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## **Oceans Forum: Trade-related aspects of SDG14**

UNCTAD, FAO, UNEP, Commonwealth Secretariat, ACP Group and IOI  
Palais des Nations, Room XXVI, 20-22 March 2017

### **Meeting report by the UNCTAD and FAO Secretariats**

1. The Oceans Forum, held on 21-22 March at the *Palais des Nations* in Geneva was jointly co-organized by the Food and Agriculture Organization of the United Nations (FAO); UN Environment; the Commonwealth secretariat; the African, Caribbean and Pacific Group of States (ACP); the International Ocean Institute (IOI) and UNCTAD.
2. The meeting forms part of the pre-events leading up to the UN Conference on Oceans to be held on 5-9 June 2017 in New York, and therefore sought to contribute substantively to these discussions, while paying particular attention to the positive role of trade in implementing and achieving SDG14: *Conserve and sustainably use the oceans, seas and marine resources for sustainable development*. It was also noted that this gathering was the last before WTO's Ministerial Conference in December of this year (MC11), and for this reason, this event was considered very timely.
3. The meeting recognized SDG14 as the first global goal obtaining overwhelming support by the international community. It is one being reviewed in-depth for the first time, in other words, it is the initial test ever of an SDG. The timing of the UN Conference on Oceans in June, bringing together the community in a speedy call for action, reflects the support SDG14 has generated.
4. Realizing that SDG14 has the most momentum today, participants emphasized that there is a desire to find an outcome sooner rather than later. If this sense of urgency is taken advantage of, results could be achieved by as early as the end of this year.
5. The meeting's focus was on trade-related aspects of this global call. All participants noted that marine resources today are traded extensively across borders, so, defining clearly what the trade community can do was seen as a crucial step in the overall achievement of SDG14.
6. Panellists reminded participants how the fishing sector is of critical importance, especially to developing countries. Oceans produce half of our oxygen, regulate global climate, provide food

and other resources, among other benefits. The reminder was also that this resource is being significantly harmed. According to the FAO and UN Environment figures, 90% of fish are overfished or fully fished, 60% coral reefs are threatened, 20% mangroves are destroyed, and 13 million tons of plastics end up in oceans. The opportunities for preserving it and the economic benefits of these opportunities have been estimated as high as 86 billion/year by the World Bank.

7. FAO data shows that about 31% of assessed fish stocks<sup>1</sup> in 2014 were estimated as fished at a biologically unsustainable level and therefore overfished, 58% were fully fished and only 11% were under-fished. These trends are mainly due to overcapacity of fleets, destructive fishing practices, and Illegal, Unreported and Unregulated (IUU) fishing. Interlinked and ultimate causes are institutional and regulatory constraints, which point to the need for more capacity-building, especially on data collection. When it comes to collecting data, estimating IUU is particularly challenging because given its own nature.
8. Aside from certain threats to the fisheries sector, including, IUU fishing, overfishing practices, harmful fishing subsidies that are all human made; the meeting heard additional threats of longer term also produced by humans, such as climate change, increasing temperatures, decreasing oxygen of oceans, among others.
9. One participant, emphasized an important threat that is oftentimes overlooked is **plastic pollution** in oceans. Plastic pollution, in contrast with climate change, can be addressed on a short-term and an ad hoc basis. IUU fishing, fishing subsidies and plastic pollution should all be tackled and approached in an integrated way.
10. The meeting addressed plastic pollution in depth, as one that places significant pressure on fisheries today. Every year, as much as 200 million tons of plastic end up in the sea. Plastics, decayed microplastics and nanoplastics produced specifically in certain industries (ex. cosmetics) end up dumped in the ocean causing a lot of harm to its resources.
11. Plastics, including plastic bags, are seen floating in coasts. They appear as food, especially to turtles, given their resemblance to jellyfish. Birds also try to catch plastics due to their attractive colour. Animals that feed on plastic fill their stomachs without getting the nutritional value of food and end up starving. In addition, there are lots of net remains in oceans, which are in turn collected by birds to build their nests. These animals run the risk of getting entangled by nets.
12. But this is not the full picture. While some plastics are visible in the sea, there are other small plastic particles not visible and very harmful. Such is the case of microplastics and nanoplastics which are endangering whole ecosystems, for instance, coral reefs. Since fish feed on food organisms of their similar size, small fish feed on small-sized food and microplastics are thus small enough that they look like food for crustaceans, larva fish and fish in early stages. By impacting them, we hamper the stock and obstruct producing enough biomass for our fisheries.

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<sup>1</sup> It is important to be precise. These % relate just to stocks the status of which are currently assessed. According to FAO, assessed stocks represent 70% of catches. However, the status of stocks representing the remaining 30% (a high number of stocks, as the known ones are the most important commercially) is unknown.

13. A fundamental matter presented, for which we have yet no answer, is that microplastics may remain inside fish for their whole life. We have not been able to identify the effect these substances may have on fish, which end up being in our food and diets. Similarly, nanoplastics, in toothpaste, peeling creams, and other remainders of similar industrial products can be eaten by small animals in early stages. So, plastics have at least 2 classes of damage: mechanical damage, filling up stomach of fish and starving them; and, a chemical impact, in the metabolism of our fish.
14. In conclusion, given the detrimental nature of plastic pollution, we should reasonably expect that SDG14 and the Oceans Conference come up with some guidance on ways to regulate effectively the reduction of plastic debris in the sea.
15. SDG target 14.6 recognizes the need to take action on certain forms of subsidies that contribute to overcapacity and overfishing, and to refrain from introducing new subsidies. Many participants recognized that, on subsidies as well as on illegal, unregulated and unreported (IUU) fishing, there is a need for more **data gathering**.
16. One participant mentioned that the existence of differing statistics on overfishing generates confusion. Addressing this issue, it was noted that some organizations use different terminology and this is why they end up with differing figures. Moreover, collecting data is very challenging especially in developing countries due to the existing infrastructure and prevalent underestimation of true catches.
17. Participants were in agreement that negotiations on fishing subsidies have been going on for about 20 years in the multilateral trading system. Despite the fact that discussions at WTO date many years back, the group noted that there is a great opportunity at hand today to advance the elimination of certain subsidies. SDG14 and its targets for 2020 - rather than 2030 as with other SDGs - is a call for an accelerated pathway. The sense of urgency is based on the fact that these resources cannot continue to be depleted as done thus far, in other words, the cost of inaction is simply greater than the cost of action. The call for speedy action is also motivated by a change in political direction today, as reflected with the adoption of SDGs. With SDGs the matter has been elevated for the first time to the highest levels, that of Heads of State, and they in turn given clear instructions on what needs to be done.
18. In this context, an important question raised was: what can be done within the WTO? For many, SDG14.6 can only be reached if we reach common agreement on concepts and identify those subsidies that shall be eliminated by introducing **clear, specific and coherent prohibitions**. Such prohibitions could be complemented by revisiting the categories of "**actionable**" subsidies by incorporating not only trade concerns, but also others aspects such "harmful effects over stocks" and "rights of other States over stocks in the high seas".
19. The meeting revealed that there is more convergence on elimination of subsidies that contribute to IUU fishing rather than on other forms of fishing subsidies. WTO CTE has been deliberating upon this for the last 2-3 years. However, a lot more can still be done through enhanced international cooperation; and in particular on market access and technology transfer as per SDG14 (a) and (b), including accelerating and disseminating best practices and technologies for ocean health and marine resources, and, on monitoring and surveillance systems.

20. Interestingly, members expressed hope on progress on fisheries subsidies as MC11 approaches, given that phasing out fishing subsidies is perhaps the issue that has received most proposals. This is good news. The outcome, however, needs to have precise content which would only be achieved through further negotiation.
21. Participants highlighted that a sense of pragmatism is required in the negotiations. In other words, the international community needs to have a sense on what is likely to work, not lower its ambitions, but be realistic on what can be achieved in run up to MC11. We should always have in mind that there is a WTO Ministerial Conference planned, but the goal of SDG14.6 runs beyond that, to 2020.
22. Phasing out subsidies that lead to overcapacity and overfishing and IUU fishing brings along an obligation to refrain from the introduction of new subsidies. The common message is that regardless of the interrelationships of these elements, negotiations should not entail any other form of conditioning.
23. An interesting debate on barriers to fish trade, specifically on **non-tariff measures (NTMs)** revealed -through UNCTAD research- that fish products are subject to two and a half more of NTMs than manufactures. NTMs are imposed for environmental reasons, social concerns, etc. While their introduction may be for legitimate objectives, they nevertheless can have unintended effects on trade.
24. The group was presented with evidence on the high incidence on NTMs in the fishing sector, mainly linked to sanitary and phytosanitary measures (SPS) and technical barriers to trade (TBT). The meeting noted that in WTO, there is a need to continually use SPS and TBT agreements to improve transparency and reverse discrimination.
25. Emphasis was placed on understanding the real objective behind NTMs. The preliminary evidence presented did not show that these measures are being introduced to protect local producers but more for food safety reasons. However, this picture is incomplete as there is a need for data on rules of origin and fish subsidies.
26. In this context, participants realised that there is a need to work across different organisations and frameworks. Sharing best practices may help us find common solutions. Hearing a collective voice is an important step. WTO and trade institutions do not operate in a vacuum so working collectively was seen as key and a real challenge for SDG14.
27. The inclusion of **special and differential treatment (SDT)** in the SDG14 discussions was subject of debate. One participant expressed disappointment on the UN Oceans Conference "Call for Action" zero draft, saying that previously the draft incorporated SDT language and that this was no longer the case.
28. On the one hand, it was considered necessary to have an SDT component in these negotiations as implementation of SDG14 globally requires making it more receptive to the needs of developing countries. In contrast, others were of the view that we are involved in a process that follows a mandate and the best way to get an outcome is to stick to the mandate, stipulated within 14.6 and therefore not transform discussions on SDG14.6 to a negotiation on SDT. Contesting this point, however, some participants argued that SDG14.6 is not per se a negotiation

of SDT, it is on fishing subsidies, but that we must not forget the mandate states clearly that SDT needs to be taken into consideration.

29. On SDT, members also emphasized that without underestimating the importance of harmonizing rules, the international community is too fractured, too heterogeneous. So, to ensure that all countries are aligned towards a same path, SDT would allow developing countries this smooth transition towards implementing effectively SDG14.
30. Coming back to the issue of threats to fisheries, overexploitation, IUU and subsidies, participants discussed various global agreements. Efforts and agreements have already been reached to combat certain threats and lack of cooperative efforts, including the UN Fish Stocks Agreement; FAO's Port State Measures Agreement; the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES); the FAO's Code of Conduct for Responsible Fisheries; the International Plan of Action (IPoA) to Prevent, Deter and Eliminate IUU Fishing; and the IPoA for the Management of Fishing Capacity. Some agreements and instruments are binding while others are soft instruments, yet both can prove very effective.
31. The point made was what would show results now? What would reverse trends in the fisheries sector? The meeting found that participation and full commitment to already existing instruments was critical. The panel reminded members that, for example, after 35 years, we have not lived up fully to the obligations in United Nations Convention of the Law of the Seas (UNCLOS) to maintain Maximum Sustainable Yields (MSY) levels as well as others. Therefore it would appear that complying with goal 14 is about complying with existing and not about setting new commitments.
32. The group cautioned on the need to admit our limits in provision of **data**. The need to be more humble as far as info is concerned was important as we will never have all the info we need. So, we may have to recognize that decisions may have to be taken without all the information at hand.
33. Participants highlighted that complying with SDG14 will have an economic impact. Not necessarily a negative one, on the contrary, there is potential for a positive economic impact in the achievement of SDG14. The meeting heard how the private sector and in particular investors are ready and willing to support the implementation of SDG14; and that this is one main avenue that requires further consideration, the positive impact of trade on the economy when promptly and fully complying with SDG14.
34. Views were expressed on the difficulty of combatting **IUU fishing**. Though data is difficult to obtain, IUU fishing activities appear to have escalated over the past two decades, especially in waters beyond national jurisdictions. These activities are estimated to illicitly harvest 11 to 26 million tons of fish each year or more than 15 per cent of the world's total annual captures. One participant stressed that a positive advancement in the EU is on standards and systems adopted that allow for automatic communication between fishing management organizations and vessels. These systems could be adapted to other countries.
35. Going forward, there is a need to improve public awareness of IUU fishing, so all countries are involved in the fight against it. Some participants said it was considered troubling that for some countries, IUU is not seen as a serious crime, and therefore some national legal frameworks do

not place it with other similar offenses. The meeting considered it was important to treat as a serious crime and prosecuted.

36. The problem of IUU fishing requires cooperation among states. There is a need to develop arrangements where we can take action to effectively deal with it. The legislative base and institutional capacity of the country is very important. It is necessary that reforms are introduced and brought in line with international best practices. For the first time, a legally binding agreement to address IUU fishing has recently entered into force, namely the FAO's Port State Measures Agreement, and it was said that this should be taken advantage of. Nonetheless, disappointment was expressed on how states that negotiated this agreement have yet to implement or even accede to it.
37. In sum, the group argued that SDG14 is grappling with very complex situations. First, there is IUU fishing which takes different forms. The broad scale of problems associated with IUU fishing call for a great number of different areas of work that require increased international cooperation. The institutional, legal frameworks need to be strengthened. And, there penalties, fines and convictions as well as state surveillance capabilities that are not cheap, need to be improved.
38. A second sphere of action required for SDG14 to advance is the management itself of the resource, of fish stocks. So properly implement and adapt management systems was considered equally important.
39. A third sphere is international cooperation; if laws are decoupled from the international sphere then it is difficult to work in harmony. We need to tackle the whole value chain which goes beyond one state. If people do not understand that it needs to be sustained and coordinated then the task of finding a solution to IUU fishing was said to be difficult.
40. Regarding **small scale fishing (SSF)**, many stated how important this practice is in providing jobs and food security. SSF has intrinsically a social function. In fact SSF constitutes less than 35% of all worldwide fish captures. Nevertheless it employs 86% of all fishermen worldwide, of which half of the employed are women.
41. In consequence SSF was seen as essential not simply as a means of living for people but also for food security and as a main source of protein for many coastal populations. Gaining market access for SSF is not easy; while tariff barriers are relatively low, the products from SSF face important challenges, including NTMs and lack of appropriate infrastructure and resource management capacity (transportation, packaging, etc.).
42. The group considered recommendations on SDG14.b relating to SSF, such as, prioritize capacity-building, the provision of financial and technical assistance for SIDS and LDCs to improve conservation and management of marine resources and access to markets through sustainable supply chains.
43. A question was raised on how negotiations will revolve around the theme of SSF and also whether artisanal and small scale fishing should be considered as the same, especially as far as the treatment of subsidies for SSF and artisanal fishing is concerned. In fact, the meeting noted that one of the difficulties is how to define what constitutes SSF and what constitutes artisanal fishing.

The other underlying issue is in what measure are there rules that are applied to this particular group.

44. The meeting ended with an important note, it is vital to move from talking to action; that we should get down to business. The group highlighted that various difficulties faced and how to overcome them were dealt upon, and that now it was high time to reach a compromise and engage in dialogue for action. Much imagination was said is also required to pinpoint areas of convergence.
45. Over the course of the meeting, discussions reminded participants that there is an urgent need to achieve results. But it also reminded members the consequences of failing to do so. It was said that everyone must be aware that the Oceans Conference has begun a process with a short document, the zero draft. This forum was successful in identifying problems that will be debated and discussed at the Ocean Conference as well as MC11. There are still no precise binding solutions emanating from this meeting, but this meeting was able to produce a constructive list of the challenges faced. In fact, the process leading up to Oceans Conference is likely to use the results of this meeting as input into that process. Therefore the Group felt that the meeting was an important and useful step for both the OC and MC11 and adjourned with a hope that would be given its deserved importance.