

Ad Hoc Expert Group Meeting on Trade in Sustainable Fisheries

**UNCTAD and The Commonwealth Secretariat
Geneva, 29 September–1 October 2015**

Chairman's Conclusions

The expert meeting recognized that fish is of ecological, economical and social and culture importance to humans. It is the single most traded food commodity, provides food and nutrition to many, provides jobs and incomes to over half of the global population and has intrinsic cultural values. The meeting also recognized that fish stocks are in a critical state. According to the FAO, 87% of the world's marine fish stocks are fully exploited, overexploited or depleted, and this number has been increasing steadily owing, *inter alia*, to:

- i.) Over-fishing and overcapacity;
- ii.) Harmful subsidies;
- iii.) Illegal, unreported and unregulated (IUU) fishing, piracy in the high seas, illegal or unlicensed activities, unreported or misrepresented data;
- iv.) Ocean warming and acidification due to climate change; and
- v.) Ocean pollution affecting fish habitats and ecosystems.

The last two and half days have involved very rich debate addressing how to turn the evolving tragedy of the commons into the triumph of the commons. SDG 14 provides a wake-up call and a new opportunity to take urgent action to reverse the situation from conserving and harvesting to processing to trading and final consumption of fish and fish products.

Experts welcomed the comprehensive Trade in Sustainable Fisheries Agenda titled "From a Tragedy of Commons to a Triumph of the Commons" (A 2030 Fish Agenda). This first meeting was the first to reflect on SDG 14 and the role of trade as an enabler to advance the implementation of its targets. This agenda can be found in the UNCTAD–Commonwealth Background note at:

<http://unctad.org/en/Pages/MeetingDetails.aspx?meetingid=854>

This agenda can comprise the following interrelated pillars:

1. Strengthening effective governance of the fisheries sector in view of sustainable development goals;
2. Harnessing the potential of international trade to meet an increasing demand for fish and fish products as population continues to grow;
3. Addressing and removing harmful incentives and tackle IUU;

4. Designing complementary measures for fish stock resilience and conservation of marine ecosystems; and,
5. Meeting cost and capability constraints for value addition in developing countries.

1. **On effective governance for sustainable development**, there must be a collective effort at global, regional and national levels for a more sustainable and responsible fisheries management. SDG 14 urges accelerated actions in this regard. Achieving SDG 14 would also support achievement of SDG 1 on poverty, SDG 2 on hunger and food security and SDG 8 on inclusive and sustainable growth and employment. Monitoring progress on implementation of SDG 14 should be a priority. In this regard, the proposal by the Prime Ministers of Fiji and Sweden to hold an international conference on SDG 14 in 2017 deserves support.

There is a wide array of international law, soft law, rules and frameworks dealing with conservation, harvesting, and trading in fish in the high seas and in countries' exclusive economic zones. These include the UNCLOS, UN Fish Stocks Agreement, other FAO treaties and soft laws, the UN General Assembly resolutions as well as applicable rules under WTO at the international level. Experts indicated the need to promote the participation and ratification of these instruments.

At the regional and national levels, there are regional fisheries management organizations and national fisheries authorities. In view of the multiplicity of the instruments, further coherence among these existing bodies of laws or instruments should be promoted, seeking mutual supportiveness and ensuring that in the design of regional and national rules they are taken into consideration. In terms of trade rule making, the crafting of mega-regional trade and bilateral agreements in regard to fisheries trade should build upon the “acquis” attained and stabilized at the multilateral level.

Governance and regulation of fisheries in the high seas should be improved. While there are principles and provisions under UNCLOS and the UN Fish Stocks Agreement, there is a need to better implement and monitor for surveillance of fishing activities in the high seas.

2. **On harnessing the potential of international trade to meet demand for fish**, issues relating to tariffs, tariff peaks and escalation and non-tariff measures remain to be fully addressed to the benefit of developing countries in particular the weakest. Market access constraints to fish and fish products should be addressed whilst recognizing special and differential treatment.

Non-tariff measures (NTMs) are in principle legal and legitimate in their objectives, but they may impede entry into markets of fish and fish products. As NTMs are increasing and accumulating, options are required to facilitate the fulfillment of these measures and address them when they become an obstacle to trade, especially for those that do not have the capacity. The need for further mapping, convergence and harmonization of NTMs, including at the regional level, was stressed. Promoting mutual recognition of documentation and certification and, testing and evaluation undertaken by developing country authorities should be accepted by other countries.

In regard to preferential trade agreements, rules of origin should be made more flexible for developing country parties in order to facilitate value addition. Options could be explored within the LDC package in the WTO.

Public and private voluntary standards are growing and becoming *de facto* technical regulations affecting market access entry and international market distribution. They are likely to become technical regulations in the near future generating higher risk for disputes at WTO.

On private standards, it was recommended that parties to the WCO (World Customs Organization) should develop HS codes for certified seafood products. Fish and seafood certification need to increasingly incorporate social sustainability standards.

3. In relation to addressing and removing harmful incentives, certain subsidies distort trade and generate inequality, affecting in particular developing countries. There should be full transparency and disclosure of subsidies with identification of those that are harmful and beneficial with immediate prohibition of harmful fishing subsidies within the next 5 years or by 2020. Some actions should be taken up at the 10th WTO Ministerial Conference in Nairobi, including on enhanced transparency, notification and monitoring.

There is a need to quantify evidence on IUU, its market effects and the cost of inaction. In addition, international agencies should provide options to track trade in fish and assess companies control over the seafood value chain.

On IUU fishing, international instruments do exist, however stronger political will is needed to promote implementation and practical application. For example, call was made for ratification and adoption of the PSMA (FAO Port State Measures Agreement), as this is an important instrument to effectively combat illegal fishing.

National schemes on IUU should be based on international law, including UNCLOS, WTO and FAO agreements and instruments, among others, so they are not discriminatory, arbitrary or become an obstacle to trade. The focus should be more on incentives to fulfill and address IUU and not on sanctioning schemes. Also questions of circumvention were addressed.

4. On designing complementary measures for fish stock resilience and conservation of marine ecosystems, countries should consider greening of their export baskets to diversify exports including in fish products. In that regard, UNCTAD was request to continue expanding its support on National Green Export Reviews to other countries, by adapting it to the marine environment.

On marine protected areas, it was acknowledged that they bring substantial benefits that go beyond fisheries conservation, by providing several ecosystem services such as regulation of climate, tourism, recreational services and virtuous nutrient cycle. They should be supported and expanded.

Fish stock management systems are a prerequisite for trade in sustainable fisheries. We need to promote regional cooperation and common regulatory and fish stock management systems that build climate and economic resilience.

5. On cost and capability constraints for value addition, there was a wide recognition on the need to address illegal fishing but more needs to be done to support countries capacities in addressing unregulated and unreported fishing, including through capacity-building. It should not be assumed that lack of capacity to report and present the appropriate documentation implies an illegal origin.

Calls were made on UN agencies under the UN Oceans Initiative, the Commonwealth, and other organizations present to continue with the support provided and organize specific technical session designed to discuss options to implement targets in SDGs 14 from a trade perspective.

Technical cooperation and capacity building are essential to be able to fulfill relevant NTMs. The fulfillment of NTMs in the fish sector has not been sufficiently considered in the Aid for Trade (AfT) initiative, calling for the incorporation of additional support to fulfill those standards. A way to obtain regional convergence and harmonization in NTMs is to promote regional cooperation schemes emulating for example the organic cooperation in Africa and in the Pacific.

When considering regional and nations fish stock management systems, technical support and financial assistance will be essential for success as this is a long term effort. More targeted AfT packages should reflect and respond to these demands.

In addition, financial institutions should introduce schemes for green financing and the valuation of ecosystem services and the development of marine ecosystem value chains. A call was made on the Development Bank of Latin America (CAF) to explore options to respond to these demands in the regional context.

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