



COMMITTEE ON FISHERIES

SUB-COMMITTEE ON FISH TRADE

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REPORT ON FISH TRADE-RELATED ACTIVITIES IN FAO

Executive Summary

This paper presents a short overview of selected activities undertaken by FAO with relevance to international fish trade. The majority of activities are carried out directly by the FAO Fisheries and Aquaculture Department (FI), in cooperation with other FAO units, such as the Legal and Ethics Office (LEG), the Economic and Social Development Department (ES) or with other relevant institutions, within the FAO Strategic Framework, in particular under Strategic Programme (SP) 2 and SP4, and linked to the Sustainable Development Goals (SDG), in particular SDG14.

Suggested action by the Sub-Committee

- Comment on FAO's trade-related activities;
- Provide information on relevant national, regional and inter-regional experience;
- Provide guidance for FAO's further work on trade-related activities, in particular on capacity-building for developing countries and for the small-scale sector;
- Provide guidance for FAO's further work on areas of relevance for market access for fisheries and aquaculture;
- Note the literary review undertaken on trade in fisheries services and make recommendations for future work;
- Provide suggestions to FAO on possible amendments or additions of fishery species and/or product forms to be included in the next revision of the Harmonized System classification;
- Note the progress achieved with collaboration with other international organizations and bodies.

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INTRODUCTION

1. FAO continues its efforts to implement more integrated approaches in dealing with food security, resource management and food commodity problems for fish and fishery products. In FAO this is carried out within the framework of the FAO SPs in areas such as nutrition, food security, coastal management, livelihoods, international food systems and trade. The activities are increasingly linked to the objectives of Agenda 2030 and its 17 Sustainable Development Goals (SDGs), in particular SDG14 (Life below Water), SDG2 (Zero Hunger), SDG8 (Decent Work and Economic Growth) and SDG12 (Responsible Consumption and Production).
2. FAO continues to support countries in their efforts to increase the economic benefits generated by their fisheries resources. This includes better inclusion of the fisheries sector in overall policy frameworks, further integration into the national, regional and international economy, improved market access in general and for Small Islands Developing States (SIDS) and least developed countries (LDCs) in particular, increasing the competitiveness and integration of small-scale producers, improved value chain management, reduced waste and post-harvest losses, and enhanced social conditions within the supply chain including deeper and more equitable gender integration. The growing role of aquaculture in the supply, trade and consumption of fish and fishery products, and its increased economic importance for many developing countries, has led to stronger integration between FAO's activities in aquaculture and trade.
3. FAO continues its efforts in the strengthening of legislative and governance frameworks at national, regional and global levels, in conformity with international maritime law and international fisheries instruments to curb and eliminate illegal, unreported and unregulated (IUU) fishing, as well as preventing IUU fishing products from entering international trade.
4. FAO continues to foster alliances with other organizations working on issues of relevance to international fish trade, in particular in its capacity building activities. Those alliances include closer cooperation with other international organizations and academia on trade and marketing related issues, through international networks, with fisheries industry associations and with civil society.
5. In the FAO planning and priority setting process, FAO regional conferences continue to play an important role and the inclusion of fisheries issues within regional priorities needs to continue and be further strengthened.

FISHERIES GOVERNANCE

Legal and Ethics Office in FAO

6. The Development Law Branch (LEGN) continues to support the development of international instruments in the context of expert and technical consultations. These instruments include market related measures to improve the sustainability of fisheries operations, to address IUU fishing, and to ensure greater market access, particularly for developing countries and small-scale fisheries, among others. LEGN furthermore assists FAO Members to facilitate the implementation of requirements derived from relevant international instruments through national and regional legislative projects. LEGN, in coordination with FI, also works to assist Members in enhancing export market opportunities through guidance on relevant Sanitary and Phytosanitary (SPS) measures, technical barriers to trade (TBTs) standards and providing key capacity-building.
7. Through the activities of LEGN related to fish trade, FAO Members benefit from legal support in developing appropriate legal frameworks for sustainable fisheries and aquaculture and for ensuring a

fishery related regulatory framework aligned with World Trade Organization (WTO) Agreements, as well as other relevant bilateral and multilateral agreements. As an example of the latter, LEGN and FI are supporting FAO Members who wish to further strengthen their legal frameworks in light of specific requirements of key markets, such as the European Union's Council Regulation (EC) No 1005/2008 or the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

Illegal, unreported and unregulated fishing

8. With the entering into force of the FAO Agreement on Port State Measures to Prevent, Deter and Eliminate IUU fishing (PSMA) in June 2016, ports of parties to the PSMA around the world are now obliged to block the landing of IUU fishing-derived catches by vessels not flying the flag of the port State. As the PSMA sets a minimum standard with which parties must comply, FAO has launched a comprehensive capacity building programme to assist countries in closing the gaps to ensure they are able to fully implement its provisions. This is being undertaken through a global capacity development programme open to both existing parties to the PSMA and to those that intend to become party.

9. To discuss the details of the implementation of the PSMA, the first Meeting of Parties to the PSMA took place in Oslo, Norway from 29 to 30 May 2017, and was immediately followed by the first meeting of the ad hoc Working Group. These meetings provided an opportunity for parties to discuss any ambiguity and challenges faced in the implementation of the PSMA, and served to ensure that capacity building needs would be adequately supported and addressed.

Illegals and fraud in the fisheries sector

10. FAO is working together with the Organisation for Economic Co-operation and Development (OECD) to support efforts and reinforce international cooperation to combat fisheries related violations in the fisheries sector. A joint workshop was held in October 2016.

11. Mislabelling is increasingly found to be a problem in many key markets affecting a not insignificant share of products sold to consumers. Raising awareness, improving consumer knowledge levels and increased transparency in the supply chain will bring long-term improvements when supported by effective controls by food safety authorities. In this respect, a number of consumer targeted IT products built on open FAO data sources are under development for easy species identification. FAO has also been invited by several fisheries associations to provide guidance on increasing transparency for the end consumer.

Traceability

12. In response to requests from Members, FAO has carried out work on country-level traceability systems to combat IUU fishing, as well as for seafood certification. A regional workshop on "National and regional good practices in seafood traceability systems to combat IUU fishing in Asia" was held in March 2016, in Kochi, India.

13. A number of relevant papers on traceability are in the publication pipeline and will become available during 2017.

Transparency

14. FAO has been an observer in the Fish Transparency Initiative (FiTi) since its inception in 2015. Several Members are active participants in FiTi and have requested FAO assistance and involvement in national FiTi capacity building activities. At the 2nd International Conference of the FiTi in Bali on 27 April 2017, the first global FiTi Standard was adopted. This standard outlines the requirements for countries to increase transparency and participation in fisheries governance for the benefit of a more sustainable management of marine fisheries.

Global records of stocks and fisheries (GRSF)

15. GRSF is a project funded by the EU H2020 BlueBRIDGE project which aims to provide an innovative environment supporting the collaborative production and maintenance of a comprehensive and transparent set of stocks and fisheries records. The project develops a global standard for assigning a unique identifier to each stock or fishery record, which is expected to be used by the seafood industry and retailers in certification and traceability schemes.

16. GRSF aggregates a critical mass of stocks and fishery records by harvesting information from the Fisheries and Resources Monitoring System (FIRMS), the FishSource database (owned by the Sustainable Fisheries Partnerships), and the RAM Legacy Stock Assessment database (owned by the University of Washington), three global authoritative databases. By collating these sources, the reporting coverage of any of these single entities is increased. The project will shape a business model to allow the provision of services in the long term: submission of new references on stocks and fisheries, validation and assignment of unique identifiers. The GRSF project is expected to boost the global monitoring of stocks and fisheries status and trend, as well as responsible consumer practices.

MARKET ACCESS

FAO-GLOBEFISH

17. In 2016 and 2017, FAO-GLOBEFISH welcomed two new Associate Members and continued its internal restructuring focusing on data information sharing and improvement of its analytical services. In addition, capacity building support is being provided on a regular basis for developing countries to improve market access, including technical assistance to Members to develop national certification schemes and development and implementation of the Catch Documentation Schemes (CDS) Guidelines. FAO-GLOBEFISH's overall objective is reinforced through policy dialogue and consultation among stakeholders, including through various events and fora.

18. FAO-GLOBEFISH continues to produce a number of publications on trend analysis (GLOBEFISH Highlights), data time series (Commodity Updates), market studies (GLOBEFISH Research Programme), and price information (European Price Report). These also serve as inputs for other FAO publications, such as the FAO Food Outlook. A mobile version of the new Web site is now under development. In 2016 and 2017, four new publications were published: "Veterinary controls in international fish trade", "Integrated ocean management - Fisheries, oil, gas and seabed mining", "The world lobster market", "The E-Commerce Development of the Seafood Market in China".

19. FAO-GLOBEFISH, aims to strengthen its direct link with the seafood industry by initiating and hosting the Blue Forum, an element in the Blue Growth Initiative (BGI). The Blue Forum will serve as a reference point for sector stakeholders to address various challenges for sustainable development of the sector in economic, social and environmental terms.

20. The FISHINFONetwork (FIN), of which FAO-GLOBEFISH is part, promotes collaboration among the various FIN organizations and has organized seafood exhibitions, commodity conferences and special workshops. FIN Directors' meetings have been organized annually during the CONXEMAR Frozen Seafood Exhibition in Vigo, to exchange information and experiences, as well as exploring new areas of cooperation. The FIN presented one Voluntary Commitment to the Ocean Conference in June 2017 in New York, on being ready to assist Members in achieving the SDGs of Agenda 2030.

Fish safety and quality

21. At the national level, fish safety and quality remain the focus of regulatory requirements in international fish trade. FAO continues its efforts in providing Members with detailed guidance on food safety, in collaboration with academia. For specific commodities, FAO has developed target programmes to help countries overcome local sanitation problems.

22. With regard to Members' obligations under the World Trade Organization (WTO) Agreements, and more particularly within the SPS Agreement, FAO, along with the World Health Organization (WHO), continues to provide scientific advice to the Codex Alimentarius Commission to disseminate technical information to help implement Codex standards and texts.

23. FAO maintains scientific and technical support for normative work through partnerships with relevant agencies and academia involved in food safety and value chains to support the fisheries sector.

24. In the capacity building area on fish safety and quality, FAO efforts were concentrated on providing developing countries with the necessary knowledge and tools to improve market access, to reduce post-harvest losses, to add value to their products and to disseminate information on market requirements (including SPS and the Agreement on TBT, labelling, traceability and certification programmes).

25. The 12th World Seafood Congress (WSC) 2017 is being held in Reykjavik, Iceland on 10–13 September 2017. FAO plays a significant role in providing technical inputs to the Congress and in sponsoring developing country participation. The focus of WSC 2017 is on the “Growth in the Blue-Bioeconomy; practical approach and cutting edge research for market innovation, food safety and food integrity”. Three main pillars of the WSC 2017 are: (a) seafood innovation; (b) food safety, and (c) food integrity: how to counteract food fraud. The WSC brings together a global audience of seafood processors and importers, academia, public, private and international organizations, fish inspectors and government and participants from diverse disciplines.

CONSUMPTION

26. FAO continues to assist Members in developing local and regional markets in addition to achieving access to international markets. As part of this, FAO has helped countries to add value to their fish resources and increase consumption of fish at the local level. Initiatives to include fish in local diets, such as in school meals, have been supported by developing policies and action plans at country and regional level. Low cost, but highly nutritious products have been developed and tested in a local context. This includes nutritious products developed from fish by-products generated during fish processing. Micronutrient fish powders from fish backbones have successfully been developed and tested for acceptability as well as nutrient composition and possible contaminants. Further work is being carried out to improve policies to promote fish consumption and to develop low cost but nutritious products aimed at institutional markets such as government school meal programmes, hospitals and non-governmental organizations (NGOs) involved in food distribution at refugee camps.

Voluntary certification

27. FAO participates in the work of the Global Sustainable Seafood Initiative (GSSI), a global benchmarking tool to evaluate third party voluntary certification schemes against criteria laid out in the Code of Conduct for Responsible Fisheries (CCRF), the FAO Guidelines for Ecolabelling of fish and fishery products from marine/inland capture fisheries, and the FAO Technical Guidelines for Aquaculture Certification, as well as other FAO and internationally agreed instruments. The GSSI is based on the model of the Global Food Safety Initiative (GFSI) and aims to promote transparency in seafood markets, achieve equivalency among benchmarked schemes and reduce duplication and certification costs for producers and exporters. FAO sits on its steering board as an affiliated member.

ECONOMICS AND STATISTICS

FAO Fish Price Index (FPI)

28. The FPI is a useful analytic tool in analysing price developments for fish and fishery products at the global level. Sub-indexes have been developed for species groups, for different geographic markets and production methods (capture vs farmed). The FPI is also a powerful tool for communicating

trends and changes in world seafood markets to a wider audience. The current index is based on almost 100 reference prices from the world's leading import markets.

29. Work has continued towards developing a more simplified and updated index in order to include fish and fishery products in the overall FAO Food Price Index (FFPI) and the FAO Global Food Consumption Index (FGFCD), which at present do not include fish and fishery products. This activity is undertaken by FI in close cooperation with ES, which is responsible for the FFPI and FGFCD.

Fisheries outlook models

30. The annual OECD-FAO Agricultural Outlook publication covers medium-term perspectives on supply and demand for selected agricultural commodities. The 2017 issue provides an outlook for the years 2017–2026. Since 2011 this publication has included a separate chapter on fish that describes the main results of a fish model developed by FAO in collaboration and agreement with the OECD. This model has links to, but is still not fully integrated with, the Aglink-Cosimo model used for the agricultural projections. The aim is to arrive at a fully integrated and dynamic model. The results are important, not only for the fisheries sector overall but also for the linkages and interdependencies with the other food sectors, in particular for feed and terrestrial animal production.

Scenarios

31. FAO is also working on an update of previous scenarios for future growth in aquaculture and capture fisheries. The study is based on a thorough analysis of the supply side in aquaculture in combination with a demand model to provide projections for the coming decade. Moreover, projections until 2050 will be provided, policy implications analysed and regional analyses will be undertaken. The main purpose of the study is to investigate the potential importance and impact of aquaculture on future food security and supply.

TRADE IN FISHERIES SERVICES

32. COFI:FT recommended that FAO conduct a literature review and develop an inventory of existing elements in the area of trade in fisheries services, which can be found as document COFI:FT/XVI/2017/Inf.4.

33. Although many works were analysed, there is a general lack of publications tackling the issue of fisheries services *per se*, with no standard definition, scope or classification on what could be considered a fishery-related service. Furthermore, the fact that some specific fisheries services are much more represented than others in those publications could potentially lead to a biased analysis of the scope and comprehensiveness of fisheries services.

34. In this regard, although document COFI:FT/XVI/2017/Inf.4 can provide a starting point to move from simpler to more complex elements, as recommended by COFI:FT, there are still severe data limitations in core elements, making it challenging to assess and to progress in any analysis of fisheries services.

35. Therefore, in order to continue the development of studies in this area, including developing a methodological framework, the Sub-Committee could consider the utility of holding an Expert Consultation on this issue, funded from extra-budgetary resources.

THE BLUE GROWTH INITIATIVE (BGI)

36. During 2016 and 2017 the FAO BGI has moved from concept to action with Blue Growth dialogues held in Grenada, Cabo Verde and India, and with others planned in Malta and Mexico later in 2017. These dialogues bring together key actors to discuss the challenges and opportunities in transitioning to a Blue Growth agenda with financing and different aspects of trade included in the

discussions. In addition to these dialogues, support to countries has been increasing, especially in Africa where partnerships were developed with the African Development Bank to deliver their Blue Economy Flagship, and with the World Bank to deliver their Africa and the Blue Economy Programme as part of the African Ocean Resilience Package. This work is focusing on delivering technical assistance in a range of areas including food safety, eco-labelling and improving access to markets. Currently this work is focused in a few countries with plans for upscaling in the next two years. Blue Growth support has also been provided to countries in the Asia Pacific region (Indonesia, the Philippines, Kiribati, Sri Lanka, Viet Nam and Bangladesh), Latin America and the Caribbean (Barbados, Grenada and Saint Lucia) and the Near East (Morocco, Algeria and Tunisia). Much of this support has been in the aquaculture sector for improved practices and technologies.

37. FAO initiatives focus on promoting good governance, participatory decision-making processes and promoting best practices in fisheries. Aligned with the comprehensive approach to fisheries and aquaculture captured in SDG14, FAO's BGI aims at harmonizing the environmental, social and economic aspects of living aquatic resources to ensure equitable benefits for communities. It balances growth and conservation, and industrial and small-scale artisanal fisheries and aquaculture.

FAO COLLABORATION AND WORK WITH OTHER INTERNATIONAL ORGANIZATIONS AND BODIES

International Union for Conservation of Nature (IUCN)

38. FAO cooperates with the IUCN, in particular in connection with the Red List of Threatened Species and the ad hoc joint FAO-IUCN Technical Expert Group established for the required monitoring of indicators for SDG targets 14.4 and 15.5.

39. The IUCN's promotion of the Red List (RL) and Red List Index (RLI) led these indicators to be proposed for potential use as an indicator for SDG14.4, the fisheries indicator. This proposal was not consistent with FAO's long developed "fisheries" indicator, prompting a formal exchange between FAO and IUCN, leading to the creation of an FAO-IUCN SDG14.4 Ad Hoc Technical Working Group.

40. The COFI:FT request for further assessment of IUCN's RL and RLI resulted in a meeting of the FAO-IUCN SDG14.4 Ad Hoc Technical Working Group to look for complementarity across fishery related indicators and measures. FAO and IUCN have agreed to continue looking for ways of building closer links, avoiding overlaps, and better harmonizing United Nations (UN) processes in relation to SDG14.4, prior to delivery of future work on SDGs, Aichi targets and CITES assessments.

41. The strengthened cooperation was able to clarify the respective work initiatives and build a more trusting relationship. A draft scientific paper describing the relationship of FAO and IUCN fisheries indicators is being prepared for publication in 2017. This will be linked to a joint plan for more effective communication of inter-Agency processes and outputs.

Strategic Development Goals (SDGs)

42. FAO is ready to support countries and work alongside partners in achieving the SDGs. The 2030 Agenda includes 17 SDGs and 169 targets that commit countries into taking action to end world poverty and hunger, and achieve sustainable development by the end of 2030.

43. Fisheries and aquaculture offer ample opportunities to reduce hunger and improve nutrition, alleviate poverty, generate economic growth and ensure better use of natural resources areas relevant to multiple goals of the 2030 Agenda. Ensuring an environment that facilitates international trade in fish and fishery products, including pertinent aspects of production and consumption, is key to ending hunger.

44. FAO participated actively in the Ocean Conference in June 2017 in New York, organizing more than 20 seminars and side events and participating in three Partnership dialogues.

United Nations Conference on Trade and Development (UNCTAD)

45. During the last biennium, the cooperation between UNCTAD and FAO has strengthened significantly. The main area of collaboration is associated with information dissemination to Members on the links between fisheries management and fish trade within the framework of fisheries subsidies discussions in WTO and the SDGs. Several workshops and seminars were jointly organized in Geneva and Rome to inform Members in this regard.

46. In addition, in mid-2016, both institutions, together with the United Nations Environment Programme (UNEP), issued a joint-statement on fisheries subsidies stressing their readiness to support international efforts to achieve the SDG14.6, highlighting the need for transparency and the special needs of developing countries. The declaration, which also referred to the crucial role of the FAO PSMA in the fight against IUU fishing, has been signed by almost 100 countries.

47. For the Ocean Conference of June 2017, FAO and UNCTAD developed joint events in order to advance the information dissemination process for fisheries subsidies and other trade-related issues to provide Members with inputs allowing them to reach a positive outcome at the WTO Ministerial Meeting (MC11) in Buenos Aires (December 2017).

United Nations Statistics Division (UNSD)

48. During the last biennium, the ongoing cooperation between the UNSD and FAO was further strengthened. Major areas of active collaboration included the sharing of the trade statistical collection and the revision of the Classification of Individual Consumption by Purpose (COICOP) and the System of Environmental Economic Accounts (SEEA).

49. FAO is participating in the Technical Subgroup on a possible revision of COICOP (TSG-COICOP) in order to expand the coverage of agricultural and fisheries products. The revision implies expansion to the fifth digits for all divisions - the revision and expansion of Division 01 (Food) is led by FAO. The draft was submitted to a global consultation in late 2016. Submission of the final version of the revised COICOP is planned by September 2017 to the Expert Group on International Classifications and to the UN Statistical Commission in 2018.

50. For SEEA, FAO actively participated in the process of developing SEEA Central Framework to ensure coherence, as much as possible, with the overall concepts utilized in SEEA asset account of aquatic biological resources and with those in the United Nations Convention on the Law of the Sea (UNCLOS). FAO has also contributed to the development of guidelines for the implementation of asset accounts of fish and other aquatic resources and their physical flow in supply and use asset accounts. These guidelines are part of the document entitled "System of Environmental - Economic Accounting for Agriculture, Forestry and Fisheries" that, in June 2016, was endorsed by the United Nations Committee of Experts on Environmental-Economic Accounting (UNCEEAA) as an internationally methodological document in support of the SEEA-Central Framework. The document is currently under submission to UNSD.

World Customs Organization (WCO)

51. FAO continues its collaborative work with WCO to improve the quality of fish trade coverage through an improved specification for species and product forms in the Harmonized Commodity Description and Coding System (HS). The present version (HS 2017), and the previous one (HS 2012), both reflect the modifications proposed by FAO.

52. The HS 2017 entered into force on 1 January 2017 for all Contracting Parties to the Harmonized System Convention. It includes amendments related to fish and fishery products for species and product forms that need to be monitored for food security purposes and for better management of resources, in particular for potentially endangered species, including sharks, skates and rays. In total, 36 new subheadings were created, and 36 subheadings were amended. In developing the proposal, FAO also took into account some of the suggested amendments for HS 2017 received during the thirteenth session of COFI:FT. Due to the limitation of available free codes, it was not possible to revise the HS 2012 and HS 2017, including all the species/product forms relevant for trade or in need of being monitored.

53. Taking into consideration that the revision of the HS is done on a regular basis, with five-year intervals, the process leading to an updated HS 2022 is currently underway. FAO has already made one new proposal to improve further the coverage and scope of forestry products to monitor better the trade flows. FAO is also examining the possibility of strengthening its cooperation with WCO to improve further agricultural and fishery products. If considered feasible, the proposal will need to be submitted to WCO during Autumn 2017. Therefore, COFI:FT is invited to take into account this possibility and provide proposals for possible amendment/addition of fishery species and product forms to be included in the HS 2022 to the FAO Secretariat.

World Health Organization (WHO)

54. During the last biennium, FAO has continued its collaboration with WHO by publishing a technical paper on “Toxicity equivalence factors for marine biotoxins associated with bivalve molluscs”; a guidance on “Selection and application of methods for the detection and enumeration of human-pathogenic halophilic *Vibrio* spp. in seafood”; coordinating the elaboration of the “Technical Guidance for the Development of Bivalve Mollusc Sanitation Programs”; and providing advice and recommendations to different CODEX committees such as the Codex Committee on Food Hygiene and the Codex Committee on Contaminants in Foods.

World Trade Organization (WTO)

55. With a new momentum for the negotiation on fisheries subsidies in preparation for the 2017 WTO Ministerial, FAO continued to cooperate with WTO in this regard. An information session in the WTO Negotiation Group on Rules (NGR) was specifically organized to allow FAO experts to give presentations on relevant fisheries topics, such as the general framework of regional fisheries management organization and bodies, FAO statistics on fish and general information on the process of stock assessment.

56. As the 2017 WTO Ministerial Conference approaches, the cooperation between WTO and FAO in the domain of trade-related aspects of fisheries, including fisheries subsidies, has intensified. Upon request, FAO has agreed to second one of its staff members to provide technical assistance on fisheries management issues and the role of regional fisheries management organizations (RFMOs) to the WTO Secretariat.