Oceans Economy and Trade: Sustainable Fisheries, Transport and Tourism

UNCTAD, Commonwealth Secretariat, and International Oceans Institute

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Summary by the Chairperson

Session 1: 10th May 2016

Global oceans challenges and policy responses

1. The seminar was very timely as it gave momentum to the continuation of negotiations on fish subsidies in the WTO, the imminent entry into force of the Port State Measures Agreement of the FAO and the beginning of the implementation of trade-related aspects of SDG 14 on the sustainability of oceans.
2. Large Maritime Ecosystems (LME) approaches can serve as useful tools in the oceans conservation toolbox to address migratory fish stocks, maintain marine biodiversity and provide opportunities for economic development through the use of marine resources and related genetic resources.
3. Climate change with global warming and sea level rise will generate adverse consequences with catastrophic results expected by the end this century. Thus this needs to be addressed and mitigated. However, these changes in sea level rise may bring new opportunities such as new maritime routes, and the key to unlocking the potential sustainably is an ethical approach. This will be a particularly important consideration for SIDS and coastal States that might experience flooding of coastlines or even entire islands.
4. Marine Spatial Planning (MSP) serves as a key component of developing a blue economy framework. It facilitates the holistic planning of a sustainable oceans economy that can include development of marine protected areas (MPAs) that maintain and conserve biodiversity, blue capital and, importantly ensure benefit sharing. Some emerging pilots in Africa and the case of South Africa was presented.
5. Discussion of UNCLOS and first World Oceans Assessment and finding on fisheries shows a clear decline in marine biological resources with important implications for food security. This shows a need for action now to rebuild fish stocks and sustainability and in this regard also to keep oceans healthy and resilient.
6. The oceans agenda is not well known; there is a need for continued global sensitization of oceans contributions. Governments support for the blue economy should be increased in partnership with NGOs and academia.
7. There is a need to better understand the vast tapestry of ocean governance of hard and soft legal frameworks in order to better leverage policies and actions to ensure implementation of SDG 14. 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.
   Protection of oceans and sustainable use must go hand in hand with the protection of marine biodiversity (genetic resources, species and ecosystems) and the sharing of resources and benefits with local communities. Genetic resources are key inputs for the development of aquaculture, personal care, pharmaceutical and food products.

Session 2: 10th May 2016

Global trade policy development and implementation of SDG 14

1. Fisheries are important traded food commodity for many reasons including significantly in terms of being the primary source of animal protein for humans globally.
2. Trade can have a significant role of implementing SDG 14, especially targets 14.4, 14.6, 14.7, 14 b and c among others. Efforts to implement SDGs 14 and sustainable fisheries in particular should be incorporated into multilateral regional and unilateral binding and voluntary frameworks governing fisheries production, harvest and trade.
3. The level of wild fish catch has stayed relatively constant at about 90 million tons since 2007. On a relatively optimistic scenario, the current level of catch may reach 93-94 million tons by 2035 if we apply good fish management policies.
4. It is foreseen that aquaculture will increasingly cover for a growing share of the demand for fish food and nutrition from the growing global population.
5. According to UNCTAD, global exports of fish reached US$ 142 billion in 2014. Developing countries are today the main exporters of living marine resources with 56 % of total exports. Developing countries thus have today a higher level of responsibility in conservation of fish stocks.
6. Key issues from international trade in fish include tariffs, tariffs peaks, non-tariffs measures, rules of origin as well as harmful subsidies need to be addressed under a sectoral perspective. Tariffs in fish and fish products are slowly declining while non-tariff measures are increasing at an annual rate of 12%. There is a need for coherence in trade policies. Trade issues relating to oceans and oceans resources, especially sustainable fish harvesting, needs to be continually featured in international discourse to initiate momentum on addressing them.
7. Addressing fishing subsidies in the WTO has a long history. Some government supported by NGOs and academia have helped leverage the issue persistently in the multilateral fora. Efforts are ongoing to address fisheries subsidies such as in the Trans Pacific Partnership Agreement (TPP). There is hope for a meaningful outcome at WTO MC11 that can set the basics for further reforms at plurilateral levels.
8. IUU fishing must be addressed as they have detrimental impact with estimated global loss of 10 to 23 billion dollars yearly. National and regional instruments are being developed to deter such fishing. More needs to be done and some ideas can come from expert meetings discussions facilitated by UNCTAD, Commonwealth Secretariat as well as from civil society organisations such as IOI and ICTSD.
9. Graduation from LDCs status can affect exports revenue gain from the fish exports by LDCs. This becomes a reality with the loss of preferential market access like into EU or Japan. So another key trade issue with wider implication is the potential loss of trade preferences on fish by LDCs as they graduate from LDC status. These issues must be further examined.

Sessions 3: 11th 2016

Regional trade policy developments implementation of SDG 14 sustainable fisheries and market opportunities and challenges

1. Fisheries subsidies provide unfair competitive advantages to countries that conduct such practices and clearly contribute to overcapacity and overfishing. Addressing such subsidies, whilst paying attention to the special needs of developing countries, has been on the WTO agenda for more than 10 years without clear results.
2. In the WTO Doha round, the mandate was enhanced to address both competitive issues as well as the environmental impact. Despite a comprehensive proposal by the rules chair in 2007, differences remain among members leading to a deadlock. With fish stock under severe pressure, it is imperative to generate new momentum on addressing fisheries subsidies under binding multilateral rules. The 2007 WTO rules chair's text and environmental provisions of TPP, as reflected broadly in a draft proposal proposed at Nairobi MC10, can serve as a guide for elaborating a feasible fisheries outcome in the WTO.

3. Regional trade agreements (RTAs) can contribute to addressing the economic and environmental dimensions of fisheries trade. The TPP agreement is perhaps the first RTA that incorporates provisions prohibiting harmful fish subsidies and marine conservation commitments.
4. The Common Market for Eastern and Southern Africa (COMESA) has developed a simplified trade regime for small-scale traders including small-scale artisanal fisheries. This small holders/producers system encourages traders to expand cross border trade in fish by reducing red tape and other border formalities. This is an interesting model for other developing countries to look at.
5. Fisheries have strong social and poverty dimension. The implementation of SDG 14 should facilitate such progress including in advancing opportunities for artisanal fisheries. Fishing nations such as Peru see this as part of their evolving oceans/blue economy strategy. Climate change phenomena as "el Niño" can have significant effect over harvest. For example in Peru the harvest went down 40% as a consequence of "el Niño" in 2015.
6. UNCTAD should consider establishing an implementation framework for objective trade performance indicators for SDG 14. These can include for example what percentage of wild caught fish that is subsidized and the level of market access for small scale and artisanal fisheries.
7. For some developing countries especially SIDS like Seychelles that are heavily dependent on oceans based economic sectors like fisheries and oceans based tourism, the sustainability of oceans and its resources is absolutely critical. Seychelles for example is leveraging this challenge and opportunity by developing a blue economy strategy, setting up the public apparatus to oversee implementation, and mobilizing finance for investment.
8. Of note further were some ideas on possible trade related indicators for SDG 14 targets that UNCTAD and other partners could examine. Suggestions included (a) what percentage of wild catch fish is subsidized, (b) what is the contribution of overall exports of fish and fish products from LDCs and SIDS to their overall exports in line with 14b, and (c) Aid for Trade in monitoring, surveillance and control of fishing exports.
9. The Seminar facilitated the launch of IISD's recent report on "Standards and the Blue Economy" dealing with voluntary sustainability standards affecting the seafood sector. This report could contribute to the ongoing debate and work of the United Nations Forum on Sustainability Standards.

Session 4: 11th May 2016

Sustainable maritime transport: enabler of a productive and sustainable oceans economy

1. While there is no SDG directly and explicitly dedicated to transport, many SDGs are dependent on transport as a vital "enabler" to meet objectives and targets. The fact that transport-related targets are included in 8 SDGs (Goals 2, 3, 6, 7, 9, 11, 12, 13) illustrates the essential cross cutting role of transport within sustainable development.
2. The maritime transport is a well-established ocean based economic sector that generates growth, employment, income and revenue. The sector embraces various activities in shipping, ports and related auxiliary services. Developing countries are also rising as important providers and exporters of maritime transport services. For example, in the shipbuilding industry, Korea and China accounted for 71% of world tonnage (dwt) in 2015, in ship scrapping, India, Bangladesh, China, Pakistan made up 92% of the tonnage of vessels demolished. Panama, Liberia, and Marshall Islands represented 42% of global fleets' registration dwt in 2015.
3. Maritime transport is the backbone of international trade and a key engine driving globalization. Around 80% of global trade by volume and over 55% by value is carried by sea and is handled by ports worldwide; these shares are even higher in the case of most developing countries. The share of global goods loaded at developing country seaports was estimated at 60% in 2014, while the import demand of developing countries, as measured by the volume of goods unloaded at their seaports, reached 61%. The sector is also a contributor to the productivity of other economic sectors including trade, fisheries and tourism.
4. But shipping also generates implications for the health and wealth of the Ocean. This includes: marine pollution (oil and ballast water), resource depletion (energy consumption), air pollution (NOx, SOx, PM), CO2 emissions and climate change, damages resulting from operations, accidents, etc. On the other hand, the Ocean-related environmental risks, including climate change factors can significantly

hinder the ability of the maritime transport sector to operate efficiently and support sustainable development objectives.

5. The shipping industry's operating context is also evolving and will continue to evolve significantly in the future. Cargos and markets are changing, and there are new challenges that are emerging such as increasing the size of ships, the new routes and their impact on shipping lanes and ports infrastructure and capacity.
6. From the industry perspective, *the Port Authority of Valencia* (*Valenciaport),* which comprises the ports of Valencia, Sagunto and Gandia, with an annual traffic capacity of around 69.6 million tonnes (2015), has integrated the agreed universal goals, SDGs, into its own sustainable development agenda; the Strategic Agenda of Valenciaport. Valenciaport is committed to the social, economic and environmental sustainability of its activities including, for instance, by ensuring economic growth of the ports, securing jobs in the region, promoting safe and secure working environment, developing sustainable transport systems and resilient infrastructure, improving intermodal rail connections of port, increasing energy efficiency of port, reducing greenhouse emissions, protecting historical port buildings, and ensuring conservation and sustainable use of oceans and seas. Valenciaport is also contributing to the regional Blue Economy growth through for instance promoting sustainability of port and shipping activities, providing support to cruise tourism, recreational boating activities, as well as fishing and aquaculture. In addition, being a major player in the regional economy, the Port Authority of Valencia coordinates the regional cluster, fostering the region competitiveness, and making Valenciaport a leader port in terms of traffic and throughput in the Western Mediterranean. Key actions comprise: the development of strong connectivity between markets (Gate/transhipment port), strong hinterland – cargo concentration (import and export), development of logistics platforms and new technologies, etc. The *Mediterranean Shipping Company (MSC)*, the second world's second-largest shipping line in terms of container vessel capacity has also defined its own strategies to ensure the economic, social, and environmental performance of the company and to behave in the best interest of customers, local communities and employees. These include: investing in large container vessels, enhancing east-west connection, integrating Corporate Social Responsibility as an integral part of MSC's strategy and culture, investing in new technologies, systems and processes to improve environmental performance of vessels, reduce air pollution from vessel emissions, and to minimize the risks of transporting various types of cargo around the world, as well as building capacities and cooperation with UN agencies.
7. Growing global demand for shipping comes with climate-related challenges (CO2 emissions) which makes the decarbonization of the sector crucial to reach the globally agreed Paris Agreement on climate change, which sets ambitious goals to limit temperature rise. This implies that efforts to reduce global gas emissions, including in maritime transport sector activities, will need to be strengthened. Several public, private and intergovernmental options/response for reducing GHG emission from shipping and improving fuel efficiency have been developed. These include: the 2011 IMO – Energy Efficiency Design Index (EEDI) and Ship Energy efficiency Management Plan (SEEMP), the 2015 EU – Monitoring, Reporting and Verification of emissions of maritime transport, the Clean Cargo Working Group which developed a methodology to benchmark ocean container line CO2 efficiency by major trade route, Existing Vessel Design Index that measures a ship's CO2 emissions, as well as the Global Partnerships for Maritime Energy Efficiency (GLOMEEP) and the Maritime Technology Cooperation (MTCC). Nevertheless, some key challenges still exist such as transparency, the quality of data, and stronger ambition to shift to low carbon and reduce fleet average carbon intensity. There are several low carbon technologies that exist and can help the industry improve its energy performance and emissions (such as technologies for emissions capture & removal, energy storage, low carbon fuels, propulsion and operational) but their liability need to be tested further. Financing mechanisms such climate finance, development finance, private sector investment are also available and blended finance approach could be used to complement investment in the field of sustainable shipping.
8. Enabling sustainable maritime transport sector development is crucial and would require stronger partnerships among various stakeholders (public, private, academia, research institution, financiers, international and regional organizations, UN agencies, etc.).

Session 5: 12 May 2016

Sustainable and resilient maritime transport infrastructure and services in support of SDG 14

There are different types of environmental challenges arising in connection with maritime transport, namely (a) effects of maritime transport on the marine environment (e.g. pollution); and (b) environmental impacts on maritime transport (particularly Climate Variability and Change, CV&C). Responding effectively to these diverse environmental challenges is important, also in the light of the 2030 Sustainable Development Agenda.

1. Multiple anthropogenic stressors are impacting the oceans, often compounding each other's effects. Both ship-source pollution and climate variability and change have cross-border impacts and therefore require multilateral approaches to provide effective solutions. In respect of prevention and control of ship-source pollution, the international legal framework can be highly effective in implementing international policy objectives; this is illustrated by the significant reduction in tanker oil spills over recent decades, attributable to a considerable degree to the international legal and regulatory framework for oil pollution prevention, preparedness and control and liability and compensation.
2. A range of international legal instruments that play an important role in promoting sustainable maritime transport in support of in particular SDG 14(c) are in force internationally, including in respect of prevention of pollution from ships, management of ballast water, ship-recycling and the dumping of wastes at sea. Technical measures to reduce C02 emissions from international shipping have also been agreed and adopted, under the auspices of the IMO.
3. The projected impacts of climate variability and change pose significant risks for critical maritime transport and related infrastructure in coastal zones. Such risks are associated with sea-level rise, temperature and precipitation changes, extreme storms and floods and other factors which are likely to affect ports and coastal transport infrastructure, hinterland transport and the broader supply-chain. Bearing in mind the strategic economic importance of reducing climate-related damage, delay and disruption to transport networks and nodes across closely interconnected global supply-chains, enhancing the climate-resilience of ports and of other critical transport infrastructure is going to be key in achieving progress on many of the Sustainable Development Goal and targets, including SDG targets 1.5, 9.1, 9.a, 11.b, 13.1, 13.2 and 13.3.
4. For SIDS, often highly vulnerable to the impacts of Climate Variability and Change (CV&C), with limited adaptive capacity, addressing the impacts of climate variability and change on ports and coastal transport networks is particularly important. Ports and airports in coastal zones are critical lifelines for trade, food, energy and tourism. While "Sea, Sun and Sand – 3S tourism", often a very significant SIDS industry, is threatened by climate - driven coastal and beach erosion, the same applies in respect of its facilitating transport infrastructure (i.e. seaports, airports, coastal access roads).
5. UNCTAD is implementing a technical assistance project to strengthen the capacity of policy makers, transport planners and transport infrastructure manager in SIDS to a) understand climate change impacts on coastal transport infrastructure (in particular ports and airports), and b) to take adequate adaptation measures. A case-study focusing on two vulnerable SIDS in the Caribbean region (Jamaica and Saint Lucia) is currently being carried-out to enhance the knowledge and understanding at the national level and to develop a methodology to assess climate related impact and adaptation options in other SIDS. The project draws on earlier related research and analytical work as well as on the outcome of a series of Expert Meetings, since 2009.
6. Effective adaptation action requires an understanding of impacts, which vary considerably, including by type of force, region and sector. Assessing the risks of climate change impacts on maritime transport infrastructure is, therefore, both complex and important. Losses associated with climate-related damage, delay and disruption may be extensive, as recent studies, including in the United States, Japan and at European level indicate. Advanced flood-modelling by the EC Joint Research Centre, for instance, suggests that direct damage/loss from climate change induced coastal flooding in the EU may, depending on the emissions scenario, be up to 45 billion Euros per year.
7. Legal/regulatory approaches will also be important in the longer run. At the EU level, the importance of ensuring the climate-resilience of infrastructure, including transport infrastructure is already reflected in amendments to the Environmental Impact Assessment Directive, effective May 2017. In

the United States, worth noting in this context is, for instance, Executive Order 13653 on 'Preparing the United States for impacts of climate change'.

8. Ecosystem-based approaches can enhance the resilience of coastal transport infrastructure against disaster risks by reducing local pressures resulting from unsustainable practices in fishing, tourism and other natural resource exploitation. Examples of such ecosystem-based approach include reforestation to reduce exposure to landslides, coral or seagrass beds restorations to reduce risks from storm surges and beach erosion, and the creation of vegetated areas in cities to limit the impact of heatwaves and flooding in urban areas. Ecosystem-based approaches provide no-regret options that are cost effective and easy to implement, offering multiple services such as carbon storage, water filtration, support for biodiversity and recreational value.

Session 6: 12 may 2016

Linkages between seafood, transport and tourism

1. Seychelles, Mauritius, South Africa, Morocco and Peru stated that their national 'oceans/blue economy" strategies that are actually being implemented and on which high priority is being given by governments. This contrasts with the debate on UNCTAD 14 negotiating text on what is the blue economy. We hope it will help to enhance movement on this.
2. Comprehensive oceans economy strategies can establish clear linkages between fisheries, transport and tourism sector in order to maximize synergies and benefits. Some countries like Seychelles and Mauritius have dedicated ministries for the Ocean/Blue Economy.
3. A successful Ocean Economy requires high level of capital investment, technical knowhow, R&D capacities, and the proper legislative and regulatory framework applicable to the oceans environment and particularities. It is expected that oceans economy activities will add up to 20% to Mauritius GDP over the next 10 years.
4. It has been the experience of Caribbean countries that cuts in transport and logistics promote the competitiveness of the Fisheries sector. There were approximately 25 million visitors contributing $49 billion or 14% of the region's gross domestic product in 2013 showing the importance of the tourism sector for the development of the region.
5. Fishermen have benefited from growth in tourism in most SIDS as such growth has allowed the expansion of sport fishing, marine species tour guiding and higher prices for their catch.
6. Marine ecosystems are been undervalued. We need to reinsert the value of marine ecosystem for resilience and adaptation in economic planning. The development of blue clusters is one interesting option to consider at the regional level. BioTrade can boost sustainability and ethical processes for the development of oceans economy by promoting sustainable harvest and production of marine products such as algae, seafood products, and coastal tourism.
7. There are opportunities to make targeted investments in oceans conservation as well as coastal and marine areas that could provide multiple benefits including clean water, high biodiversity, blue carbon/carbon sequestration, and attractive areas for tourists. The issuing of blue bonds could be a way out to finance oceans/blue economy strategies and value ecosystem services. Seychelles is exploring this avenue for alternative financing.
8. The importance of the tourism sector as a strategic economic sector in its own right that also entails broader implications, including for trade, marine conservation and ocean resilience and sustainability was underscored.
9. Many participants were of the view that UNCTAD, the Commonwealth Secretariat and the IOI were breaking the silos among sectors within SDG 14, putting together communities that would meet otherwise. In this regard, a suggestion from the seminar, and stressed by the Chair, was that an inter-agency reflection group on the implementation of trade-related aspects of SDG 14 including fisheries, transport and tourism should be initiated..
10. Finally, all participants and experts pointed to the value of partnerships such as the one undertaken by the organizers to promote integrated, intersectoral and holistic approaches to the implementation of SDG 14. Consensus building, research and technical cooperation functions on the oceans blue economy need to be scaled up and deepen.