



# Oceans Economy and Trade Strategies (OETS): An implementation tool for SDG 14



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# Setting the course

1. Sustainable Development Goals and UNCTAD's mandate
2. What is the oceans economy and how much is it worth?
3. UNCTAD classification of ocean-based sectors
4. UNCTAD's Interventions
5. DOALOS's role within the UN system
6. UNCTAD's Oceans Economy and Trade Strategies
  - Objectives, expected achievements, and beneficiaries
  - Project process diagrammed flow
7. UNCTAD's Oceans Economy pillars
8. Objectives of the field mission
9. Costa Rica pre-selected sectors
10. Global trends in fish stocks and the raise of aquaculture
11. Global trends in trade of fish products



# 1. SDG 14: Conserve and sustainably use the oceans, seas and marine resources



**By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices,** in order to restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics

**By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing,** eliminate subsidies that contribute to (IUU) fishing and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the World Trade Organization fisheries subsidies negotiation

**By 2030, increase the economic benefits to SIDS and LDCs** from the sustainable use of marine resources, including through sustainable management of **fisheries, aquaculture and tourism**

**Provide access for small-scale artisanal fishers to marine resources and markets**

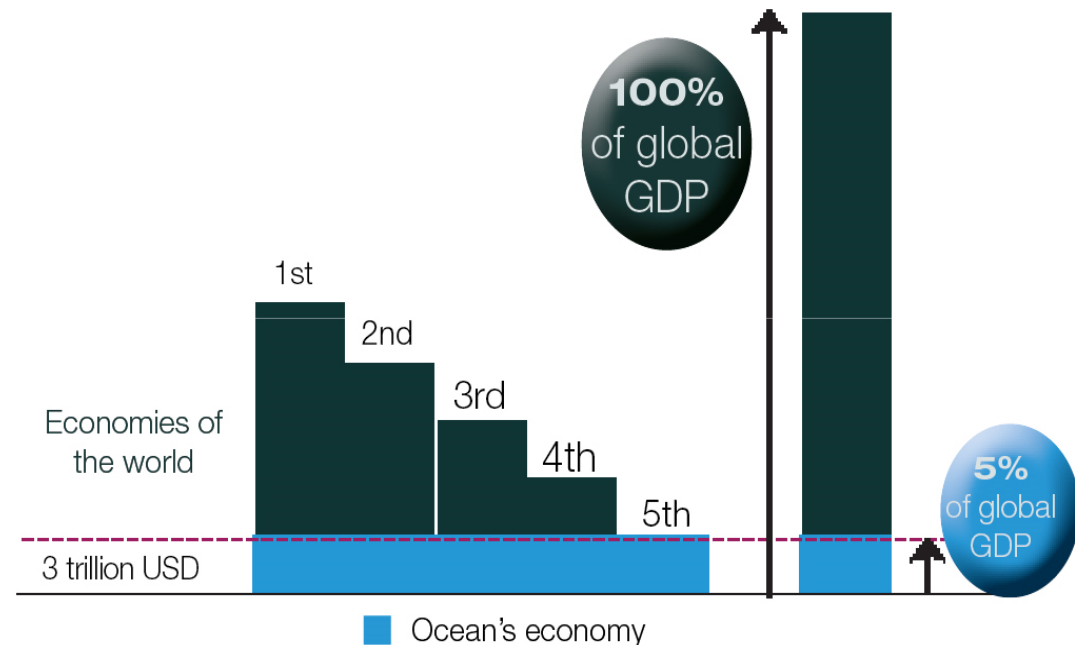
**Enhance the conservation and sustainable use of oceans and their resources by implementing international law as reflected in UNCLOS (...)**

# UNCTAD's mandate on SDG 14

- **Nairobi Maafikiano (Consensus) Para 100 (t)**
- In cooperation with other relevant international organizations and other stakeholders, **UNCTAD should support developing countries, in particular SIDS, in the advancement of Sustainable Development Goal 14 in the design and implementation of regional and/or national economic development strategies for the conservation and sustainable use of oceans and their resources seeking to promote sustainable trade in ocean-based sectors...**
- ...including through analysis of **fisheries subsidies** that lead to overcapacity and overfishing and subsidies that contribute to illegal, unreported and unregulated fishing and the challenges they pose to developing countries, particularly in connection with the conservation of marine resources and food security

## 2. What is the Oceans Economy and how much is it worth?

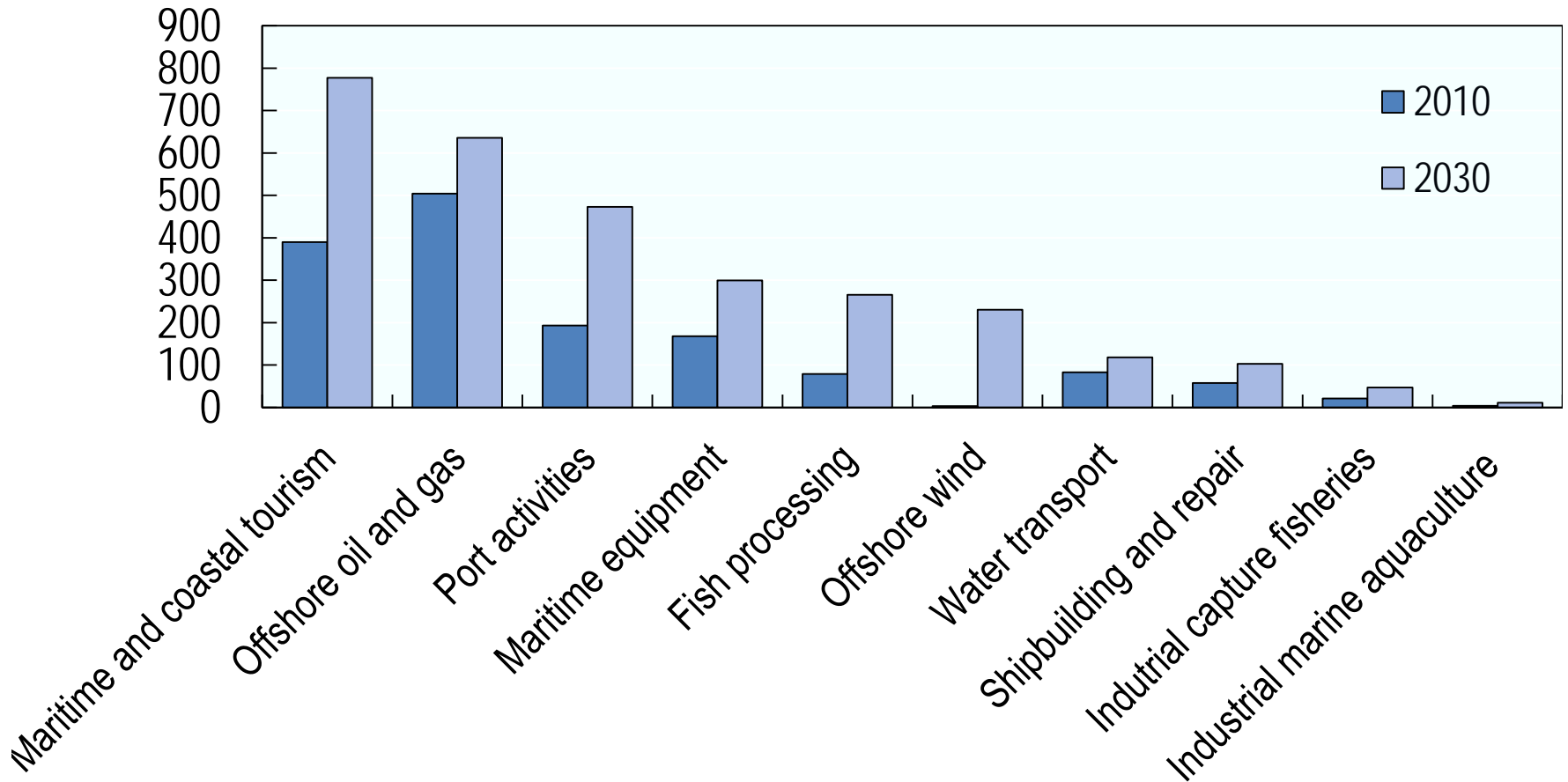
- ✓ Promote economic growth key oceans based sectors under a sustainable marine ecosystems approach
- ✓ Seeks sustainable access and use of living and non-living resources
- ✓ Subject to a multilayer jurisdictional and multi agency
- ✓ Incorporates the maintenance of the livelihoods of coastal populations
- ✓ Incorporates low carbon activities but also seeks to address climate change impacts
- ✓ Highly important for countries with High EEZ / land territory ratio. (e.g. the Costa Rica has a land territory of 51'100 km<sup>2</sup> and an EEZ of 574'725 km, a 1/10 ratio)



USD billion

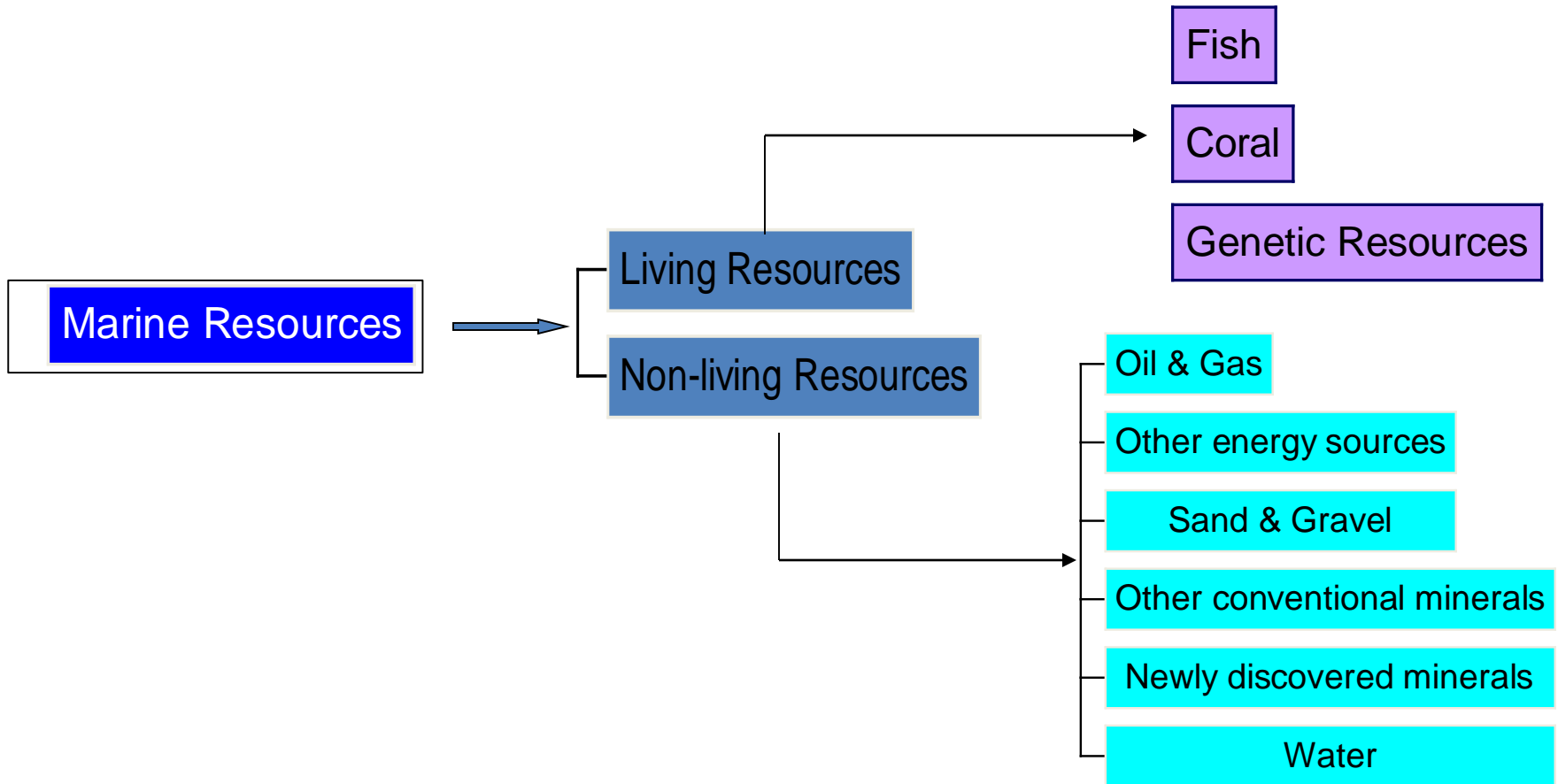
## Overview of industry-specific value-added in 2010 and 2030

Source: OECD (2016) *The Ocean Economy to 2030*

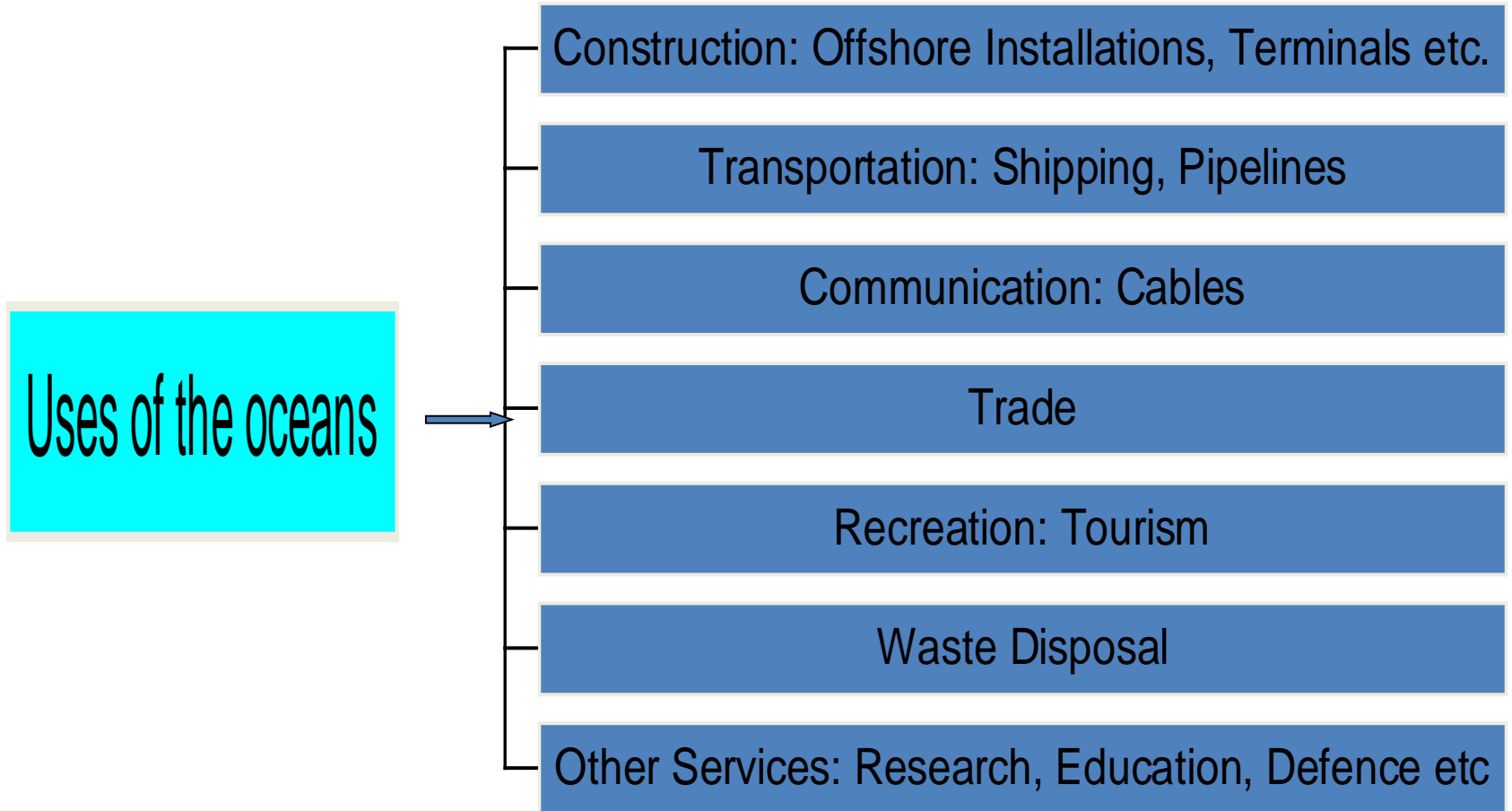


- Oceans based sector **will double** in sizes by 2030
- Demand and growth are been driven by population growth, limits in land territories and resources, and technological change.

# Marine Resources

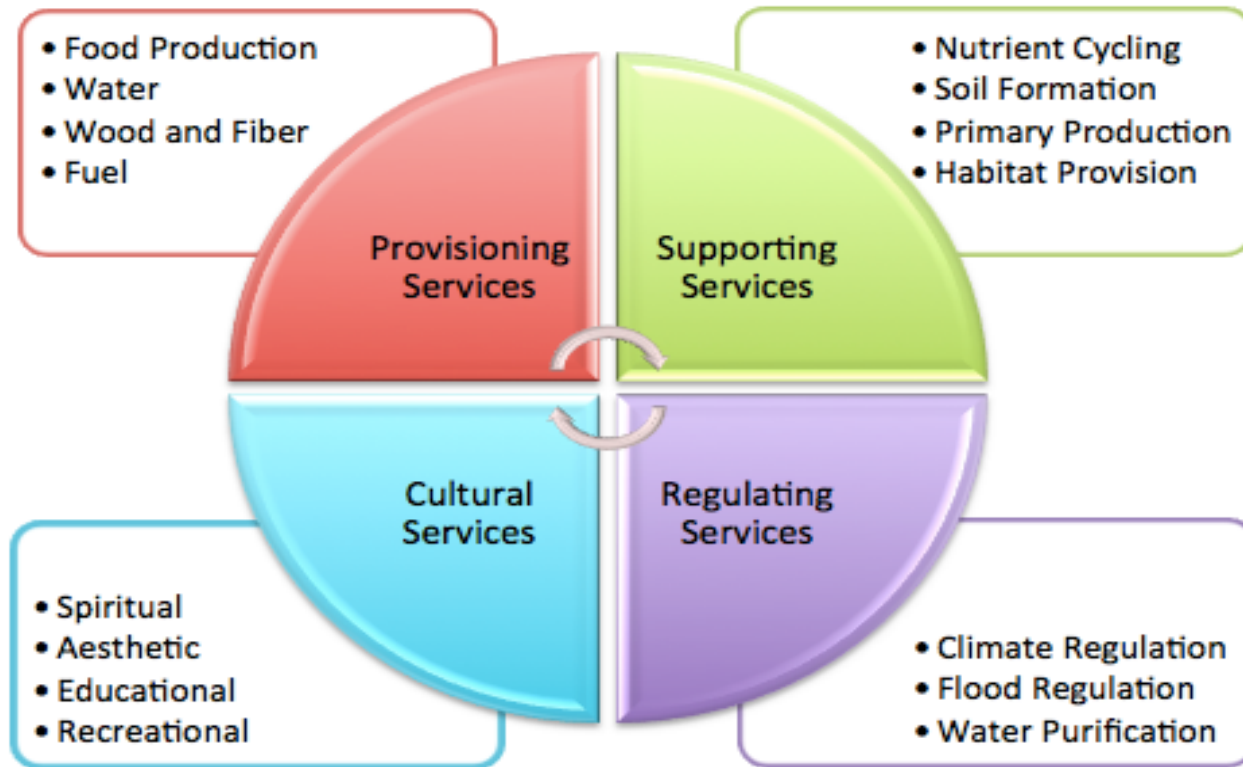


# Uses of the oceans





# Oceans' services



Source: Millenium Ecosystem Assessment, 2005.

# 3. UNCTAD's classification of Oceans based sectors

## Key oceans based sectors

### I. Goods (HS codes):

- A. Marine Fisheries (HS 03.1-6)
- B. Aquaculture (production data)
- C. Seafood processing (HS 16.03-06; HS 2301.20; HS 2501.00)
- D. Blue BioTrade (HS 0509; HS 1504.10-20; HS 1212.21-29; HS 2008; HS 0301.1100 and .19; HS 711.709; HS 050800)
- E. Ships and parts manufacture (HS 89.01-02 and 05-06; HS 840610; HS 840721; HS840729 and HS 840810)

### II. Services (W120 and CPC V2.1 2015)

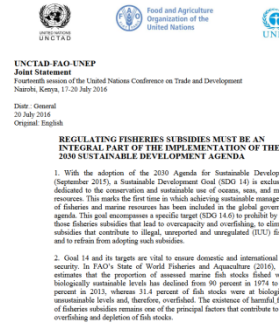
- F. Marine & Coastal Tourism
- G. Trade in Fisheries services
- H. Marine Transport
- I. Marine Biotechnology & bioprospecting
- J. Port Services
- K. Coastal and marine area management, protection and restoration + Carbon sequestration
- L. Ocean energy & renewable energy

# 4. UNCTAD's interventions on Oceans Economy

- **Exploring potential and promoting dialogue**
  - The Oceans Forum on Trade related aspects of SDG 14
  - 2 International Expert Meetings on Oceans economy in key sectors: fisheries, transport and tourism
  - Dozens of briefings, side events and seminars



- **Research and analysis**
  - Several ground breaking publications on Oceans Economy and SIDS, Trade in Sustainable fisheries, maritime transport and tourism



- **Consensus building**
  - The UNCTAD/FAO/UNEP declaration on regulating fish subsidies

- **Key partners:**
  - FAO, UNEP, DOALOS, UNECE, Commonwealth, the ACP Group, and IOI



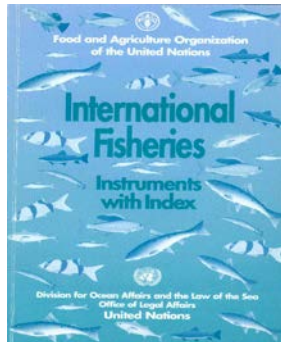
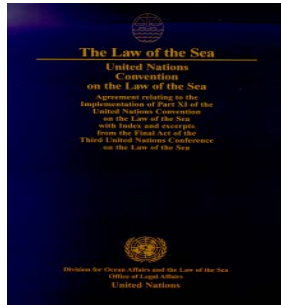
# DOALOS/OLA IN THE UNITED NATIONS SYSTEM

United Nations Secretariat:

DOALOS: focal point in UN System for ocean affairs and law of the sea; discharges certain functions of Secretary-General as stated in UNCLOS and General Assembly resolutions; secretariat functions for CLCS



# Division for Ocean Affairs and the Law of the Sea



- Performs responsibilities of the Secretary-General under the:
  - United Nations Convention on the Law of the Sea
  - The United Nations Fish Stocks Agreement
- Performs the mandate provided to the Division in General Assembly resolutions



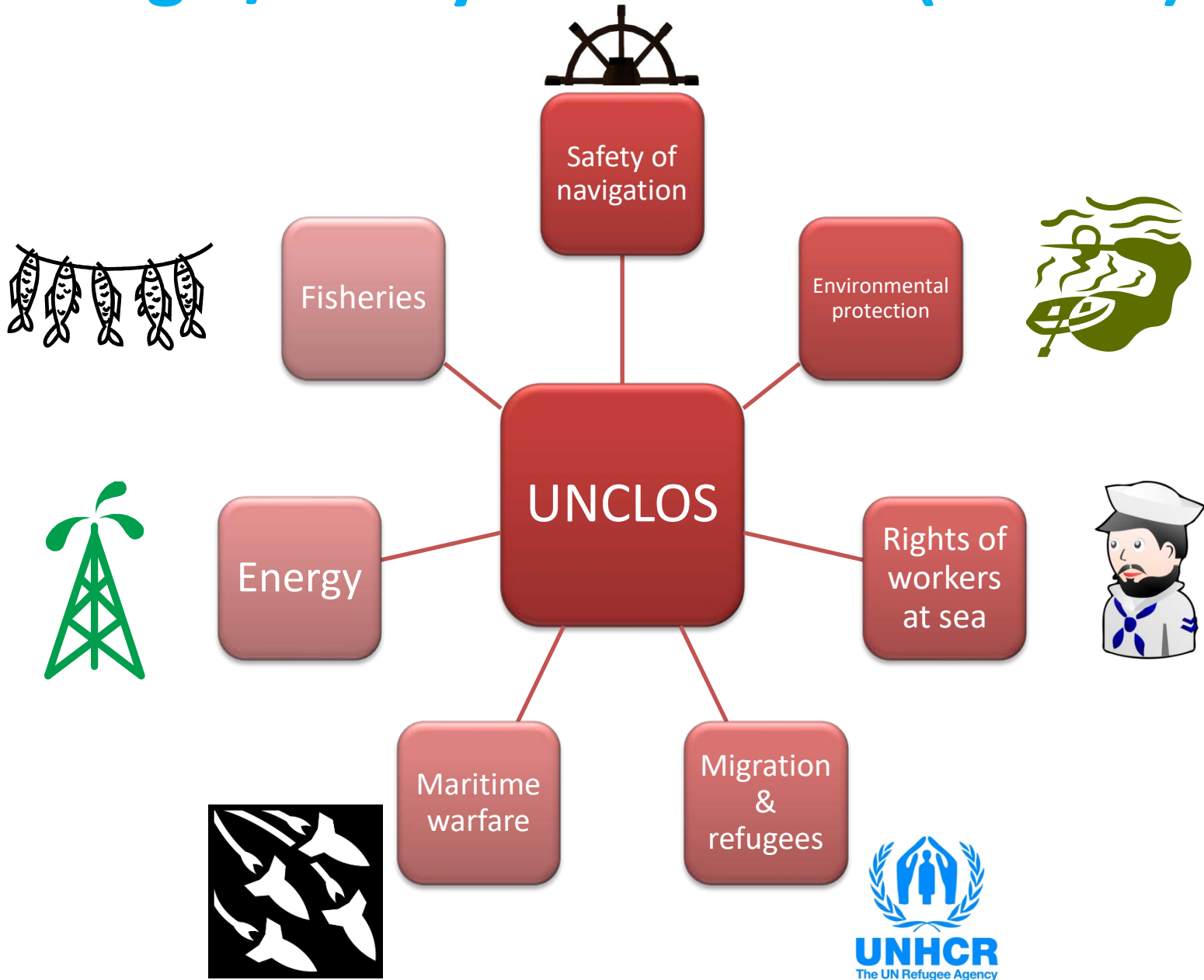
# DOALOS: FUNCTIONS AND ACTIVITIES

- **Core functions and activities in relation to UNCLOS:**
  - Promote universal participation
  - Facilitate uniform and consistent application
  - Assist in implementation through:
    - advice and assistance
    - servicing of meetings
    - cooperation and coordination
    - discharging Secretary-General's responsibilities e.g. depository functions
    - monitoring and dissemination of information

# Other United Nations bodies and organizations involved in ocean issues

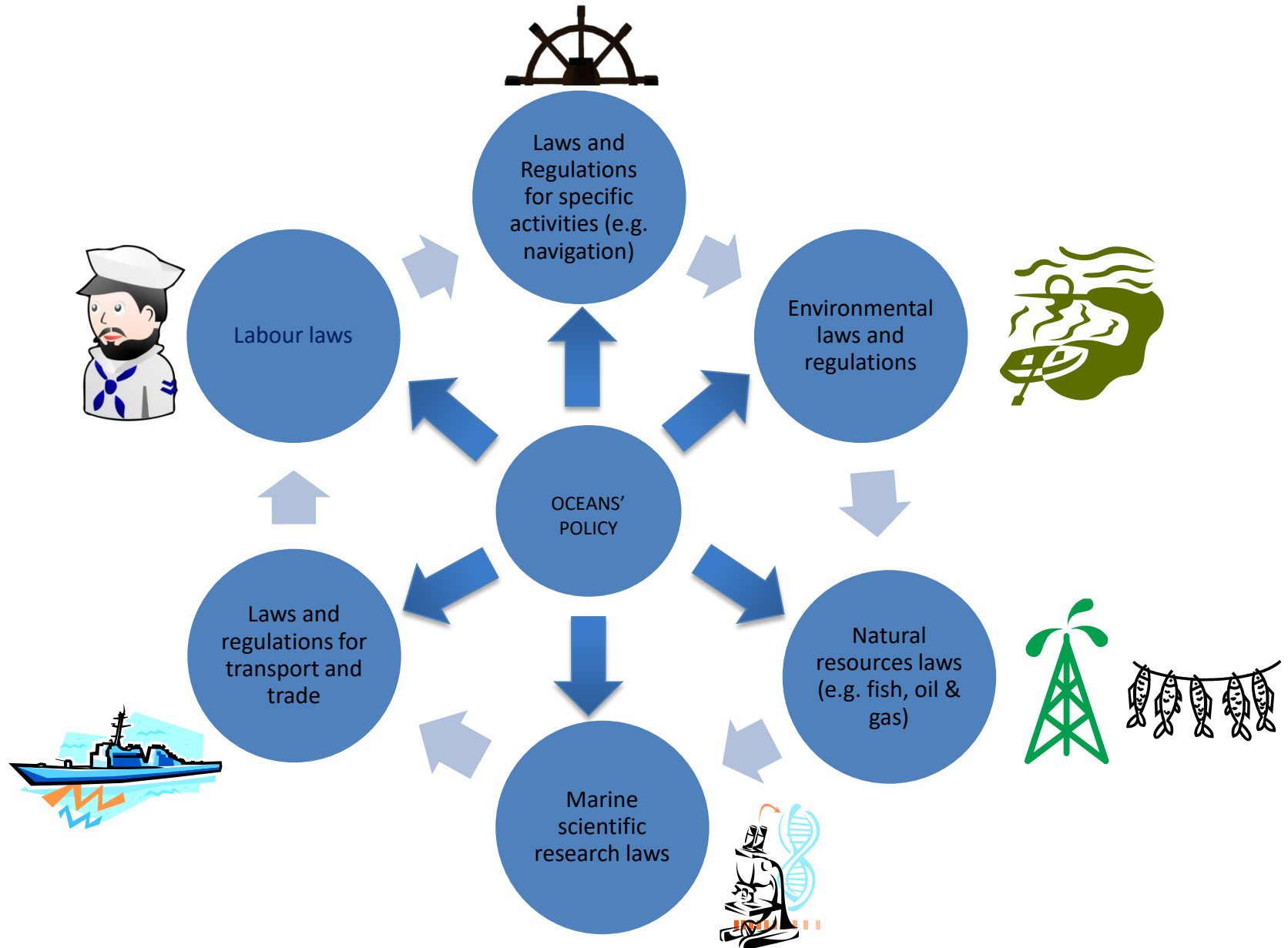


# Legal/Policy Framework (Global)





# Legal/Policy Framework (National)





## *Oceans Economy and Trade Strategy*

The OETS aims to support developing countries in realizing economic benefits from promising products and/or services in key ocean economy-based sectors within the UNCLOS framework

This will be done under the perspective of [UNCTAD Oceans Economy pillars](#)

*Focus on: products, sectors and value chains*

## Expected accomplishments

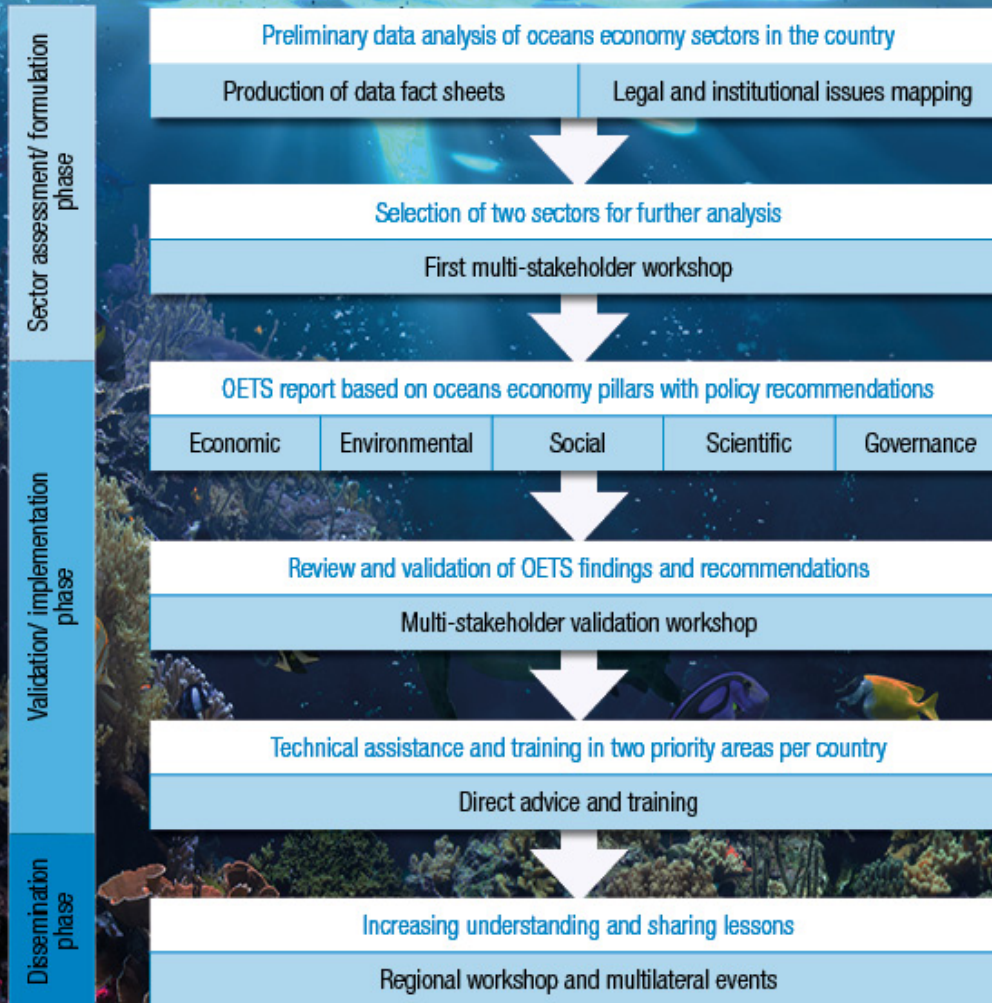
- Improved capacity of national stakeholders to **assess and identify promising products and/or services** in key ocean economy-based sectors within the UNCLOS framework
- Strengthened capacity of stakeholders in **defining policy options and implementing priority actions** to support sustainable trade in products and services in ocean economy-based sectors in beneficiary countries
- **Increased understanding** at the regional level on **how to design and implement OETS** as tool to promote sustainable trade of products and services in ocean economy-based sectors within the UNCLOS framework

## Beneficiary countries

- 3 developing countries or one sub region. Requests received so far: **Barbados, Belize, Costa Rica** & Saint Lucia

## OETS Outcome indicators

- **IA1.1** Two potential goods and/or services are identified by national stakeholders in each of the participating countries
- **IA1.2** 70 per cent of responding participants in the National Stakeholder Workshops indicate that they have a better understanding of key principles and obligations under UNCLOS for developing oceans economic sectors
- **IA2.1** The OETS and its action plan is validated by two national ministries in each of the beneficiary countries
- **IA2.2** One priority action derived from the OETS to promote sustainable trade of products and services in ocean-based economic sectors is implemented in each beneficiary country
- **IA3.1** 70 percent of responding participants in the regional workshop have acknowledged to have increased understanding on how to design and implement OETS as a tool to promote sustainable trade of products and services in ocean-based economic sectors within the UNCLOS framework
- **IA3.2** Three additional countries show interest in obtaining further support to develop OETS





# UNCTAD's OCEANS ECONOMY PILLARS

Sustainable economic development	Sustainable use and conservation of marine resources	Inclusive development with focus on developing countries, SIDS and LDCs	Increased scientific knowledge and technological collaboration	Oceans Governance under United Nations Convention on the Law of the Sea (UNCLOS)
Economic	Environmental	Social	Scientific	Governance
<ul style="list-style-type: none"> <li>- Promote sustainable economic growth in key oceans sectors</li> <li>- Sustainable trade and market access for oceans-based products and services</li> <li>- Seek to enable connectivity for people and markets</li> <li>- Increase value addition</li> </ul>	<ul style="list-style-type: none"> <li>- Sustainable access and use of living and non-living resources within safe ecological limits</li> <li>- Apply precautionary and ecosystem approach</li> <li>- Consider transboundary effects</li> <li>- Seek to address climate change mitigation and adaptation</li> </ul>	<ul style="list-style-type: none"> <li>- Incorporate the maintenance of coastal populations livelihoods, specially of small scale and artisanal fishermen</li> <li>- Consider local employment sources</li> <li>- Include food security considerations</li> </ul>	<ul style="list-style-type: none"> <li>- Incorporate low carbon activities and technologies</li> <li>- Promote investment in applied Research &amp; Development</li> <li>- Seek to enable transfer of technology and knowledge cooperative frameworks</li> </ul>	<ul style="list-style-type: none"> <li>- Include regulatory and policy obligations under UNCLOS and other UN treaties and soft law</li> <li>- In line with national development priorities/plans</li> <li>- Promote interagency and intergovernmental cooperation</li> <li>- Respect local tenure and rights over marine resources</li> </ul>



## Main objectives of the field mission

- To introduce the OETS Project
- To have a list of consultants with all contact information and CVs
- To have an opportunity to meet and interact with government officials in relevant sectors and potential consultants
- To build partnerships with FAO and UNDP and other relevant agencies
- To gather sources of data and statistics
- To identify all relevant national regulations applicable to selected sectors
- To undertake the stakeholder mapping

For more information on the OETS Project see:

<http://unctad.org/en/Pages/DITC/Trade-and-Environment/Oceans-Economy-Trade-Strategies.aspx>

## Oceans based pre-selected for Research in Costa Rica

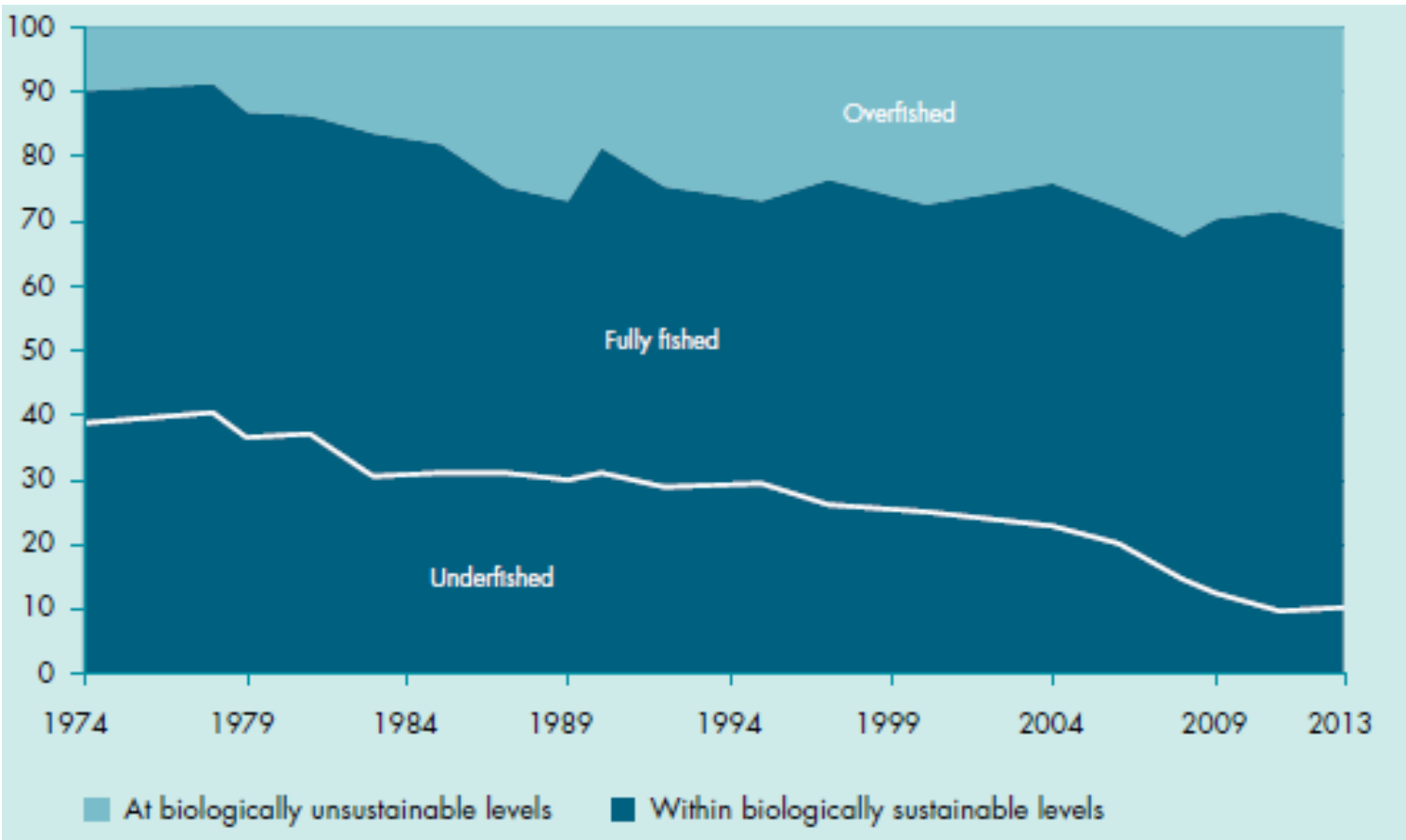
Oceans based sectors	Interests expressed by Costa Rica	UNCTAD classification
<b>Sustainable marine fisheries (all fish but tuna)</b>	<ul style="list-style-type: none"> <li>• Improvement of fish stocks management systems</li> <li>• Improvement of Monitoring, verification and control systems</li> <li>• Value of sustainability certifications/standards</li> </ul>	<p>Goods (trade data exists) Sector A: Marine Fisheries (harvesting + trade)</p> <p>Sector D. Blue BioTrade (but only applicable to fish species other than tuna)</p> <p>Services (low probability of data) WTO (W120) F: Other business services g. Services incidental to fishing CPC V2.1 (2015): 86153: Support services to fishing</p>
<b>Sustainable wild tuna harvesting/fishing sector (only tuna species)</b>	<ul style="list-style-type: none"> <li>• Options modernization of capital/operational inputs</li> <li>• Improvement of monitoring, verification and control systems in fleets</li> <li>• Compliance with sustainability requirements</li> </ul>	<p>Goods (trade data exists) Sector A: Marine Fisheries (harvesting + trade) but with focus on one specie (tuna)</p> <p>Sector E: Ships and parts manufacture (only applicable to fishing vessels and equipment)</p> <p>Services (low probability of data) WTO (W120) F: Other business services g. Services incidental to fishing CPC V2.1 (2015): 86153: Support services to fishing</p>

# Oceans based pre-selected for Research in Costa Rica

Oceans based sectors	Interests expressed by Costa Rica	UNCTAD classification
<b>Sustainable Crustacean aquaculture</b>	<ul style="list-style-type: none"> <li>• Development of cultivated shrimp projects with a sustainability approach</li> <li>• Directed to vulnerable populations of the North Slope and to coastal populations of the Gulf of Nicoya</li> <li>• Value of sustainable aquaculture certifications/standards</li> </ul>	<p>Goods (production data exist): Sector B: Aquaculture</p> <p>Services (low probability of data) CPC V2.1 (2015): 86154: Support services to aquaculture</p>
<b>The seafood manufacturing sector</b>	<ul style="list-style-type: none"> <li>• Export, marketing and labelling of seafood Costa Rica</li> <li>• Best manufacturing practices</li> <li>• Development of a local and international marketing strategy, and brands</li> <li>• Value and use of sectoral and certification marks</li> </ul>	<p>Goods (trade data exists) Sector C: Seafood processing</p> <p>Services (low probability of data) CPC V2.1 (2015): 61 Whole trade services</p>



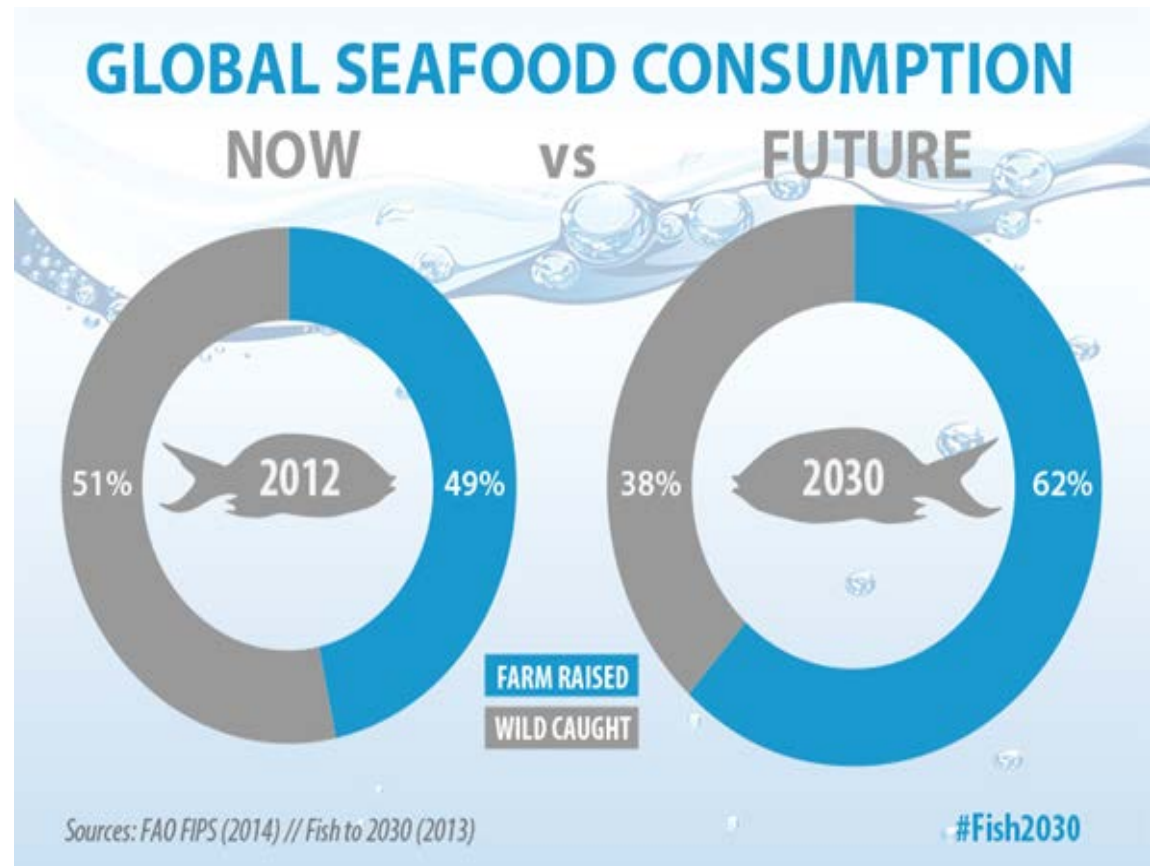
## 8. Global trends in fish stocks



Source: FAO, The State of World Fisheries and Aquaculture (2016), Rome.

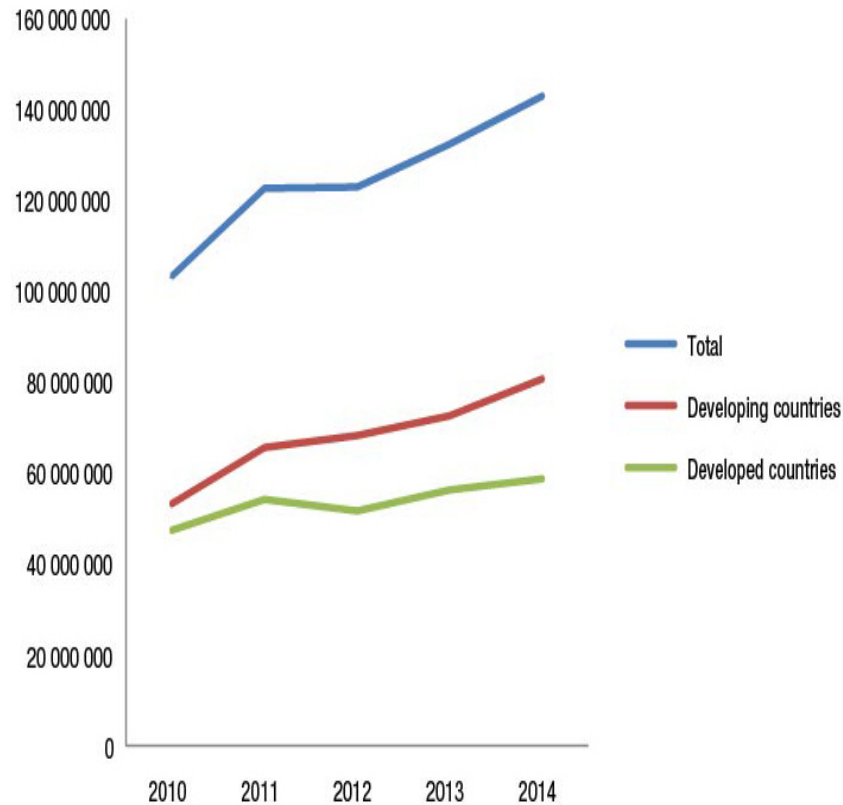
- Current level of wild catch = 90 million tons. if we apply **good fish management policies** we may arrive to 93-94 million tons by 2035 (WB, FAO, IFPRI and AES)
- We have **reached the limit** and **recovery is too slow**

## Global trends in aquaculture



- The **gap in the supply over the next 15 years** of fish will be filled by aquaculture by 2030
- Importance and urgency of **global fish and sustainable aquaculture management**
- Aquaculture **business** will be located mainly in **developing countries** in Asia, Latin America, Africa & Middle East

# Tariff lines and exports of fish



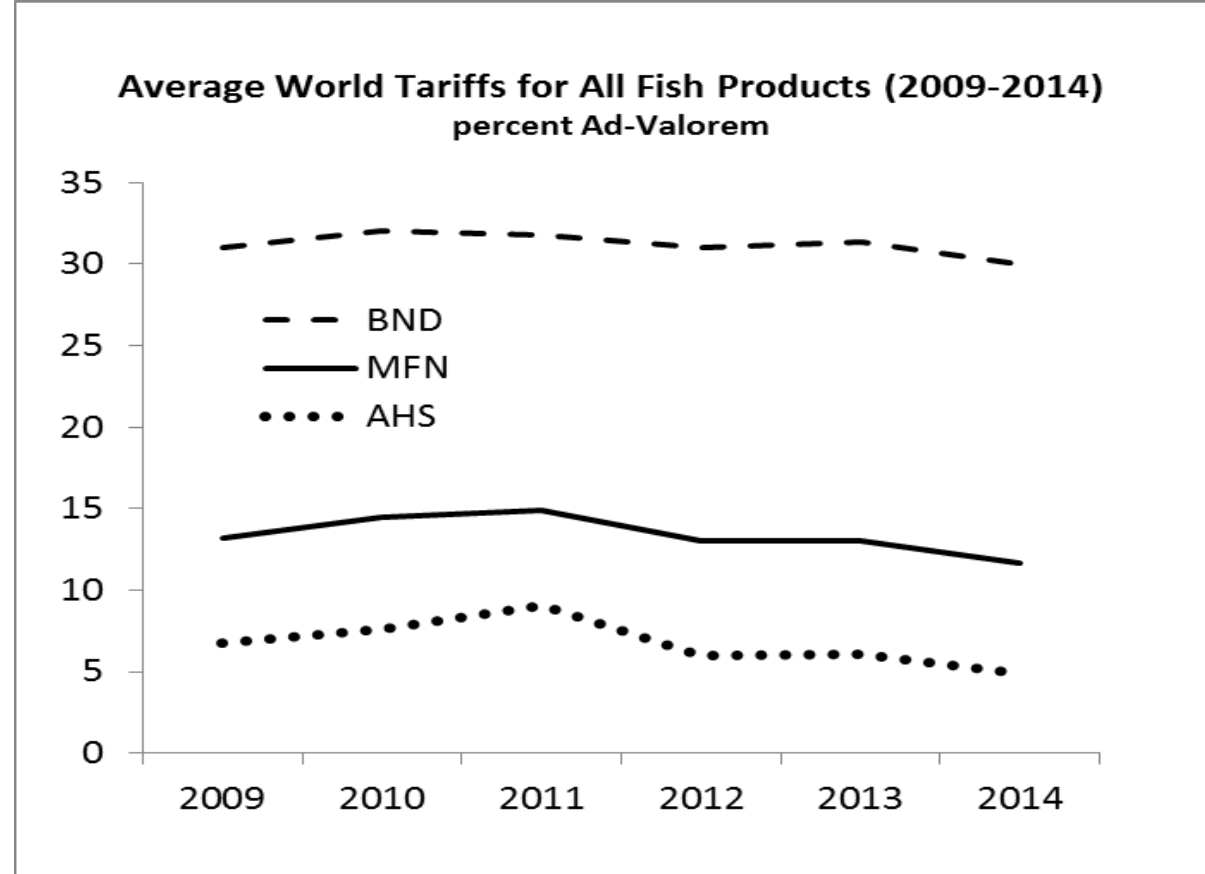
**Table 1. Tariff lines covered by the fish and fish products sectoral initiative**

HS 2002	DESCRIPTION
03	Fish and crustaceans, molluscs and other aquatic invertebrates
0509	Natural sponges of animal origin
0511.91	Animal products; of fish or crustaceans, molluscs or other aquatic invertebrates and dead animals of chapter 3, unfit for human consumption
1504.10	Fish-liver oils and their fractions
1504.20	Fats and oils and their fractions, of fish, other than liver oils
1603 ex	Extracts and juices of fish or crustaceans, molluscs or other aquatic invertebrates
1604	Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs
1605	Crustaceans, molluscs and other aquatic invertebrates, prepared and preserved
2301.20	Flours, meals and pellets, of fish or crustaceans, molluscs or other aquatic invertebrates

Developing countries are the main exporters with 56% of total world exports by 2014 (in value)

## Tariffs in fish products

Source: UNCTAD (2016) *Trade in Sustainable Fisheries*.

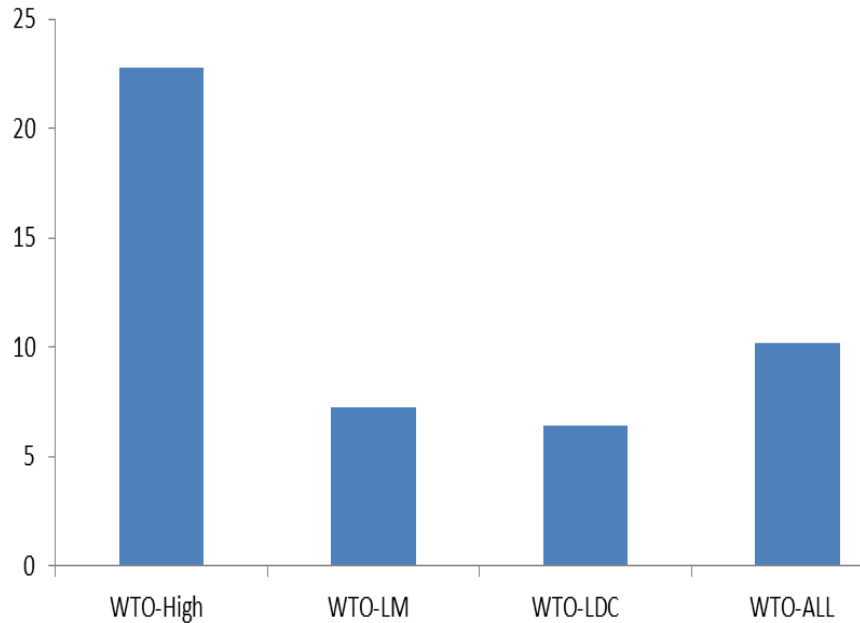


- **Tariffs** are coming **down** regardless of lack of advances in the Doha Round
- **MFN and average applied tariffs** (wild capture and aquaculture) are **not particularly high** as compared to bound rates. This is the consequence of unilateral tariff reduction & WTO accession commitment

# Tariff peaks - Tariff escalation

Average number of tariff peaks per country in group in 2014

(All Fish Products)



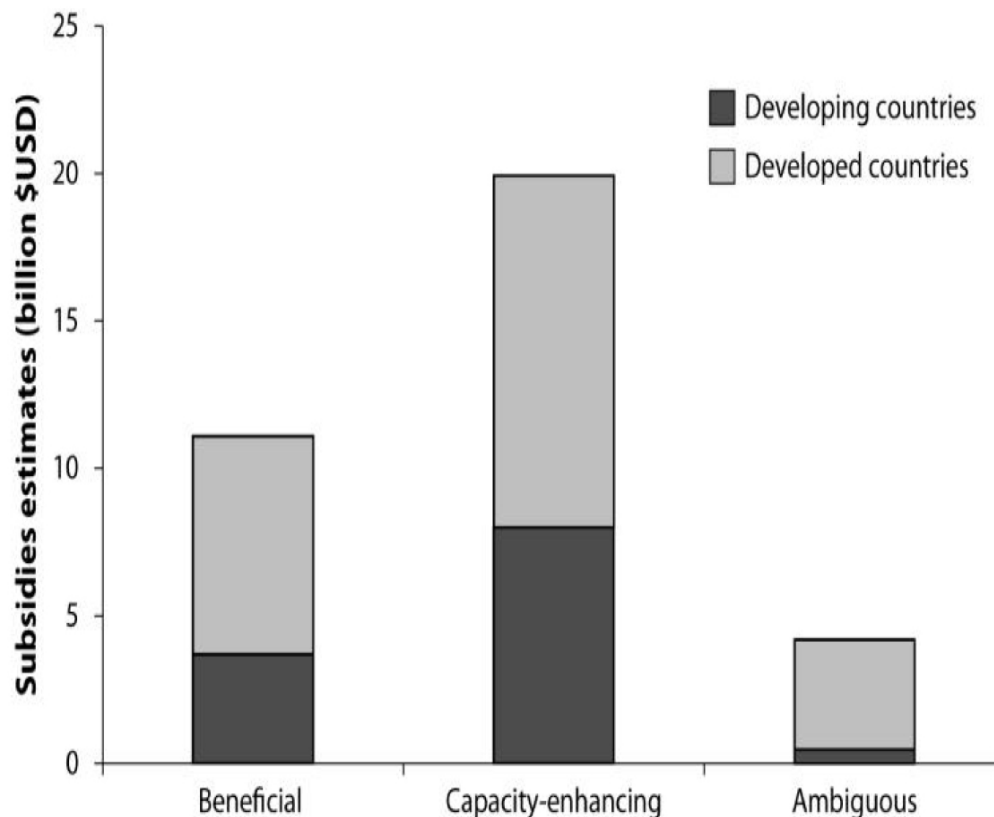
- Some fish products in certain countries **face tariff peaks** and tariff **escalation**
- Most tariff peaks: high-income countries (usually linked to level of processing)

*Source: UNCTAD (2016) Trade in Sustainable Fisheries.*

- Tariffs peaks are an **important barriers to add value** in developing countries
- It's in the interest of fish export and importing **countries to reduce tariff and tariff peaks**
- The **WTO negotiations** and the **UNCTAD's Global System of Trade Preferences** among developing countries could have a role in facilitating trade in sustainable fisheries

# Subsidies in fish and fish products

- Global fisheries subsidies have been estimated to be as high as **\$35 billion worldwide**
- **About 57% of fishery subsidies** can be categorized as negative, enhancing capacity to extract an already quite depleted natural resource
- Subsidies represent about **41% of the total fish exports value by 2014** (UNCTAD, 2016)

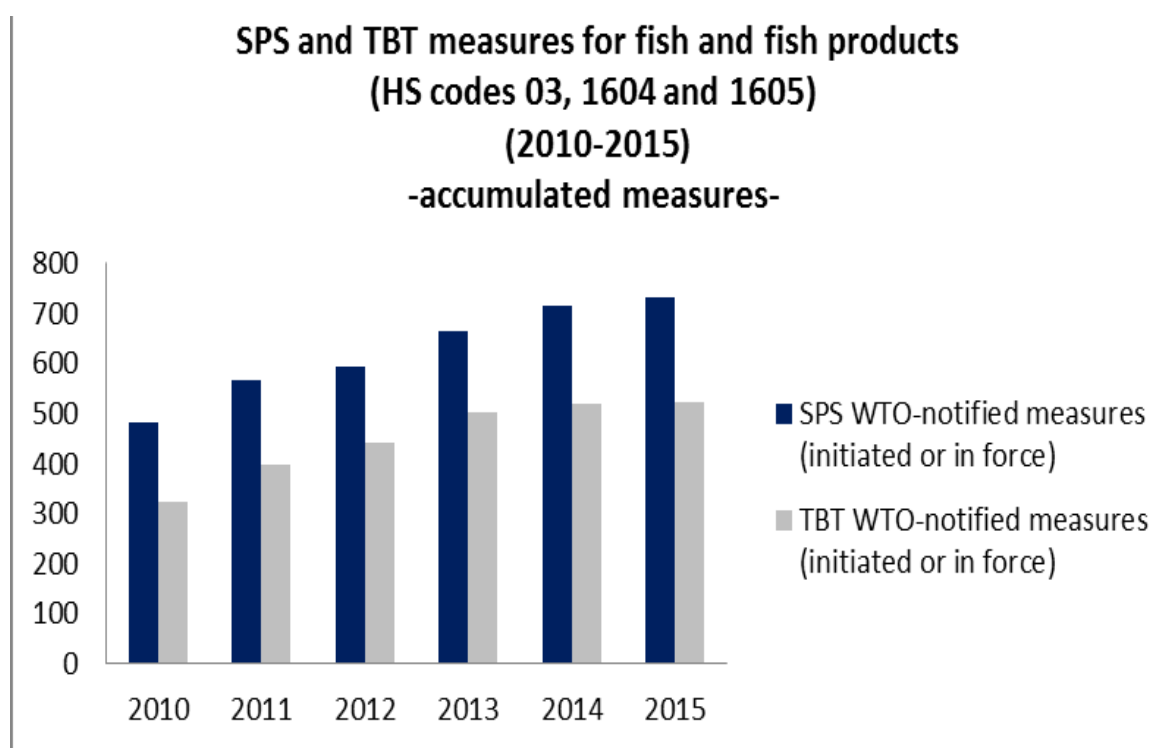


Source: Sumaila et al. (2013), Global Fisheries Subsidies, EU Parliament.

# Non Tariff Measures

- **80% of all fish related NTMs are technical and phytosanitary measures**

*Source: UNCTAD (2016) Trade in Sustainable Fisheries based on WTO data.*



- 1'250 fish related SPS/TBT **measures, growing at 11.2 % since 2010**
- There are **2.5 times** more SPS/TBT measures in fish than in manufactures
- And they **are accumulating!**
- NTMs could be important **barriers for access to markets by** small scale and artisanal fishermen (SDG 14.b)
- Urgent need to increase transparency, understanding, harmonization, capacity building and mutual recognition

# MUCHAS GRACIAS

UNCTAD Oceans Economy and Fisheries page:

<http://unctad.org/en/Pages/DITC/Trade-and-Environment/Oceans-Economy.aspx>

DAOLOS page:

<http://www.un.org/depts/los/>

OETS Project page:

<http://unctad.org/en/Pages/DITC/Trade-and-Environment/Oceans-Economy-Trade-Strategies.aspx>

