



Consultation on challenges and opportunities on Oceans Economy, Trade and Sustainable Fisheries for Pacific SIDS

UNCTAD/MSG/FFA/Vanuatu Department of Fisheries/Papua New Guinea National Fisheries Authority

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- Meeting Report and agreed recommendations -

UNCTAD, the Melanesian Spearhead Group (MSG), the Pacific Island Forum Fisheries Agency (FFA), the Vanuatu Department of Fisheries (VFD) and Papua New Guinea National Fisheries Authority (PNG NFA) jointly held a regional consultation to discuss challenges and opportunities that the oceans economy and more specifically trade in sustainable fisheries brings to Pacific Small Island Developing States (SIDS). A group of regional experts analysed the main multilateral and regional processes related to trade in sustainable fisheries, including inshore and inland fisheries, as well as other related sectors such as seafood production, seabed mining, marine bio prospecting and links with tourism.

In opening remarks, James Matoriki, First Political Advisor speaking on behalf of the Christophe Emelee, Vanuatu's Minister of Agriculture, Livestock, Forestry, Fisheries and Biosecurity, said the fisheries sector was important as a source of food and employment and for government revenue. He said that Vanuatu enjoys a rich marine endowment and is an excellent location for tuna fishing. Vanuatu's largest fish resource is Albacore Tuna with an estimated catch of 8,000 metric tonnes from a 75-vessel fishing fleet. This generates revenue and has the potential to support on-shore processing operations.

Mr. Matoriki said that in 2012 Vanuatu was penalised with a "yellow card" issued by the European Union (EU) on the basis that Vanuatu was not demonstrating sufficient effort in addressing potentially illegal, unreported and unregulated (IUU) fishing activities taking place in its 680,000 km² economic exclusive zone (EEZ), and by Vanuatu registered vessels. Vanuatu responded to this challenge by improving its IUU regulatory, surveillance, monitoring and enforcement systems. The EU "yellow card" was recently lifted in recognition of these efforts.

Mr. Stanley Wapot presented the MSG 2012 Green Growth Strategy. This strategy incorporates a roadmap for the development of regional inshore and inland fisheries in order to improve harvesting practices and sustain local livelihoods. An important aspect of this roadmap is to provide technical support and to educate fishermen and seafood-

processing companies so they can better manage their marine resources, environmental and social impacts and ensure more economic benefit.

Pakoa Kalo of the VFA said that significant efforts had been deployed by Vanuatu to improve its regulatory framework, reduce the number of licensed vessels operating in their EEZ and Vanuatu-flag vessels operating elsewhere, and enhance its capacity to address IUU fishing. The number of licensed fishing vessels was reduced from 150 in 2013 to 75 in 2015. He also said that the IUU fishing compliance requirements imposed by the EU had significant costs in terms of institutional, human and financial resources for small, low-income country like Vanuatu.

Mr. Mike Batty of the FFA indicated that the West and Central Pacific Region currently produced 60 per cent of the global tuna output for 2014, creating great opportunities for economic development. He noted that Pacific Island countries face a number of challenges for market access to the main markets for tuna products. In addition to various systems to ensure seafood meets sanitary requirements, exporting nations must now comply with the EU IUU fishing regulation; and the US is developing systems to prevent the importation of fish suspected of coming from IUU fishing. While Pacific Island countries fully recognise and support the need to deter and eliminate IUU fishing, and have made positive changes in response to yellow cards, he suggested that evaluations need to be based on levels of risk, and take account of the costs and benefits of additional monitoring and enforcement efforts. He said that this would be appropriate in both addressing the IUU fishing problem as well as reducing the burden on small administrations in SIDS.

The topic of whether the IUU fishing regulations are being applied consistently and uniformly were also addressed by the meeting. Some observers suggested that small developing countries seem to be subject to stringent assessment and evaluation for compliance while larger fishing nations appear to receive less attention.

Several national projects to improve fishing port infrastructure, canning and aquaculture development in Papua New Guinea were presented by Paul Martin of the PNG NFA. He said that there was a need to not only develop tuna export capacity but also capacities for smaller fish farmers in farming freshwater fish species that have a significant potential on the internal market. He identified fishmeal and lack of proper coordination of the small fish farmers (estimated to number around 20,000 in the Highlands of Papua New Guinea) into formal cooperative societies to participate on a commercial basis.

Other issues discussed included World Trade Organisation (WTO) negotiations focused on improving market access for fish products, disciplines on fishing subsidies, and related services such as port and coastal tourism development. Mr. David Vivas Eugui of UNCTAD indicated that tariff liberalisation in the WTO for fish and fish products need to be further assessed by Pacific SIDS as it might erode existing preferences margins. It can, however, address with tariff peaks that are hindering value addition by Pacific SIDS. He also noted that disciplining fishing subsidies in the WTO is a matter of priority for Pacific SIDS in order phase out unfair competition from distant water fleets. Policy space should be allowed for Pacific SIDS to develop their own fisheries sector and add value downstream in the fish processing industry.

Another issue of importance when looking at multilateral and regional trade negotiations is the coverage of environmental goods (EGs). Definitions and lists put forward to date mostly include energy efficient products and clean energy technologies, while excluding natural and sustainability produced goods such as sustainably harvested fish and organic agricultural products. Current thinking on environmental goods by extending EG lists and definitions to goods with sustainable production and consumption profiles needs to be revised, said Robert Hamwey of UNCTAD. Strengthening links between the fisheries sector and tourism should be further advanced in order to increase employment opportunities in fishing communities.

The consultations concluded by adopting a regional set of recommendations seeking to promote the development of sustainable fisheries and other oceans economic sectors in the region and addressed to Pacific SIDS, regional organizations and UN member States. Recommendations included the need to make better use of by-catch and fish waste, and expand sustainable harvesting of smaller species like sardines and mackerel as raw material for fishmeal production and baitfish fishery. A call was also made to adjust the application of EU and US IUU fishing standards to the actual levels of risk and the level of development of countries whose compliance is being assessed. Finally, calls were made regarding the need to explore options to regulate bio-prospecting and seabed mining activities in the region.

List of agreed recommendations and action points:

1. Produce a study on options to make better use fish waste in the Pacific building on work by Secretariat of the Pacific Community and Asia Pacific Economic Cooperation (APEC);
2. Seek ways to enhance the production of other small pelagic fish (mackerel and sardines) for food, oils and animal feed building on previous experience;
3. Make better use of by-catch for human consumption;
4. Explore the option of incorporating in the APEC and the WTO EGs lists sustainably harvested fish products;
5. Based on the study on options, to develop and agree upon on a position on trade liberalisation on EGS and sustainably harvested fisheries and other natural and sustainably produced products (organics). Ask Geneva representative to put forward this issue at the WTO Committee on Trade Environment;
6. Explore compatibility IUU fishing unilateral schemes with WTO and other international law;
7. Prepare a MSG Members position paper for fisheries, green and oceans policies to be provided to Members for consideration;
8. Allow subsidization of sustainable fishing practices by developing countries.
9. Secure the availability of policy space for local fisheries and value development by developing countries;
10. Be cautious about agreeing on prohibiting subsidies that increase capacity. Capacity limitations can be used to prevent the development of domestic industry in SIDS. Focus should be on subsidies that hinder the sustainability of the resource and not only on overcapacity;
11. Differentiate captures between those made in EEZs, which are generally well regulated, and those in made international waters;

12. Produce technical tools to determine the cost of IUU fishing at the country level and produce national assessments on the cost of IUU fishing in the Pacific;
13. Encourage market states to evaluate IUU fishing by using a risk-based approach, with due regard to the level of development and commensurate with the resource base of the country.
14. Call for the development a regional policy on marine bio-prospecting with the support of the CBD and UNCTAD.
15. Building on work by Secretariat for the Pacific Community and the Commonwealth Secretariat, develop a common policy on marine mining for the Pacific.
16. Building on the MSG road map on inshore and inland fisheries, explore options to formalise the activity of small aquaculture farmers;
17. Strengthen linkages between the fisheries, food, and recreation sectors.