for sustainable seafood in Japan would be a tremendous complement to the US and European sustainable seafood movements. For some commodities such as fresh tuna, Japan represents the preeminent global market, commanding the highest prices and highest quality fish. In these cases, the US and EU are secondary tuna markets, and our Western “market access” strategies are much less effective as a result. Secondly, Japanese corporations such as Mitsubishi are among the largest seafood companies in the world, with global reach and political influence that extend well beyond Japan’s waters. Changing the corporate positioning around sustainability in these companies could have powerful global ripple effects.

For these reasons, we believe that moving the needle on seafood sustainability in Japan would help to cement the sustainable seafood movement globally, and particularly in Asia. Unlike Europe or North America, there has been no home-grown or philanthropically supported sustainable seafood movement in Japan worth mentioning. And unlike most of the countries where the Conservation & Science Program has a focus (i.e., the United States, Indonesia, Mexico), there are no other major philanthropic efforts focused on Japanese fisheries.

Most Western foundations have focused marine conservation work either in their home waters or in tropical biodiversity hotspots. More temperate waters (North Asia, South America, the poles) have been less well covered by global foundations, particularly in OECD countries. Domestically, Japan simply does not have a history of philanthropy or civic activism in any sector—ideals about social cohesion, belonging, and mutual obligation have fostered a culture of community engagement rather than the creation of advocacy organizations that require fundraising or that provide funding.² As a result of these

² As a result of the nascence of the non-profit (NPO, also known as NGO) and philanthropic sector, government regulation and oversight of these types of organizations is similarly underdeveloped, thereby further limiting the potential for growth and positive recognition. Additionally, the legal system makes it time consuming to obtain legal recognition and otherwise difficult to maintain NPO status. NPOs in Japan are required to spend 70% of their donations over five years, making it difficult for an organization to build cash reserves and engage in

challenges, there are few domestic NPOs working on marine issues in Japan.

Despite the lack of a concerted funding effort, Japan continues to strike us as a market with great potential. We have been uniformly impressed by the quality and dedication of the individuals (academics, NGOs, entrepreneurs) who have begun to work on sustainable seafood issues on their own time. Creating a hub or network of these individuals has been an early emphasis of the Foundation's efforts, out of the recognition that this community does not have other sources to turn to for support.

In the course of our explorations, a second overarching rationale has emerged for focusing on Japan: the potential to improve the health of Japanese domestic fisheries. The global sustainable seafood movement is intended to leverage market pressure (in tandem with political pressure) to help improve fisheries. Roughly half of Japan's seafood supply comes from Japanese domestic fisheries (very little of which is exported). As a result, a comprehensive sustainable seafood movement in Japan will inevitably need to include strategies to address, improve, or certify domestic fisheries as well.

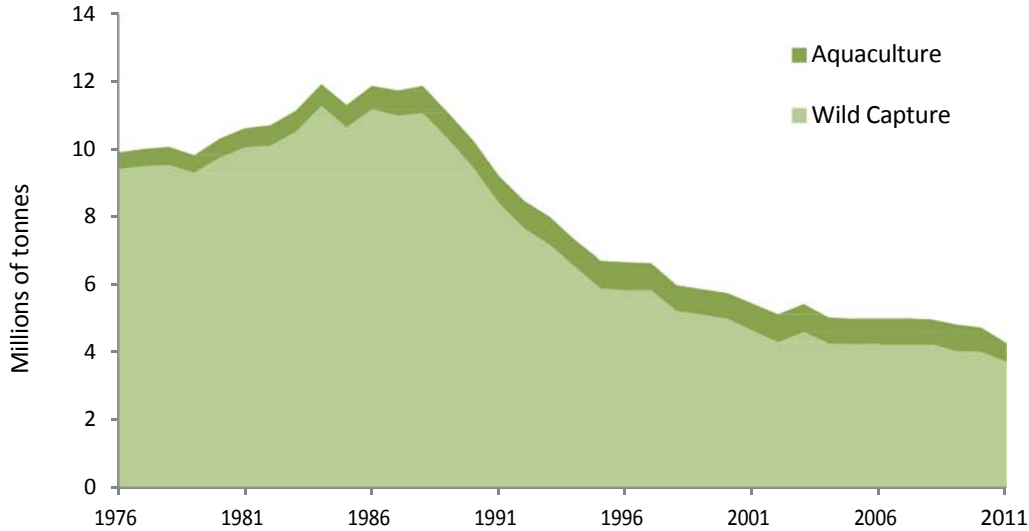
As such, a sustainable seafood movement in Japan will need to be paired to some extent with an engagement on domestic fisheries management. Though in decline,³ Japan remains a major fishing power. Japan is one of the world's top seafood producers, ranking 5th in landings and with the world's sixth largest EEZ, at roughly 4.5 million square kilometers. Unlike the US or northern Europe, Japanese fisheries are in mediocre condition and do not appear to be making much progress toward reform. The FAO classifies more than half of Japanese wild fisheries as either collapsed or over-exploited.

long-term strategic thinking. Seventy-five percent of the total giving in Japan is from corporate foundations and goes toward health and education programs.

³ Total fisheries production has been declining in Japan since the late 1980s: total wild-capture and aquaculture production fell to 4.3 million tonnes in 2011, reduced by more than half from 11.9 million tonnes in 1984. Fishery production in Japan is divided into five categories: distant waters (beyond the country's EEZ), offshore waters, coastal waters, marine aquaculture, and inland waters and aquaculture. Japan's offshore fisheries have made up the bulk of its production, although most of the attention from sustainable seafood activists and consumers has focused on near-shore, locally-managed small-scale fishing. There are a few factors that help explain the declining trend in the country's fisheries. First, the high volume of sardine catches bolstered the peak production volumes in the 1980s. The reduction in sardine resource levels resulted in a negative trend of total offshore production. Second, Japan has progressively reduced its fishing fleet since the early 1980s, partly as a strategy to reduce overcapacity, and the number of fishery workers has dropped due to the declining age of fishermen. Destruction wrought by the March 2011 earthquake and tsunami further reduced the country's fishing fleet and infrastructure. Production volumes from coastal waters and marine aquaculture have remained relatively stable since the late 1990s. Catch composition in Japan is markedly varied, reflecting both the diversity of marine life in the country's waters as well as an appetite for a diversity of species. The main catches by volume include mackerel, anchovy, skipjack, saury, and scallop (enhanced), while tuna represent the most valuable species, accounting for 14 percent of the total value of marine catches in 2009.

Japan's fishery and aquaculture production (1976-2011)

Fisheries production has been declining in Japan since the late 1980s. Marine production accounted for 76% of total production volume in 2009, and aquaculture represented 28% of production volume. Source: FAO, 2011.



Fisheries management lives partly within the Ministry of Agriculture, Fisheries, and Forestry (MAFF) and mostly under the purview of Japan's system of fisheries cooperatives. The MAFF sets TACs for 8 nationally-managed species and is charged with enforcement of those limits, while the cooperatives develop their own fisheries rules. There are no strict requirements to prohibit overfishing, set MPAs, create tradable systems, or protect habitat. Yet unlike many parts of the world, Japan has the fisheries management expertise, resources, and capacity to dramatically improve its fisheries management if the political will were there. We believe that a major improvement in Japanese fisheries management could be an accomplishment on par with the Magnuson Stevens Act amendments or Common Fisheries Policy reforms in Europe.

2. Promising signs and potential hazards

Looking beyond the main rationale to work in Japan, there are both reasons to be optimistic that there is a window of opportunity to improve markets and reform fisheries policy in Japan, as well as important cautions to be clear eyed about.

PROMISING SIGNS

National economic goals: There are hints that the Government of Japan may be increasingly open to fisheries reform. Prime Minister Shinzo Abe has embraced a decidedly growth-oriented economic agenda. The Agricultural Minister Yoshimasa Hayashi has supported this economic agenda and has announced a goal of more than doubling fishery exports in less than ten years, from 170 billion yen (\$1.67 billion) in 2012 to 350 billion yen (\$3.4 billion) in 2020. For key export markets, Japan will likely focus exports on ASEAN countries, the European Union, and Africa. In order to appeal to EU and US markets, one tactic is to encourage Japanese fisheries to pursue a higher level of sustainability. Both the 2012 London Olympics and 2016 Rio Olympics made pledges to source MSC-certified fish served at the Olympic Games. Given that the 2020 Olympics will be held in Tokyo, international attention will likewise turn to Japan to source MSC-certified seafood products. To date, the MSC has received very little traction in Japan for a number of reasons, including a lack of certification bodies, certification cost barriers for local cooperatives, and a complex Chain of Custody system. The 2020 Olympics could provide a platform to accelerate MSC certification in Japan and to promote sustainable fisheries, more broadly. The largest cooperative in the country in Hokkaido has engaged with MSC and now O2 based largely on this rationale.

Changing realities on the water: There are a handful of significant events in recent years that have created a shift in Japanese culture, opening the notion that evolving its market and practices may be inevitable. The vast destruction wrought by the 2011 tsunami and the rapid declines in Bluefin tuna and eel have impacted the Japanese market both economically, in terms of available supply, as well as socially. The declines of both Bluefin tuna and eel, which underpin Japanese cuisine, have drawn attention to overexploitation, both in Japan's own waters and in global fisheries. Roughly 80 percent of the world's Atlantic Bluefin tuna is consumed in Japan, and the country's appetite has helped fuel tuna's global decline. Similarly, Japan's demand for eel has contributed to the sharp decrease in wild adult eel, which have declined by more than 90 percent since the late 1960s. Xenophobia around competition for shared resources with China and South Korea may create political windows of opportunity to promote better transparency and management. Likewise, Japan's domestic fleet is both rapidly aging and declining. There may be parallels to European fisheries which, when faced with the same economic challenges, opted into Individual Transferable Quota programs in order to create windfall profits for their fishing fleets and facilitate retirement.

Early signs of progress: In the last few years, there have been several promising developments in both the country's politics and the markets. Greenpeace's first salvo of retailer-focused campaigns yielded results, with a series of commitments from the main retailers on sustainable seafood. Both WWF and Greenpeace have productive working relationships with the government on issues such as tuna. Domestically, the Ministry of Fisheries has developed an internal working group to make recommendations around overfishing and the implementation of individual quota (IQ) systems, and is in the process of implementing two pilot IQ programs. And efforts to cultivate the salience of "sustainable seafood" as a concept, with events such as the Blue Seafood Gala drawing attendance from influential individuals including political and business leaders. The Foundation may be in a position to play a seminal role building on this progress in Japan. There are several other foundations (including Pew, Oceans 5, Oak, and Walton) that would potentially be interested in Japan-related work

if the groundwork were created. Similarly, there may be domestic foundations, such as the Nippon Foundation, may also be a key philanthropic partners. Packard may be in a position to play an architectural role in establishing this movement in Japan, with potential ramifications for other environmental sectors as well.

POTENTIAL HAZARDS

While there are many reasons to be bullish, that does not change the reality that Japan will be a different, and in many ways daunting, place to work. We recognize that the foundation faces enormous challenges in shifting the Japanese seafood market and fisheries management.

No culture of advocacy or reform: First and foremost among our challenges is the recognition that Japan is a very alien landscape for Western foundations to operate. One seasoned WWF representative characterized Japan as “always a cipher,” even within its own organization. In some ways, our progress in Japan will depend on changing the norms of NGOs. Professionalizing NGOs, pressuring businesses, questioning government, creating a pathway to advocacy – these are all major cultural changes in the current NGO milieu. Traditionally, international organizations have faced difficulty in enacting policy changes in Japan, given that outside pressure is often met with suspicion. Foreign organizations face the perception of “gaiatsu” (a Japanese term describing outside pressure placed on Japan, either as a positive or negative influence). Historically, “gaiatsu” has mandated that outside groups incorporate local organizations as supporters and champions of a given cause. Any effort to reform fisheries will require building internal supporters and champions, even if it were to draw on international expertise. Given that the domestic environmental NGO community in Japan is fairly nascent and fragmented, continued efforts are necessary to build this community. We have also been told that the lack of independent researchers willing to publish results on depleted stocks is a critical barrier to improving sustainability in Japan’s fisheries. Though the country’s fishing universities are considered world-class, there is a form of censorship in practice, preventing researchers from publishing data that counters government and industry goals.

Lack of political and market champions: Despite having a relatively new government that supports ambitious economic growth plans, we have not discerned any specific appetite to alter the country’s fisheries policy. It is unclear whether we can cultivate business or government leaders who could serve as champions for reform. In Japan, we have been told (*ad nauseam*) that the nail that sticks out gets hammered down, and that change is a long, slow, consensus-building process. There is no formalized lobbying industry to speak of, and creating the relationships necessary to engage with and influence policy will take time. In the market, we have identified several leading individuals within large companies, but creating the dynamics that might lead those companies to have more sweeping shifts in procurement policy will also be heavy lift.

Scope of the challenge: The unfortunate reality is that Japan’s seafood is not sustainable, Japanese consumers and corporations do not yet care about sustainability, and Japan’s fisheries are not well managed. The obvious implication is that this will be a long and challenging effort, and one in which it will be difficult to pull directly from our Western playbook: few fisheries are certifiable, red-yellow-green ratings will be skewed toward the red, and Japan is insular enough that there is little international pressure on its market. Contextualizing the sustainable seafood movement to Japan is likely to take some time.

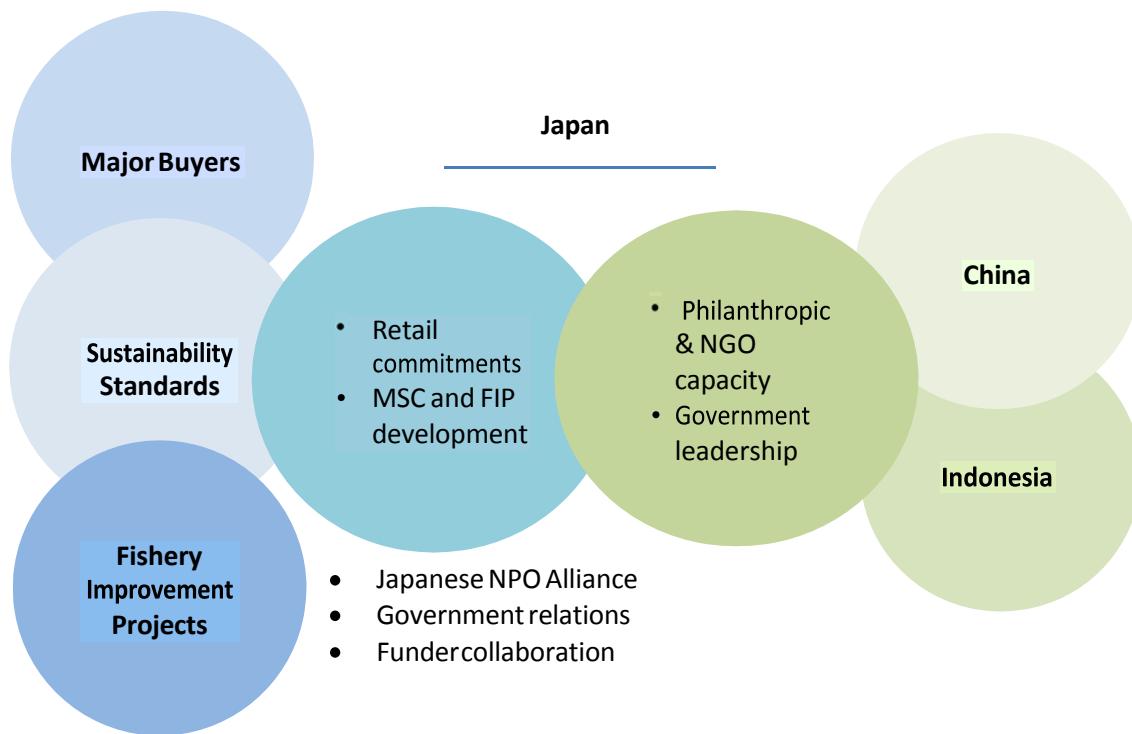
In sum, we believe that there is both tremendous potential (market potential, fishery management capacity, human capital) and a real absence of effective philanthropy or a well-established NGO community. The most pressing challenge for our program is figuring out how to build a community of effective and engaged participants and advocates in Japan, and understanding whether they can have an impact on the Japanese market and policy.

For that reason, the Japan work is intimately tied with the Asia Capacity and Leadership Development effort. The Asia Capacity and Leadership Development (ACLD) Initiative is a 10-year effort to build the capacity of the marine conservation and sustainable fisheries sector in Indonesia, China, and Japan.

Overlap between Fisheries and ACLD

Fisheries sub-program

Asia Capacity and Leadership Development



This initiative provides a framework, budget, and OE staff support to focus on specific capacity-building approaches which are described as components of our three main areas of work. Our initial grants have begun the process of cultivating a domestic network of stakeholders and have also supported work by Greenpeace and WWF, the two most established INGOs in Japan, but there is still an enormous way to go in creating a strong network and making it politically and economically salient.

While change may happen quickly, our most important objective in the next several years is to cultivate stronger capacity and leadership in Japan’s domestic NGO sector, improve the impact and image of international NGOs, develop politically savvy champions, and generally build a community of effective

and engaged participants and advocates in Japan. These goals and objectives are laid out in more detail below.

In parallel with this capacity-building approach, some of our grantmaking in Japan would be pursued even in the absence of the ACLD framework because of the potential to make near-term contributions to the global sustainable seafood movement, which falls within Global Seafood Markets strategy. There is a lot of overlap between these two programs. Tracking capacity development and its correlation to progress on relevant Japanese market and policy issues is critical and will be discussed later in this document.

3. Strategy and objectives

Our overarching goal is a sustainable seafood movement in Japan that is driving change for sustainable fisheries and aquaculture production in Japan and globally. We believe that there are three linked areas of work required to succeed in this goal.

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

The Foundation's future efforts and success in meeting our goal will be contingent on our ability to build the governance, science, and domestic and international NGO capacity and reputation in Japan. We recognize that it will be important for any market, domestic policy, and international engagement work to be linked and perceived as part of a cohesive effort. Given that Japan supplies much of its own seafood, successfully developing a sustainable seafood movement will be very difficult unless we have solutions for how to address domestic fisheries. Second, if we create the expertise to influence domestic fisheries, that same capacity should be leveraged to examine Japanese IUU policy, which is in many ways more powerful than corporate procurement standards. And third, building a market for sustainable seafood will help to create the political will necessary to engage on the domestic and international agendas. We therefore propose ongoing exploration and capacity building in support of all three of these potential areas.

CAPACITY BUILDING IN SUPPORT OF SEAFOOD MARKET AND FISHERIES OBJECTIVES

We propose to improve sustainable seafood and fisheries sector capacity at four interlinked levels.

1. Connect and facilitate the development of a sustainable seafood movement in Japan.
 - a. Understand pay scale and related employment issues that constrain NGO activity in Japan.
 - b. Facilitate greater connectivity between international efforts on IUU, seafood traceability, and the broader sustainable seafood movement with a particular emphasis on the EU, US, and Japan.

- c. Determine the appropriate uses of *giatsu*, or international pressure, and cultivate international partners and a Japanese communications strategy to support it.
2. Establish a network of organizations, projects, and individuals guided by a vision for markets and fisheries reform in Japan.
 - a. Support the organizational development of Seafood Legacy and the organizations and projects within this emerging network of organizations focused on market engagement on sustainability.
 - b. Develop partnership with a government relations expert that can provide strategic counsel to the Foundation as well as coordinate across organizations and individuals who will play a role in fisheries and trade policy.
 - c. Develop a collaborative platform for integrating the work of multiple foundations and international organizations, in order to both share information and to prevent missteps through working at cross-purposes.
 3. Build the organizational capacity of domestic and international NGOs operating in Japan.
 - a. Support the legal incorporation of key projects and organizations to ensure maximum potential for programmatic impact (i.e. legal incorporation must not be limited to non-profit status).
 - b. Develop in-country organizational training expertise including on strategic planning and communications.
 - c. Create a staffing model to represent Packard Foundation's interests and goals and that ensures culturally-sensitive guidance, timely and strategic information, and adequate representation.
 4. Cultivate the expertise and leadership of individuals.
 - a. Facilitate exchanges, exposure to global dialogues on fisheries management and the sustainable seafood movement, and advisory capacity to emerging leaders in Japan.

Capacity Building Outcomes

1. By 2018, additional private and public sources are funding sustainability fisheries and seafood projects in Japan.
2. A respected, financially viable independent research institution focused on fisheries is established.
3. By 2020, improved quality and access to NGO support services.
4. By 2020, improved domestic and international NGO strategic and communications capacity for NGOs working in fisheries and seafood markets in Japan.
5. By 2017, a network of NGOs operating under a shared vision for seafood market transformation.
6. By 2025, Japanese NGOs, businesses, and government emerge as global leaders on seafood sustainability issues.

BUILD A SUSTAINABLE SEAFOOD MARKET IN JAPAN BY FOCUSING ON MAJOR BUYERS AND SEAFOOD TRADERS, AND SUPPORTING THE NGO SYSTEMS NECESSARY TO CREATE A SUSTAINABLE SEAFOOD MOVEMENT.

Given the size and market position of the Japanese market, we believe that building a sustainable seafood movement in Japan would help drive improvements across global fisheries.

As with North America, retail and corporate engagement appears to be the most promising avenue to

build momentum in Japan. With some modifications, the general Western recipe of advocacy campaigns coupled with strong NGO-business partnerships seems to be relatively sound, despite the major cultural differences. Greenpeace has had some early wins in Japan in creating issue awareness among retailers and securing initial corporate commitments, which we hope to build from. However, the NGO support network for those companies that do engage remains weak. Our intention is to continue to mount pressure on major buyers, while building a more collaborative and coordinated network of organizations to provide partnership and tools to businesses. Currently WWF plays this role with Aeon (a major retailer) but has not sought to extend it to other buyers, and the rest of the NGO bench is quite shallow. Similarly, there is a dearth of home-grown science capacity. Figuring out how to add support and science capacity to the NGO community is a priority.

Despite some anticipated challenges with applying current markets tools to sustainability initiatives—such as MSC and ASC certification, the Monterey Bay Aquarium’s Seafood Watch program, and FIPs—we will continue to work closely with these organizations to explore how to adapt their approaches to encourage stronger uptake within the context of Japan’s seafood market and domestic fisheries landscape.

We have some outstanding questions about the role of consumer education campaigns. Clearly, more consumer awareness and activism would be valuable. Yet the Japanese media market is expensive, and figuring out how to cost effectively get the message out (e.g., through aquaria or other champions) is also important. For the time being, our main emphasis in terms of building issue salience will be more grass-tops than grass-roots, focusing on corporate and political leaders through a variety of channels.

Outcomes:

1. By 2025, a thriving marketplace for sustainable seafood is established in Japan, including viable organizations that support major buyers, seafood traders, and other key pieces of the market infrastructure.
 - a. Widespread retail commitments on seafood procurement, similar to the US and EU
 - b. Stronger consumer issue awareness and purchasing preferences (e.g., high willingness-to-pay for eco-labeled seafood)
 - c. Engagement of the major trading companies in implementing FIPs from source fisheries
 - d. Engagement from the seafood supply chain on the need for improved traceability and related efforts around IUU

Near-term priorities and approaches:

1. Retail commitments: Secure stronger sustainable seafood commitments from 4 of the top 5 Japanese retailers. Key approaches:
 - a. Continued retail ranking campaign and follow up engagement from Greenpeace.
 - b. Possible expansion of shareholder pressure or action, in conjunction with Daiwa (e.g., on 7i), or targeting of international subsidiaries of key traders around seafood policy.
 - c. Focused studies on seafood fraud (DNA testing, eel) and IUU in the seafood market, building off past efforts by Greenpeace and TRAFFIC.
 - d. Expansion of the corporate partnership model, either with WWF or another NGO actor, to work with retailers to implement policies.
2. Issue salience: Build stronger public and corporate awareness of these issues, and their political relevance, in order improve the movement’s standing. Key approaches:

- a. Use the established leadership in the restaurateur community as a spokesperson and political lead for sustainable seafood. Potentially add a celebrity spokesperson (e.g., Jiro, Abe, Shibasaki).
 - b. Potentially recruit 1-2 aquaria (e.g., Tokyo SeaLife) to integrate seafood sustainability messages into their exhibits.
 - c. Publicize fraud, IUU, and eel studies to increase broader issue awareness.
 - d. Collaborate with the Sailors for the Sea program to both increase the political salience of the movement (e.g., Akie Abe) and secure high-profile brand commitments (e.g., hotel chains, airlines).
 - e. Potentially pursue a media strategy targeting key publications, food bloggers, nutritionists, search optimization in social media, etc.
3. Olympics as a milestone: Launch a coordinated effort around the 2020 Tokyo Olympics to secure a commitment to MSC-certified seafood from the organizing committee. Key approaches:
 - a. Use existing contacts (SFSJ, Daiwa) to pressure for MSC commitment.
 - b. Coordinate with FSC and ASC around a joint commitment.

REFORM JAPAN'S DOMESTIC FISHERY MANAGEMENT, BUILDING OFF THE SUSTAINABLE SEAFOOD MARKET WORK

As previously emphasized, one of the main barriers in promoting sustainable seafood in Japan is the state of the domestic fisheries. There are very few certified fisheries or FIPs currently, and scarce other “green” fisheries to point to. Culturally, it is difficult to criticize or use “red lists,” which makes most ranking systems basically inapplicable in Japan.

One of our near-term priorities will be to create some examples of successful certifications and FIPs at a greater scale. There is some convergence on a concerted effort between MSC and O2 (a FIP provider) to engage with multiple fisheries in the north (i.e., Hokkaido and Aomori), to cover assessment costs and work collaboratively to get a portfolio of fisheries into the system. The northern fisheries are generally in better health and the cooperative appears to be both reasonably organized and interested in market access (due to export markets). Using this as the seed for a regional pilot will be an initial priority. There are likely to be other candidate fisheries that could be certified or placed in FIPs (e.g., we would also like to create a FIP for the Japanese Pollock fishery – something that started and stalled in the past), but a regional pilot appears to be the most promising approach to achieve scale.

While a regional approach has some promise, we recognize that fishery management policy in Japan needs to undergo more fundamental changes (e.g., stronger TACs, IQs, etc.) to ensure sustainability. Unfortunately, there is no existing reform effort in Japan working on influencing fisheries policy or regulations. There may be an opportunity for grantees to work in a collaborative, top-down fashion to support reform efforts. The Ministry has voiced several priorities around establishing a pilot IQ program and creating rebuilding protocols for select fisheries. They would potentially be interested in international support to implement those priorities, with which the foundation could assist. At the same time, there also could be room for a more concerted effort to foster change. We see an analogue in an ongoing effort to fight illegal timber in Japan that involves a few forestry NGOs (e.g., EIA, Global Witness) and a government relations firm to enact controls on illegal wood. At present, we lack a mechanism to gauge the viability of this approach, which is one of our key capacity gaps. At a minimum,

our efforts will benefit from some well-informed political advice, which we are currently lacking. Until then, we will not have many near-term programmatic priorities and approaches.

Outcomes:

1. By 2018, increased government and political awareness of overfishing and trade issues and at least three political champions identified and engaged in reform dialogues.
2. An effective, coordinated network of NGOs, governments, and private sector champions exists with fisheries and trade policy expertise and policy priorities.

Near-term priorities and approaches:

1. Umbrella pre-assessment effort in the North. Our primary priority in the near term is to align and support efforts (MSC, O2, SFP) to create an umbrella pre-assessment for fisheries in the north, and to encourage those fisheries to enter into FIPs or MSC pending the results of those assessments. We see this work as building off retail and Olympics commitments. It will require establishing stronger connections with the cooperatives and provincial management. It is also likely to require governmental support to cover full-assessment costs for those fisheries that opt into the MSC program.
3. Support for MAFF study group on fisheries reform priorities. As mentioned, MAFF has an internal group looking at reform priorities (IQ implementation, rebuilding). They are potentially open to support efforts, such as bringing in international advisors to provide design advice on pilot programs. We intend to follow up with MAFF on how and when to best provide advice, if we believe that it could be impactful.
4. In a somewhat unrelated effort, it may be beneficial to our work to subject Japan to some criticism around its domestic fisheries management. An external review of Japan's fisheries management may be a useful mechanism to increase the salience of the reform agenda. We are unlikely to pursue such an approach or launch a more aggressive internal campaign without sound political advice.

JAPANESE ENGAGEMENT ON KEY INTERNATIONAL POLICY ISSUES SUCH AS TUNA AND STRONGER TRADE CONTROLS AROUND IUU AND THREATENED SPECIES

In some ways, Japan's role on international fisheries and trade policies may be more politically tractable and more internationally relevant than work on Japan's domestic fisheries.

Our main area of interest is around IUU policy, which we see a potential near-term political opportunity. Trade measures around IUU appear to be one of the most powerful developments influencing developing world fisheries in recent years. As the US moves to mirror the EU IUU policy there may be a window to encourage Japan to develop its own such system, in part to get a pass in ours. The domestic fisheries industry and MAFF may even be supportive of this effort, given the desire to protect domestic fisheries from cheap imports. From a campaign perspective, highlighting the prevalence of fraud—and the challenge of Chinese and Korean vessels illegally catching fish in Japanese waters and selling it back to Japan (a hot button issue), undercutting domestic fishermen in the process—are powerful arguments which may have enough political support to overcome the concerns of the Trade Ministry. In addition to IUU, there may be potential opportunities around CITES listings of eel, shark, and Bluefin tuna in the coming years. Each of these is of interest in that it is directly connected to ongoing market work.

Up until recently, it has been difficult to validate any of these opportunities, however in recent months, we have seen a sharp increase in political and industry interest in IUU trade measures. We will continue to gauge issue salience through our domestic partners and government relations advisors at GR Japan. In addition to the domestic capacity building, we would also like to see greater connectivity between the Japanese efforts and the EU, the US State Department, and other foundations working on traceability and IUU outside of Japan. We have had initial conversations with the US Embassy and other foundations, and would like to continue to build those relationships as we create some domestic capacity.

Outcomes:

1. A comprehensive Japanese IUU policy, harmonized with the US and EU policies.
2. More progressive Japanese engagement on tuna issues at the RFMOs (e.g., catch documentation systems, port state measures, science-based TACs, etc.).
5. CITES listings for Bluefin tuna and freshwater eel.

Near-term priorities and approaches:

1. Our primary priority is to solicit some guidance on the viability of this approach. Existing activities that can be built off of include studies on seafood fraud, the prevalence of IUU fish in the Japanese market, and the sale of illegal and mislabeled fish (e.g., eel) using DNA testing.
6. If, and only if, it appears to be viable and advisable, we envision a coordinated engagement on Japan's IUU policy modeled on the ongoing illegal timber campaign.

4. Monitoring, Evaluation, and Learning

We will approach the monitoring and evaluation of our work in Japan in coordination with the MEL plan for the Global Seafood Markets strategy (Refresh in 2016). Data collection for existing MEL work is primarily handled by California Environmental Associates through semi-annual grantee report review, grantee outreach, and the biannual Seafood Metrics Report. The Foundation meets with CEA quarterly to review progress on specific indicators and broader learning goals, and semi-annually to discuss current indicators with an eye toward revisions of the current set of outcomes and indicators. This approach is most appropriately suited for the programmatic goals and objectives.

Potentially the most important indicators of our progress in Japan will be related to our capacity building efforts. The monitoring process for these indicators will be handled through primary interactions with Foundation staff (program officers for Fisheries and OE), the Japan Liaison, and our network of partners (grantees and others). One of our lessons learned to-date is that there are language and cultural barriers to understanding the various organizational and individual capacity needs. With core funding now in place to several organizations, we anticipate being able to engage more deeply in explorations of capacity needs and opportunities. To support these discussions, we developed a Capacity-building Primer, included as Reference Document 2.