

UN Secretary-General's background note for the preparatory meeting of the 2025 United Nations Conference to Support the Implementation of SDG 14

I. Introduction

The Sustainable Development Goals (SDGs), adopted in 2015 as part of the 2030 Agenda for Sustainable Development, identify international trade as a "*means of implementation*" of all the SDGs, including SDG 14 and hence, trade is "*key to realizing our Agenda*".

SDG 17 on means of implementation highlights the fundamental role of trade, finance, technology and capacity building to help meet the SDGs in all its dimensions: economic, social and environmental. The notion of trade as a cross-cutting tool to advance the three dimensions of sustainable development closely mirrors the WTO's founding document, the Marrakesh Agreement Establishing the World Trade Organization. This commitment to sustainable development and leveraging trade for implementation of the SDGs was reaffirmed at the 13th WTO Ministerial Conference (MC13) in Abu Dhabi in 2024 (WT/MIN(24)/DEC).

II. Status and Trends

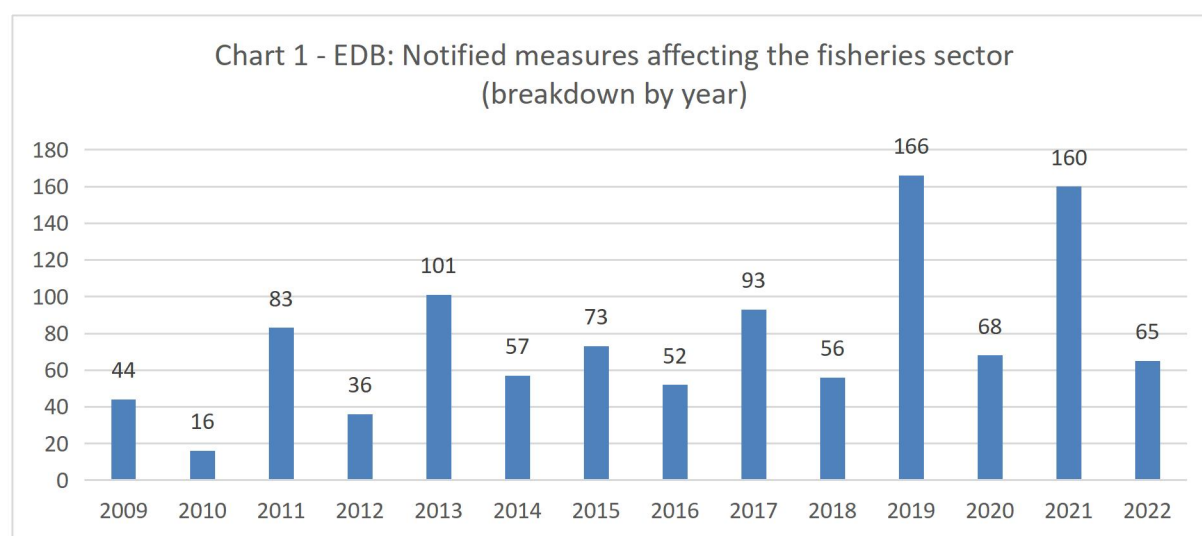
WTO's engagement on SDG 14

The Covid-19 pandemic offered a once in a generation opportunity to build back better and in the case of SDG 14 and "*life below water*" a chance to build back bluer. On sustainability, whether - the blue or ocean economy or sustainable fish trade - many WTO Members have expressed their interest to examine the trade and environment nexus with a view to explore the "win-win" opportunities where trade and the environment can be mutually supportive.

WTO Members have stepped up work on trade and sustainability issues at the WTO Committee on Trade and Environment (CTE). In the context of SDG 14, there has been exchange of views on policy tools such as Port State measures, subsidies, catch certification schemes, eco-labels and traceability requirements (tracing fisheries across the supply chain from "fish to plate" or from "sea to shop"). WTO Members and IGOs (such as the FAO, UNCTAD, OECD and UNEP) have presented their activities, toolkits and experiences, for example, on the steps taken to prevent, deter and eliminate illegal, unreported and unregulated (IUU) fishing. In developing tools, some have highlighted the importance of keeping in mind principles such as non-discrimination, transparency and, wherever possible, the harmonization of measures adopted. The need for awareness generation, international co-operation, technical assistance, and capacity building has also been emphasized. On the margins of the CTE, thematic sessions and side events have been organized, such as the panel discussion on "Trade, the Environment and Sustainability: A Focus on Green Recovery" co-hosted by Barbados and Maldives.¹

¹ See https://www.wto.org/english/news_e/events_e/wto_events_e.htm?bodyCode=ENVIR

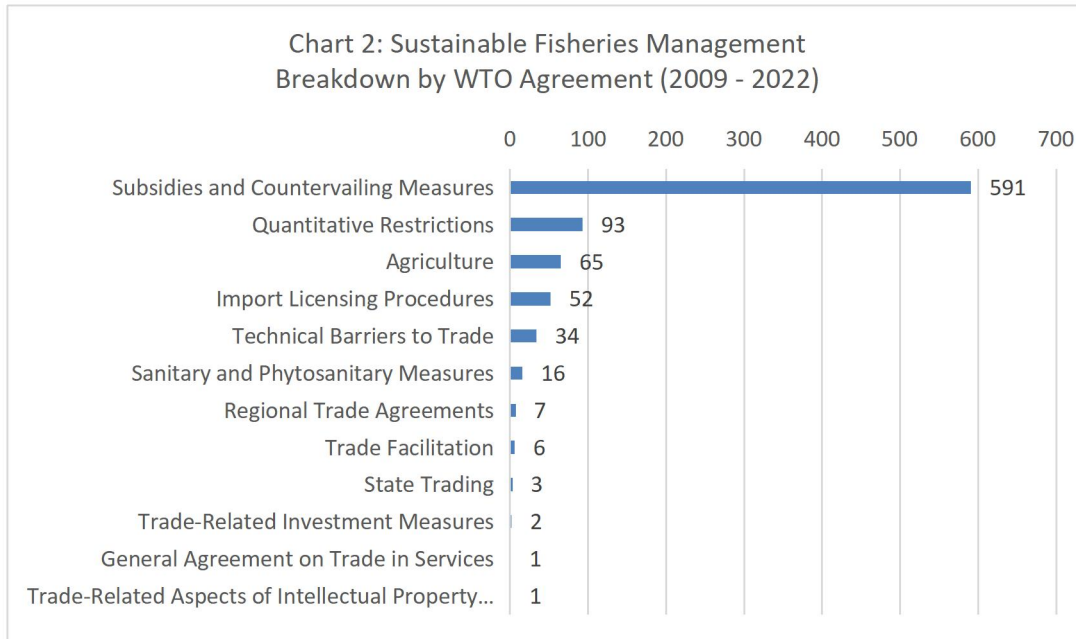
There has also been increased transparency on trade and environmental measures affecting the fisheries sector that could be of relevance to the implementation of SDG 14. Since 2009, the WTO Environmental Database² has recorded 1070 notified measures and 1076 entries from WTO members' trade policy review reports related to the fisheries sector. Moreover, there were 872 notified measures with the objective of sustainable fisheries management. WTO members continue to notify and adopt trade policies to contribute to the sustainable development of their fisheries sector and more broadly the blue economy. Although there are year-on-year variations, the growing number of environment-related measures affecting the fisheries sector that are notified to the WTO is evidence of the mutual supportiveness and the intertwining of trade, fisheries, and environmental policies (see Chart 1).



Source : WTO Environmental Database

In terms of types of measures, most measures notified from 2009 onwards were support measures, usually in the form of grants and direct payments. Other support measures, income or price support, loans and financing, and non-monetary support were also provided to the fisheries sector for broader sustainability or environment-related purposes. Other measures in the EDB were environmental requirements in the form of licensing requirements, bans or quantitative restrictions, technical regulations, conformity assessment procedures or other regulatory requirements notified pursuant to the WTO Import Licensing Agreement, Sanitary or Phytosanitary Measures (SPS) or Technical Barriers to Trade (TBT) Agreements among others (see Chart 2).

² WTO Environmental Database: <https://edb.wto.org/>.



Source : WTO Environmental Database

Environment Initiatives at the WTO

The work of the new environment initiatives – the Trade and Environmental Sustainability Structured Discussions, on Fossil Fuel Subsidy Reform, and the Dialogue on Plastics Waste and Sustainable Plastics Trade – is a testimony to the more proactive approach on trade and sustainable development at the WTO. This has opened up new work streams, for instance on tackling plastic pollution – including marine plastic and microplastics (SDG 14.1).

The Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade (DPP)³ is open to all WTO members, and its 79 co-sponsors - as of April 2024 - accounted for around 85% of global plastics trade. The dialogue seeks to avoid duplication and support or complement the discussions in other fora such as UNEA, World Customs Organization or the Basel Convention. For instance, in September 2021, on the margins of the DPP, the WTO was the venue for an informal ministerial meeting on marine litter and microplastics.⁴ At the WTO's MC13 this year, the DPP issued a Ministerial Statement (WT/MIN(24)/14) containing principles and six concrete trade actions that should pave the way for trade to be a key part of the solution to the plastic pollution challenge.

Another initiative is the Trade and Environmental Sustainability Structured Discussions (TESSD),⁵ that aims to identify concrete actions that Members could take individually or collectively on trade and environmental sustainability at the WTO. As of April 2024, this initiative is co-sponsored by 77 WTO members and is open to all WTO members. In addition, TESSD has involved stakeholders from the private sector, civil society, international organizations, and academia. This involvement of a broad set of stakeholders has enriched

³ See https://www.wto.org/english/tratop_e/ppesp_e/ppesp_e.htm.

⁴ See <https://conferencemarinelitterplasticpollution.org/>.

⁵ See https://www.wto.org/english/tratop_e/tessd_e/tessd_e.htm.

the WTO discourse on the SDGs and sustainability. The TESSD package at the WTO's MC13, included a co-conveners statement, updated workplan and outcome documents (WT/MIN(24)/11 and Add.1 to Add.5). The TESSD has so far covered topics such as trade and climate change including its potential impact on the oceans and the blue economy, trade in environmental goods and services (with a focus most recently on marine energy), the trade and environmental effects of different subsidies, circular economy and sustainable supply chains.

Finally, there is also the member driven initiative on Fossil Fuel Subsidy Reform (FFSR).⁶ As of April 2024, the FFSR initiative is supported by 48 WTO Members and other WTO members can join as co-sponsors. In 2022, fossil fuel subsidies amounted to a colossal US\$ 1.4 trillion. The FFSR initiative encourages the rationalization and phase out of inefficient fossil fuel subsidies that encourage wasteful consumption. The FFSR Ministerial Statement at MC 13 (WT/MIN(24)/19) outlines pathways to reform and a programme of work through the pillars of enhanced transparency, crisis support measures, and identifying and addressing harmful fossil fuel subsidies.

Fisheries Subsidies

In June 2022, at the WTO 12th Ministerial Conference (MC12), ministers adopted the historic binding multilateral WTO Agreement on Fisheries Subsidies,⁷ to prohibit harmful fisheries subsidies as mandated by SDG target 14.6. This marked a major step forward for ocean sustainability by disciplining subsidies to some of the most harmful fishing practices, which are a key factor in the depletion of the world's fish stocks. The Agreement was only the second multilateral agreement reached at the WTO since 1995 and the first WTO agreement with environmental sustainability at its core. It also was the first binding multilateral agreement to fulfil an SDG target. The new disciplines will have important, positive effects on the sustainability of marine resources by prohibiting subsidies to illegal, unreported and unregulated (IUU) fishing, prohibiting subsidies to fishing on overfished stocks, and prohibiting subsidies to fishing on the unregulated high seas. For the Agreement to become operational, and thus deliver its sustainability benefits, two-thirds of WTO Members have to deposit their "instruments of acceptance" in the WTO. As of 15 April 2024, 72 Members have deposited their Instruments, leaving 38 deposits for the Agreement to enter into force.

At MC12, the Negotiating Group was mandated to conduct a second wave of negotiations focusing largely on subsidies contributing to overcapacity and overfishing, with a view to making recommendations to the WTO 13th Ministerial Conference (MC13). Ministers also recognized that appropriate and effective special and differential treatment for developing and least-developed country WTO Members should be an integral part of these negotiations.

The work during 2023 comprised eight week-long clusters of meetings (Fish Weeks). At the beginning of September, the Chair of the Negotiating Group on Rules circulated a starting-point text of draft disciplines, drawing on the previous negotiating texts and proposals from Members. On 21 December 2023, based on Members' deliberations to that point and responding to the strong push at an October meeting of Senior Officials to conclude the negotiations so that the outcome could be adopted at MC13, the Chair circulated a Chair's

⁶ See https://www.wto.org/english/tratop_e/envir_e/fossil_fuel_e.htm.

⁷ See https://www.wto.org/english/tratop_e/rulesneg_e/fish_e/fish_e.htm.

text containing draft disciplines on subsidies contributing to overcapacity and overfishing and related elements.

After circulating the text, the Chair conducted a “Fish Month” of meetings from mid-January to mid-February 2024. The purpose of the Fish Month was for Members to adjust and refine the Chair's text with a view to submitting recommendations for adoption by Ministers at MC13. Based on Members' extensive deliberations put forward during the Fish Month, at the end of the Fish Month the Chair circulated a further text, containing draft "Additional Provisions on Fisheries Subsidies", for Ministers' consideration at MC13. This text, document WT/MIN(24)/W/10, served as the basis for discussions during the Ministerial Conference.

At MC13, Members came extremely close to concluding the negotiations on additional provisions on fisheries subsidies, significantly narrowing longstanding gaps. Subsequently, many Members have called for negotiations to continue, to build on the progress made at MC13 with a view to concluding as soon as possible. On 12 April 2024, the Chair circulated to WTO Members the text that was developed and informally circulated at MC13, along with an explanatory note (TN/RL/W/278 and /Add.1). The Chair is now consulting with interested Members about possible ways to advance the work.

IV. Mobilizing all actors to accelerating ocean action:

WTO Fisheries Funding Mechanism Trust Fund

Established in November 2022, the WTO Fisheries Funding Mechanism Trust Fund, known as the Fish Fund, was set up to support developing and least developed country WTO Members in implementing the WTO Agreement on Fisheries Subsidies. As such, the Fund is relevant to implementation of SDG target 14.6 as well as target 14.4 on sustainable fishing.

The Fund will support such Members in making their required notifications to the WTO Committee on Fisheries Subsidies, in enhancing their fisheries management capabilities including data collection and reporting, and in developing their relevant institutional capacity, including interagency coordination, to meet the requirements of the Agreement. The WTO operates and provides the Secretariat of the Fund and cooperates extensively with the core partners - the Food and Agriculture Organization of the United Nations (FAO), the International Fund for Agricultural Development (IFAD), and the World Bank. All of these partner organizations are represented on the Fund's Steering Committee and thus form part of its governance structure. As such, the Fund is relevant to the implementation of SDG 17, on global partnerships for sustainable development. The majority of the seats on the Steering Committee are held by representatives of donor and beneficiary Member governments.

Developing and LDC Members that have deposited their instruments of acceptance of the Agreement are eligible to seek assistance from the Fund. The Fund will be able to start providing assistance when the Agreement has entered into force.

Since early 2024, the Fund's Steering Committee has been engaged in a range of activities to operationalize the Fund by the time the Agreement enters into force. These activities include, *inter alia*, developing its governance structure, its criteria and instruments for grant applications and grant-making, and its monitoring and evaluation framework.

To date, the Fish Fund has received over CHF 9 million and has commitments and public pledges exceeding CHF 5 million.

V. Possible themes for the Ocean Action Panels

- Implementation of the WTO Agreement on Fisheries Subsidies: How action could be accelerated and actors mobilized to conserve and sustainably use the ocean?
 - Food security and the blue economy;
 - Ocean economy and global trade;
 - Plastics economy, marine litter and ocean health;
 - Trade, climate and oceans;
 - Oceans, trade and jobs;
 - Oceans / technology / biodiversity and biomimicry.
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