

How can agricultural and fisheries trade contribute towards achieving the Sustainable Development Goals?

FAO-UNCTAD session at the WTO Public Forum 2017: Behind the headlines

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Introduction:

It is a real pleasure to co-organize this relevant event on fisheries and agricultural trade and SDGs with the FAO on the occasion of the 2017 WTO Public Forum.

It is important always to recall that SDGs are a global agenda for sustainable development set at the highest political level (Head of State). So both Trade and Agricultural Ministers are called to cooperate in its progress and implementation.

In this presentation, I will seek to address the key questions posed for this session, under a trade and development perspective:

1. What opportunities trade offers to enable the achievement of the SDGs related to agriculture, fisheries, food security and nutrition?

Fisheries and agricultural trade are key enablers and implementation means to advance SDGs 2 (zero hunger) and 14 (Conservation and sustainable use of marine resources). These two goals are closely interlinked and progress need to be monitored in parallel.

Sustainable Development Goal (SDG) 14 of the 2030 Agenda is exclusively dedicated to oceans and commits UN Member States “to conserve and sustainably use the oceans, seas and marine resources for sustainable development”.

Under this Goal, four targets explicitly focus on the trade-related aspects of fisheries: Target 4 (Fight against IUU, fish stocks management and restoration), 6 (phasing out certain fish subsidies) and b (access to markets and resources by small scale and artisanal fishermen) and 7 (blue economy and growth).

Fish is one of the most traded food commodities worldwide, representing 9 per cent of total agricultural exports and about 1 per cent of world merchandise trade in value terms (FAO SOFIA, 2016). This year we will be arriving to an all-time record of about USD 150 billion in exports of fish and seafood products, with developing countries representing almost 57% of the total share (UNCTAD and FAO 2017). This growth will have significant implications for the sustainable use of stocks as additional demand is foreseen in the near future due to population growth and increase fish consumption mostly in Asian countries.

However, we face many challenges in conserving and sustainably use fish stocks including IUU fishing, destructive practices, harmful subsidies, seawater acidification, pollution in multiple forms and climate change just to name a few.

2. How can trade in fish be beneficial for sustainability and play an important role in improving economic growth, reducing inequality, address unfair competition (subsidies) and supporting sustainable development?

Trade in fish can significant implications for food security, conservation of living resources, value addition, job creation and livelihoods.

In this regard, trade can be a vehicle to:

- Promote flows of sustainable harvested marine resources and their derivatives;
- Keep out of trade circuits fish products from illegal or fraudulent origin;
- Address negative incentives such as certain fish subsidies linked to IUU fishing overfishing and overcapacity;
- Promote access to markets by small scale and artisanal fisheries, including by addressing tariffs and non-tariff measures; and
- Enable sustainable production and consumption of traceable and organic seafood and non-edible marine and aquaculture products.

Current WTO negotiations to discipline certain forms of fish subsidies will be essential to comply with target 6 of SDG 14. Fish subsidies do not only pose an environmental challenge. They also contribute to distort the market prices, generate unfair competition between industrial fleets and small scale and artisanal fishermen, and expand inequality between developed and developing countries.

Recently, several Member States have put specific text proposals on the table to move the process forward (EU, ACP, LDC group, certain Latin-American countries, a joint proposal by New Zealand, Iceland and Pakistan and by Indonesia). All these proposals have recognized the need to comply with SDG 14.6 by 2020, as an early harvest outcome of the 2030 Sustainable Development Agenda.

Under the capable leadership of WTO rules Chairman, a very helpful comparative matrix of Member States proposals has been prepared by the Secretariat. This matrix is serving as a solid basis for deep engagement by negotiators. However, we are less than 10 weeks to the 11th WTO Ministerial and Member States leadership is hardly needed.

Therefore, what we urgently need at this stage is **more common sense and a common text** so the negotiations can advance speedily and cooperatively (by setting aside certain mercantilist interest and focus on what matters): the conservation and sustainable use of perhaps the last food harvested (and not farmed) "commons" in the planet.

Some observers are already talking about a minimum set of disciplines that would include a prohibition to subsidies to IUU fishing plus some rules on transparency. While this will be a very low level of ambition solution, especially due to the size of the problem, it might be perhaps the most feasible solution due to time limitations and lack of clear "demanders" among largest trade powers. If this minimum package could be complemented with specific prohibitions to subsidies that contribute to overfishing and over capacity, it will be even better.

3. What can be the effect of plurilateral and regional trade agreements (RTAs) in the agricultural trade framework? Can this support further the implementation of the Sustainable Development Goals?

Regrettably, plurilateral and regional solutions are always a sub-optimal solution, especially if compared to a multilateral one. Detailed fish management and fish subsidies provisions in the Trans Pacific Partnership Agreement (TPPs) contributed to gain momentum and put pressure on the multilateral track. However, lack of interest by a key partner dissolved some of the positive precedent effects of this regional trade agreement.

The plurilateral track is still open, but the most being the preferable option remains a plurilateral agreement under the WTO with NMF effects (meaning that any privilege or advantage obtained through the Agreement among the Parties must be extended to other WTO Members).

Regardless, of these partial solutions, what is important to be considered by Member States is **that the inexistence of a multilateral solution will not be an excuse for not complying with target 14.6.** So in case of a failure in trade negotiations, the obligations will come back to the national level and we will have to explore ways for monitor and verify what steps they have been taking to promote SDG 14 implementation on country-by-country basis.

4. How should national complementary policies be managed to ensure that the beneficial effects of agricultural and fisheries trade are equally shared by countries and populations?

Complementary or flanking policies are essential to enhance the positive effects of market reforms, especially in the sensitive sectors such as fisheries where the resources are subject today to huge anthropogenic pressures. Food commodities trade is always subject to fluctuations in volumes and qualities, and ultimately on prices.

In this context, use of voluntary sustainability standards, risk hedge measures, developing of high value niche products and markets, climate resilient systems, and support to small scale fishers and agricultural producers so they can have sustainable access to resources, are important tools to keep in the trade and agricultural policy arsenal.

As an example of the value and recognition of voluntary sustainability standards (VSSs) as a complementary tool, would be the fact that since the year 2003 seafood certified production under various sustainability initiatives, grew 40 times and now represents more than 14 per cent of global production. (UNCTAD, TER 2016).

5. How can we implement early harvest targets of the SDG 14 (targets 4 and 6) by 2020?

The "Call for Action" of the UN Oceans Conference, adopted unanimously, last June already included a detailed road map for moving one step further in implementation of SDG 14 and provides detailed guidance on action needed by the international community.

The call of action explicitly calls on:

(l) Enhance sustainable fisheries management, including restoring fish stocks in the shortest time feasible at least to levels that can produce Maximum Sustainable Yield (MSY);

(m) End destructive fishing practices and IUU fishing, addressing their root causes;

(n) Accelerate further work on the development of interoperable catch documentation schemes and traceability of fish products;

(o) Strengthen capacity building and technical assistance provided to small-scale and artisanal fishers in developing countries;

(p) Act decisively to prohibit certain forms of fisheries subsidies (...) including through accelerating work to complete negotiations at the WTO;

(q) Support the promotion and strengthening of sustainable ocean-based economies.

All these are linked to trade related policies and measures. The navigating course is clear. We all now have to do our part of the deal including in trade negotiations and policy formulation and implementation. In this regard, UNCTAD stands ready jointly with the FAO to accompany all stakeholders in arriving to safe harbor.