Call for contributions to

Secretary-General's background note for the preparatory meeting of the United Nations Conference to Support the Implementation of Sustainable Development Goal 14

Inputs from

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

November 2016
I. **Current activities towards the conservation and sustainable use of the oceans, seas and marine resources, including capacity building activities**

1. **Trends**

SDG 14.4 (IUU)

The sustained decline in the wild fish population has been facilitated by fishing practices that are destructive to fish populations and their marine ecosystems. Some of these are unsustainable fishing practices that intensively extract fish resources without regard to the capacity of fish stocks to naturally recover and replenish populations. Such practices by fishing fleets have included the use of purse seine fishing, demersal otter trawl, bottom trawling and dredging, pelagic pair trawl, and drift net fishing. Among fishing communities, examples of harmful practices that have evolved include the use of cyanide or dynamite fishing.

One harmful set of practices that is having a major impact on fish populations and presents a daily threat to global fisheries includes illegal, unreported and unregulated fishing (IUU). Though data is difficult to come by, 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, worth between US$ 10 and 23.5 billion. This equates to about 18 per cent of all fishing activities globally. It has been estimated, for example, that about half of the fish stocks of the West Coast of Africa are today overexploited due to the lack of fish management systems, continuous overfishing and IUU fishing practices. As a consequence, estimates indicate that West Africa loses more than US$1.3 billion a year in foregone catch due to IUU fishing.

In practice, IUU fishing can include several illegal activities, such as harvesting without a license or in violation of national laws or agreements by Regional Fisheries Management Organisations (RFMOs). Illegal fishing activities may also include: fishing out of season; harvesting banned species; the use of illegal equipment; and catching fish over a prescribed quota without a license. Unreported fishing tends to include the provision of false data or misrepresentations regarding where, how and which amounts were caught. It can also mean the relevant required documentation and certification has not been provided or is incomplete. Unregulated fishing generally refers to fishing by vessels without nationality, harvesting in unregulated areas or fishing by vessels that are not members of particular RFMOs.

IUU fishing does not only affect fish stocks in high seas, but also those within the Economic Exclusive Zones (EEZs) of both developed and developing countries. A lack of action hinders potential gains from fish licenses, depletes resources that could be used otherwise by the local fisheries sector, and damages livelihoods of small-scale and artisanal fishers. IUU fishing may also be linked to other undesirable criminal activities such as piracy, and smuggling of drugs, weapons and migrants.
The international community (both fish-exporting and fish-importing countries, and concerned international agencies) has widely recognised the need to tackle IUU fishing. Measures and practices at the international level have been developed, and national regulatory regimes have been established and applied, e.g. by the EU and the United States. The experience of fish-exporting countries, especially developing countries, with IUU standards as well as related best practices and regulations, has been to comply so as to assure the stability and continuity of markets. However, many have expressed concern over the onerous, complex and costly implementation of IUU policies and regulations in place today.

There is particular concern about potential unilateral notifications (‘yellow cards’), bans and restrictions that could be set by major markets in cases where it is deemed that the fish-exporting nation is ‘not co-operating’ in the fight against IUU fishing or cannot demonstrate and show evidence of the existence of ‘similar or equivalent efforts’. In many developing countries, especially among SIDS, the capacity to tackle IUU fishing is low, while the areas they are required to cover are expansive. Such limitations manifest in low-certification and document-processing rates and weak monitoring of coastlines. In this light, it seems that country evaluations regarding compliance with IUU standards should be multilateral, based on actual levels of risk, and should take account of the costs and benefits of additional monitoring and enforcement efforts by developing countries. This would be appropriate in both addressing the IUU fishing problem, as well as reducing the burden on administrations in developing countries, especially in SIDS and LDCs.

A 2015 advisory opinion of the International Tribunal for the Law of the Sea (ITLOS), regarding a request by the West African Sub Regional Fisheries Commission (SRFC) on the obligations of the flag state in cases where IUU fishing activities have been conducted within the EEZ of third party states, provides some guidance on the content and limits of the responsibility of flag states as related to IUU. The advisory opinion clearly indicates that SRFC countries have a duty to conduct due diligence to ensure that their fishing vessels do not engage in IUU fishing in the waters of other countries, and can be held liable for breaching this duty. The advisory opinion also holds that a country, when party to a fisheries access agreement with other countries, has the same obligation of due diligence as the flag state. In this case, due diligence means that flag states have to take enforcement actions to ensure their vessels comply with the laws of SRFC member states, including protection and conservation measures.

Meaningful efforts to address IUU should be incentivised and rewarded. Countries should avoid the simple sanctioning of the weakest country for its lack of capacity. In this regard, efforts should be evaluated from the point of view of the actual political will and capacity to address IUU with the resources available. States facilitating ship/flag registration need to join this effort and establish national measures to avoid abuses and IUU ships finding ‘safe harbour’.

Links between international trade frameworks and IUU fishing could be introduced as potential outcomes under the WTO negotiations, as already exist under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). Perhaps the only area where a
prohibition of fish subsidies enjoys near consensus at the WTO is on subsidies that contribute to and support IUU fishing. Also, CITES is indirectly relevant to IUU fishing, as it aims to regulate/prohibit the trade in wild plants and animals (including fish, sharks and molluscs) and ensures that trade does not threaten the survival of listed species.

Sources:
- Global Oceans Commission (2013), Illegal, unreported and unregulated fishing.
- Oceans Commission (2014), From decline to Recovery.
- FAO International Plan of Action to Prevent, Deter and Eliminate IUU (2001)

SDG 14.6 (subsidies)

The existence of harmful incentives in the fishing industry, such as certain types of subsidies, continues to compromise the sustainability of stocks by creating and supporting excessive fishing capacities to extract an already-scarse resource. Target 14.6 of the SDGs recognises the need to take action on certain forms of subsidies that contribute to overcapacity and overfishing, and to refrain from introducing new subsidies.

Subsidies to support the extraction of an already depleted resource make no economic, environmental or social sense. They affect the food security and livelihood prospects of the more vulnerable coastal communities; benefit, at the expense of taxpayers, industrial fleets or even in some cases illegal activities; expand inequality and fuel unfair competition.

It is well known that after more than 16 years of negotiations in the WTO there is not a multilateral framework to discipline fish subsidies. Efforts by the international community need to be reinvigorated to find an effective and feasible solution at the multilateral level. In doing so, the development and livelihood needs of developing countries, LDCs and SIDS need to be taken into consideration. Some positive precedents have been achieved at the regional level in agreements such as the Trans Pacific Partnership Agreement, which includes some measures to phase out fish subsidies that contribute to overfishing within each party fish management system.

Some fisheries subsidies are a necessary part of economic development and can have positive effects, serving as an important policy tool to support fisheries development (including artisanal fisheries). They can, if properly designed: support crew safety; support processing by local populations; enable value addition; facilitate the establishment of fish stocks management
systems; finance less harmful fishing methods; and promote the adoption of more sustainable technologies and therefore provide for the restoration and rehabilitation of ecosystems. Some of these activities clearly have public good elements.

At the same time, the use of subsidies may be necessary in order to obtain future sources of income. For example, subsidies can be used to pay for fish licensing fees in a third country’s EEZ. These fees may also be one of the principal sources of income for governments, especially among SIDS, or be used to decommission fishing vessels and to facilitate a shift in the economic activities for fishers (e.g. moving toward eco-tourism services).

Data on subsidies is controversial. Global fisheries subsidies have been estimated to be as high as US$ 35 billion worldwide, of which US$ 20 billion has been categorized as capacity-enhancing subsidies that contribute to overcapacity of fishing fleets and overfishing (Sumaila et al., 2013) - see figure 1. Oceana has estimated that of the €12.9 billion in fishing subsidies granted by the EU and its members to the fishing sector from 2000 until 2012, only 1 per cent were considered beneficial subsidies for the marine environment. A recent EU Commission report indicates that the European Maritime and Fisheries Fund (EMFF) has a budget of approximately 5.7 billion euros for the period 2014–20, which will be mostly dedicated to the adaptation of the EU fleet to available resources, aquaculture development, protection of aquatic flora, sustainable development of fisheries areas and infrastructure, among others. More recently, the OECD has showed partial estimations of US$ 3.4 billion in support of the fisheries sector by OECD countries, of which more than 80 per cent are allocated to general support services. The OECD estimates, however, do not take into account fuel subsidies, which are fundamental to sustaining fishing operations in areas beyond national jurisdictions.

With a view to removing such subsidies, WTO members through the Doha Round of trade negotiations have been negotiating improved trade rules on fisheries subsidies, including through a prohibition of certain forms of fisheries subsidies that contribute to overcapacity and overfishing. These negotiations remain, at the time of writing, stalled.

**Figure 1. Global fisheries subsidy estimates by category (US$ billions)**

Source: Sumaila et al. (2013)
Note: Country groupings are those of the authors.
The Inter-agency and Expert Group on Sustainable Development Goal Indicators (IAEG-SDG) has selected as the following indicator for target 14.6: "Progress by countries in the degree of implementation of international instruments aiming to combat illegal, unreported and unregulated fishing". This indicator is perceived as being insufficient to cover the core actions to be undertaken under SDG 14.6 since it is totally focused on IUU, which is only a small part of the problem. We need to develop more precise indicators to SDG 14.6, so the 2030 Development Agenda can actually fulfil its role as a transformative process.

Sources:


SDG 14b (Access to markets)

Exports of fish and seafood products reached a record value of US$ 146 billion in 2014 - this is a more than a tenfold growth in 10 years. World fish trade grew from 15 million tonnes in 1991 to 45 million tonnes in 2014. In 2013, developing countries accounted for 56% of total fish exports.

Small-scale and artisanal fisheries are estimated to capture less than 35 per cent of the global catch. Small and artisanal fisheries are essential for the food security and livelihoods of many coastal populations in developing countries. They represent 96 per cent of all fishermen and women. Globally, there are about 54 million fishermen and women and fish farmers of which the great majority live in developing countries, LDCs and SIDS. Of this, artisanal fisheries employ 12 million people worldwide and industrial fishing half a million.

Small-scale and artisanal fishermen and women tend to fish in areas close to the coast and within the exclusive economic zone of a country. Obtaining access in key international markets for fish caught by small and artisanal fishers is quite challenging. Tariffs on fish and fish products are relatively low, with an average of 11.6 per cent in the most-favoured nation tariff, but ensuring homogeneity in quality, best safety and handling practices, transport and adequate packaging is impossible to achieve for them without the participation of different major actors along the value chain.
Agricultural and fish products are generally more exposed to Non-Tariff Measures (NTMs) than industrial manufactures. The reason is the high incidence of sanitary and phytosanitary measures (SPS) measures on agriculture and food products that are usually not applied to manufactures. Based on UNCTAD’s NTM database, there are on average about 2.5 times more distinct technical measures applicable per Harmonized System (HS) codes for fish product and agricultural products than for HS codes in manufactures.

For instance, by September 2015, 732 SPS and 524 technical barriers to trade (TBT) applicable to fish and fish products were notified by WTO Members. This represents a significant annual growth of 10.2 per cent and of 12.2 per cent in the number of SPS/TBT measures notified since 2010, which indicates that NTMs have become the new and most relevant market access factor to trade for fish and fish products. If the same growth rate continues, SPS and TBT measures could exceed 10500 by 2035.

All these barriers explain why such fishermen and women mainly bring their fish harvest to local markets. Thus, more support for small-scale artisanal fishers to connect to global markets and integrate into fish stocks management systems deserves attention.

An important factor to enable market access by small scale and artisanal fishers is the use of voluntary sustainability standards, eco-labeling, and traceability systems for wild catch and cultivated (aquaculture) stocks. Seafood production certified under global sustainability initiatives grew 40-fold from 2003 to 2015 and now represents more than 14 per cent of global production. In many cases these standards are becoming a market entry requirement for some developed country markets.

This analysis is based only on preliminary data and there is a need to deepen understanding of the NTM landscape for fish and seafood products, as well as to focus research on SPS and TBT measures on to the specific trade concerns that have been raised in the context of the WTO.

Sources:

2. UNCTAD Contributions and Activities

UNCTAD, as the United Nations focal point on trade and development, has a key role in enabling the participation and integration of developing countries in the global economy, in building consensus in trade negotiations from a development perspective, in undertaking policy research and in providing technical assistance for member States. In this regard, UNCTAD plays a significant role in balancing multilateral outcomes and in promoting the development friendly implementation of trade agreements.

UNCTAD supports developing countries to understand how these rules apply to trade in fish and enable their participation in global, sustainable markets. The work of UNCTAD on the trade of fish is relatively recent, emerging as a consequence of increased focus on oceans by the Rio +20 Outcome document, the Samoa Pathway and by the long-standing interest of WTO Members in reducing tariff and non-tariff measures on industrial products and in addressing subsidies that contribute to overfishing and overcapacity.

UNCTAD has identified several areas on the interface between trade rules, other multilateral agreements and soft laws dealing with trade in fish and seafood:

- Improving market access conditions to fish and seafood products from developing countries (including by seeking to reduce tariffs and non-tariff measures);
- Addressing incentives harmful to fish conservation and sustainable use (fish subsidies and illegal, unreported, and unregulated fishing);
- Enabling increased understanding of trade issues for fish related authorities and of fish policies for trade authorities;
- Facilitating access to markets for small scale artisanal fishers;
- Ensuring that international rules affecting trade in fish consider the particularities of developing countries, especially Small Island Development States (SIDS) and Least Developed Countries (LDCs);
- Promoting the design and implementation of national Oceans Economy and Trade Strategies in developing countries, maximizing benefits while ensuring sustainable use of marine resources.

In order to respond to these challenges UNCTAD takes action across three pillars: research, expert and multi-stakeholder dialogue, and building consensus and partnerships.

A. UNCTAD’s policy research pillar:

Several research studies have been produced to identify current trends, main concerns, policy gaps and opportunities for sustainable fisheries, especially for SIDS and LDCs. This work has been focused on wild capture and marine resources, and includes:

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1 Fish is listed as an industrial product by the WTO
a. **Oceans Economy: opportunities and challenges for Small Island Development States (2014)** underlines the importance of sustainable oceanic activities for the development of SIDS and other coastal states. Both opportunities and challenges are identified in existing and emerging trade-related sectors such as sustainable fisheries and aquaculture, renewable marine energy, marine bio-prospecting, maritime transport and marine and coastal tourism. It also points to the need to consider the formation of regional economic groupings that combine their "economic exclusive zones" under a common oceans economic space in order to be able to seize, manage and sustainably use joint resources and build common infrastructures.

b. **Sustainable Fisheries: International Trade, Trade Policy and Regulatory Issues (2015)** highlights the management-related targets on fish of Sustainable Development Goal (SDG) 14, which imply a joint implementation effort within a multilayer and multijurisdictional governance system. These targets represent the strong aspirations of the global community, at the highest political level, to prioritise and focus attention on restoring the health and resilience of our oceans and resources, including fish, over the next 15 years. This paper outlines a set of policy recommendations provided by UNCTAD expert groups on governance, market access conditions, the need to tackle harmful incentives and actions (subsidies and IUU fishing), restoring fish stocks and marine ecosystems and addressing costs and capability constraints for value addition.

B. **UNCTAD expert dialogue pillar**

In coordination with the Commonwealth Secretariat and the International Oceans Institute, UNCTAD jointly organized Ad Hoc Expert Meetings in 2015 and 2016, involving more than 120 leading experts and stakeholders working on oceans and fisheries issues. The first was dedicated to "Trade in Sustainable Fisheries" while the second had a larger scope and focused on "Oceans Economy and Trade: Sustainable Fisheries, Transport and Tourism". As a consequence of these experts meetings, the Chairmen issued a series of expert recommendations on the contribution of trade in addressing current concerns on overfishing, overcapacity of fleets, harmful incentives such as subsidies and IUU fishing, oceans acidification, pollution by ships, the sustainability of marine transport and ports systems and strengthening links between seafood production and tourism. All recommendations were sent to UNCTAD's Trade and Development Board (TDB) for validation by member States, then becoming sources of soft law for implementation by members States and use by the UNCTAD secretariat in

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4 See [https://www.google.ch/search?q=Ah+hoc+expert+meeting+on+trade+in+sustainable+fisheires&ie=utf-8&oe=utf-8&client=firefox-b&gfe_rd=cr&ei=TqiL7V8kAYe3VNO4ttgF](https://www.google.ch/search?q=Ah+hoc+expert+meeting+on+trade+in+sustainable+fisheires&ie=utf-8&oe=utf-8&client=firefox-b&gfe_rd=cr&ei=TqiL7V8kAYe3VNO4ttgF) (last accessed, October 2016).
technical cooperation activities. The recommendations approved by the TDB have proven to be source of inspiration for identification of policy options by rule making bodies, including the WTO and FAO, and the implementation of national trade and development plans by members States. Several international organizations have been explicitly involved in UNCTAD expert meetings to ensure policy coherence and the dissemination of results, including the United Nations Division of Oceans Affairs and Law of the Sea (DOALOS), FAO, UNEP, WTO, UNWTO, OECD, and ACP. Further, leading civil society organizations, including WWF, Oceana, IISD and ICTSD, were invited to provide their views.

C. Consensus building in addressing harmful incentives

At the Fourteenth UNCTAD Ministerial Conference in July 2016, UNCTAD, FAO and UNEP issued a landmark political statement and international call\(^7\) to member States and the international community to deliver on trade-related targets under SDG14. This goal encompasses a specific target (SDG 14.6) to prohibit by 2020 those fisheries subsidies that lead to overcapacity and overfishing, to eliminate subsidies that contribute to IUU fishing and to refrain from adopting such subsidies. The statement includes a four-point plan: (1) Requires countries to provide information on the subsidies they provide; (2) Prohibit those subsidies that contribute to overfishing and illegal fishing; (3) Introduce new policies tools to deter the introduction of new harmful subsidies; (4) Provide special and differential treatment to developing countries.

The statement was supported by 91 Members States, 4 International and regional organizations and more than 10 global NGOs. It was considered one of the main outcomes of the Conference and a fundamental tool to build consensus in the road to the United Nations High Level Conference "Our Oceans, our planet" and to the 11\(^{th}\) WTO Ministerial Conference (both in 2017). While not consensual, of all relevant proposals in the WTO and arenas, this has gathered most support, paving the way for closing the gaps between differing positions on the matter.

The Nairobi Maafikiano: the new UNCTAD 14 Mandate on Oceans

While engagement in international negotiations and rule making on trade in fish and seafood products is relatively new, UNCTAD is playing a unique function as a catalyser in the advancement of trade-related aspects of SDG14 and its respective targets within the United Nations system. This is mainly due to its unique role as the trade and development focal point within this system.

Enabling the participation and integration of developing countries in the global fish and seafood market has proven not to be an easy task, due to the level of tariff escalation and the accumulation of non-tariff barriers. UNCTAD is also providing a key role in building consensus in trade negotiations from a development perspective, as shown by the UNCTAD-FAO-UNEP

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statement (See annex to this note) on fish subsidies at UNCTAD14. Solid policy research has closely accompanied consensus building actions, informing expert and multi-stakeholder debates, and filtering and promoting the most relevant and feasible policy options for promoting sustainability in the trade of fish.

In the outcome document of UNCTAD14, the Nairobi Maafikiano, paragraph 100(t) outlines that members States entrust to UNCTAD "in cooperation with other relevant international organizations and other stakeholders, to 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".

With this new mandate, a new course has been set by requesting UNCTAD to provide technical cooperation and support in developing national strategies for the implementation of SDG14 and to deepen its analytical role in assessing the impact of fish subsidies on developing countries, marine resource conservation and food security.
II. Challenges to the conservation and sustainable use of the oceans, seas and marine resources for sustainable development (e.g. areas where gaps exist, where more action is needed)

Some of the challenges identified by UNCTAD as a result of research and expert meetings include:

**SDG 14.4 (IUU)**

Governance and regulation of fisheries in the high seas should be improved. While there are principles and provisions under the United Nations Convention on the Law of the Sea and the United Nations Fish Stocks Agreement, there is a need to better implement the surveillance of fishing activities in the high seas.

There needs to be more done to support countries’ capacities to address 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.

There is a need to better understand the vast tapestry of hard and soft legal frameworks for ocean governance, in order to better leverage policies and actions to ensure implementation of SDG14. There is a key role to be played by UN DOALOS, FAO, UNCTAD, IMO, WTO, UNWTO and the Commonwealth in enhancing clarity, understanding and coherence.

Many countries and RFMOs have introduced measures to combat IUU, but full incorporation and effective application still need improvement. For example, less than 15 per cent of all fishing vessels globally have unique vessel identifiers (UVI). The 2009 Port State Measures Agreement has not entered into force, since the minimum number of ratifications has yet to be achieved. Many countries do not have appropriate regulations to implement the treaty, nor do they have electronic systems to keep records effectively and share information on time. Additionally, in some countries sanctions are outdated, too weak, or are not enforced. Efforts to ratify and apply the Port Measures Agreement need to be seriously considered by countries when seeking to expand their contribution to fight IUU fishing.

**SDG 14.6 (subsidies)**

- Lack of political will in basic prohibitions and definitions;
- Lack of data on fish subsidies;
- Lack of advancement in other areas of the Doha Round;
- There is a need for coordination and inputs by United Nations agencies in the WTO discussions and negotiations;
- There is a need for a more appropriated mechanism to notify fish subsidies to the WTO due to fact that some of the most important subsidies are related to harvesting for the internal market and to horizontal subsidies (not prohibited or actionable under WTO rules);
- There are not trade related and subsidies indicators linked to the implementation of SDG 14.6;
- There is a need to explore how countries are doing internal reforms to comply with SDG 14.6 regardless of lack of advancement at the multilateral level.

**SDG 14b (Access to markets)**

- Lack of preferential trade facilitation schemes for exporting/importing the produce of small scale and artisanal fishermen.
- Lack of understanding on the number, nature and effects of key NTMs affecting market access to small scale and artisanal fishers.
- Lack of transparency about content on fisheries access agreements on small scale and artisanal fisheries
- Low awareness and support for the use of sustainability standards and certification schemes by small scale and artisanal fishers
- Lack of options for low cost traceability systems.
III. Opportunities

Some of the opportunities identified by UNCTAD as a result of research and expert meetings include:

**SDG 14.4 (IUU)**

Some of the trade-related measures identified in the United Nations General Assembly resolutions, Global Oceans Commission, FAO and the literature that could be envisaged by all countries involved in fish industry to address IUU fishing include the following:

- support the introduction of national/regional management systems, and plans to combat IUU fishing and build institutional capacity, particularly in developing countries;
- set national/regional measures to monitor, verify and sanction IUU fishing;
- clearly set the limits of flag states’ responsibility regarding IUU fishing;
- link the implementation of relevant IUU multilateral agreements and the FAO IUU Plan of Action for the effective delivery of technical and financial assistance to developing countries;
- promote IUU evaluation schemes that are multilateral, based on the actual level of risk, and take account of the costs and benefits of additional monitoring and enforcement efforts;
- consider options to expand the use of UVI under the International Maritime Organization (IMO);
- support initiatives in developing countries to introduce traceability of seafood products;
- ban at-sea transshipments; and
- create easily accessible international lists of vessels and companies engaged in IUU activities.

**SDG 14.6 (subsidies)**

There is a new political momentum being created in 2016 with the UNCTAD/FAO/UNEP statement on fisheries subsidies, the initiation of a plurilateral on fish subsidies and the preparations of the United Nations Oceans Conference to be held in June 2017. The statement includes a roadmap and a four-point plan: (1) Requires countries to provide information on what subsidies they are providing; (2) Prohibits those subsidies which contribute to overfishing and illegal fishing; (3) Introduces new policy tools to deter the introduction of new harmful subsidies; (4) Provides special and differential treatment to developing countries. To advance this four-point plan we need: i) options to improve notification specifically designed to address fish subsidies, ii) a list of explicit prohibitions to certain subsidies or at least definitions of over fishing and over capacity, iii) a list of action that would deter the introduction of fish subsidies, and iv) have a discussion on what would be the most useful type of Special and Differential Treatment (S&DT) consistent with SDG 14.6 and the support of the sustainable use of their own resources by developing countries.
Also some members States, such as those of the EU, have implemented recent reforms to reduce subsidies that could contribute to overfishing and overcapacity to more sustainable and less harmful activities. A recent EU Commission report indicates that the European Maritime and Fisheries Fund (EMFF) has a budget of approximately 5.7 billion euros for the period 2014–20, which will be mostly dedicated to the adaptation of the EU fleet to available resources, aquaculture development, protection of aquatic flora, sustainable development of fisheries areas and infrastructure, among others.

The 11th WTO Ministerial Conference, being held in December 2017 in Buenos Aires, will represent an important political opportunity to consolidate ground and seek a common denominator solution.

**SDG 14b (Access to markets)**

- Higher level of market access, trade facilitation and use of sustainability standards by small scale fishermen can enable an increase in trade and exports and support the development of livelihoods.
- Further facilitate the use of certification schemes by developing countries, especially by small-scale and artisanal fishers (e.g. by clustering several small fishers in one application). Seafood production certified under global sustainability initiatives grew 40-fold from 2003 to 2015 and now represents more than 14 per cent of global production.
- There is a higher level of consumer awareness on sustainability, fair trade, organic and BioTrade products.
IV. Development of partnerships (Stocking taking of existing partnerships and opportunities for synergies and collaboration, new partnerships to address gaps, in particular capacity gaps)

Some of the recommendations on partnership building identified by UNCTAD as a result of research and expert meetings include:

SDG 14.4 (IUU)

Multilateral efforts have been undertaken to address IUU fishing, as reflected in several multilateral instruments. These include: the United Nations Fish Stocks Agreement (1995); the FAO Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas (Compliance Agreement, 1993 [in force 2003]); the FAO International Plan of Action to Prevent Deter and Eliminate IUU (2001) – which forms part of the voluntary FAO code of conduct for responsible fisheries; and the FAO Port State Measures Agreement (2009) [not yet in force]. Specific measures found in these instruments to tackle IUU fishing include: the creation of regional fisheries management organisations; reciprocal high-seas boarding and inspection; a global record of authorised high seas fishing vessels (maintained by the FAO) and complemented by unique vessel identifiers, created by the International Maritime Organization; measures to avoid the unloading of IUU or suspicious catch in ports; blacklisting and maintaining lists of vessels that have engaged in IUU fishing; the introduction of effective sanctions for vessels, owners and captains; and efforts to improve cooperation between fisheries national and regional surveillance and law enforcement authorities.

In view of the multiplicity of the instruments, further coherence among these existing bodies of laws and 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 the creation of trade rules, the crafting of megaregional trade and bilateral agreements in regard to fisheries trade should build upon the “acquis” attained and stabilized at the multilateral level.

SDG 14.6 (subsidies)

- Rules to subsidies should be built on the existing multilateral and regional rules applicable to the law of the seas and fisheries.
- Create a multi-agency task for gathering and analyzing existing data on fish subsidies composed by WTO, FAO, UNCTAD, and UNEP;
- The implementation of fish management systems should include the control, reduction and eventual elimination of all subsidies that contribute to overfishing and overcapacity;
- A capping and phasing out of high seas fishing fuel subsidies within 5 years should be explored;
- Create United Nations open ended and non-binding forum for discussion and development of key definitions and illustrative lists of prohibited subsidies and S&DT
schemes that can contribute to advancement of WTO negotiations WTO and as well SDG 14.6. FAO, UNCTAD and UNEP could undertake this task in cooperation with the WTO;

**SDG 14b (Access to markets)**

- Support the development of National Oceans Economy and Trade Strategies for promoting exports and value-addition strategies that incorporates the fisheries sector, especially for small scale and artisanal fishers.
- Seek to support sustainable harvesting of fish and local value addition by developing countries.
- Develop a mechanism for notification and expand transparency on fisheries access agreements under the FAO.
- Address market issues that affect fish and fish products within the WTO Doha Round, while providing for some flexibility with reference to specific developing country sub-groupings
- Address non-tariff measures that affect fish and fish products, including in the WTO Doha Round, and enhance transparency on such measures in force.
- Provide support and technical assistance to boost fish management systems and to improve their effectiveness.
- Support institutional development with a view to setting recognised, multipurpose and low cost traceability systems, especially for small scale and artisanal fishers.
- Ensure that Aid for Trade Initiative in the WTO supports institutional capacity building relating to SPS/TBT, other NTMs and, if necessary, private standards, where these exceed public mandatory market-entry requirements;
REGULATING FISHERIES SUBSIDIES MUST BE AN INTEGRAL PART OF THE IMPLEMENTATION OF THE 2030 SUSTAINABLE DEVELOPMENT AGENDA

1. With the adoption of the 2030 Agenda for Sustainable Development (September 2015), a Sustainable Development Goal (SDG 14) is exclusively dedicated to the conservation and sustainable use of oceans, seas, and marine resources. This marks the first time in which achieving sustainable management of fisheries and marine resources has been included in the global governance agenda. This goal encompasses a specific target (SDG 14.6) to prohibit by 2020 those fisheries subsidies that lead to overcapacity and overfishing, to eliminate subsidies that contribute to illegal, unreported and unregulated (IUU) fishing and to refrain from adopting such subsidies.

2. Goal 14 and its targets are vital to ensure domestic and international food security. In FAO’s State of World Fisheries and Aquaculture (2016), FAO estimates that the proportion of assessed marine fish stocks fished within biologically sustainable levels has declined from 90 percent in 1974 to 68.6 percent in 2013, whereas 31.4 percent of fish stocks were at biologically unsustainable levels and, therefore, overfished. The existence of harmful forms of fisheries subsidies remains one of the principal factors that contribute to such overfishing and depletion of fish stocks.

3. Fisheries subsidies have been roughly estimated to be as high as $35 billion worldwide, of which about $20 billion have been categorized as capacity-enhancing subsidies that directly contribute to overfishing. However, the issue of addressing and removing fisheries subsidies has been a complicated and thorny one. The lack of information concerning countries’ activities and comprehension of the magnitude and impact of such support are persistent problems. Another complication is that there are many types of subsidies. Certain subsidies are associated with development actions focused on developing countries. As such,
some subsidies, coupled with development programmes and effective management frameworks, could be instrumental in achieving SDGs. A particular area of concern is the continuation of those subsidies that undermine sustainable development, as noted in the outcome document of the United Nations Conference on Sustainable Development, held in 2012. Failure to address these subsidies will jeopardize the livelihoods of coastal populations, particularly in countries and communities most dependent upon fish production.

4. Tackling the fisheries subsidies issue through the multilateral and regional trade frameworks has faced difficulties and failed to produce concrete results. However, the opportunity costs of inaction are particularly high. A positive negotiation outcome in the WTO subsidies negotiations, aligned with the SDG’s stated objectives and targets will improve international efforts to address many of the negative impacts of fisheries subsidies, leading to improved transparency on specific governmental subsidy programmes. The recent UNCTAD - Commonwealth’s Ad Hoc Expert Meeting on Trade in Sustainable Fisheries (2015), as well as the International Seminar on Oceans Economy and Trade: Sustainable fisheries, transport and tourism (2016), confirmed that the immediate question facing the international trade community is how to operationalize these global commitments.

5. The SDG 14 creates new momentum at the multilateral level to address unsustainable practices in the marine capture fisheries sector. Regulating fisheries subsidies cannot be seen as a stand-alone issue. It is vital to adopt a holistic approach for the sector’s development that also addresses market access (tariffs and non-tariff measures) and capacity constraints in implementing sustainable fisheries-related measures.

6. UNCTAD, FAO and UNEP stand ready to support international efforts to achieve the SDGs and have identified the following minimum outcomes that could contribute to the members’ efforts to meet Target 14.6:

- accurate, additional, practical and feasible provisions for the transparent notification of all relevant fisheries subsidies;
- clear prohibition of subsidies that contribute to overfishing and overcapacity, including subsidies linked to IUU fishing, and those that undermine sustainable development, food and nutritional security, jeopardizing the livelihoods of coastal populations;
- adequate and appropriate instruments and tools to deter introduction of new harmful subsidies; and
- special attention and treatment to developing countries, in particular, the least developed ones and Small Islands Development States (SIDS), so that they can continue to use their marine resources sustainably.
7. The SDGs and their specific targets represent a comprehensive avenue for advancing sustainability. International Organizations, such as UNCTAD, FAO and UNEP, are ready to support Members States in achieving policy coherence and provide capacity building and technical assistance.

8. With the FAO Agreement on Port State Measures to Prevent, Deter, and Eliminate Illegal, Unreported, and Unregulated Fishing coming into force on 05 June 2016, an important tool has been launched in the global fight against IUU fishing. We welcome the Agreement’s entry into force and encourage more States to deposit their instruments of adherence to the Agreement. We invite the international community to demonstrate similar determination in prohibiting those fisheries subsidies that lead to overcapacity and overfishing and to eliminate subsidies that contribute to IUU fishing. The entry into force of the Port State Measures Agreement and concerted efforts to eliminate harmful fisheries subsidies represent key elements in a global strategy to protect our oceans and their valuable natural resources for the benefit of current and future generations.

Supporters:

The following fully support the above UNCTAD-FAO-UNEP Statement:

Members States:


- Argentina
- Chile
- Costa Rica
- Ecuador
- Iceland
- New Zealand
- Norway
- Pakistan
Panama
Peru
Uruguay

International and regional organisations:

- Commonwealth Secretariat
- Pacific Island Forum Secretariat (PIFS)
- Common Market for Eastern and Southern Africa (COMESA)

Civil Society Organisations:

- Consumer and Trust Society (CUTS International)
- Fisheries Economics Research & Changing Ocean Research Units, of the University of British Columbia
- Global Oceans Commission (GOC)
- Global Subsidies Initiative (GSI)
- International Institute of Sustainable Development (IISD)
- International Oceans Institute (IOI)
- Kaurareg Aboriginal Land Trust
- Oceana
- Sea Around Us
- World Wide Fund for Nature (WWF)

(This statement remains open for additional expressions of support)

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