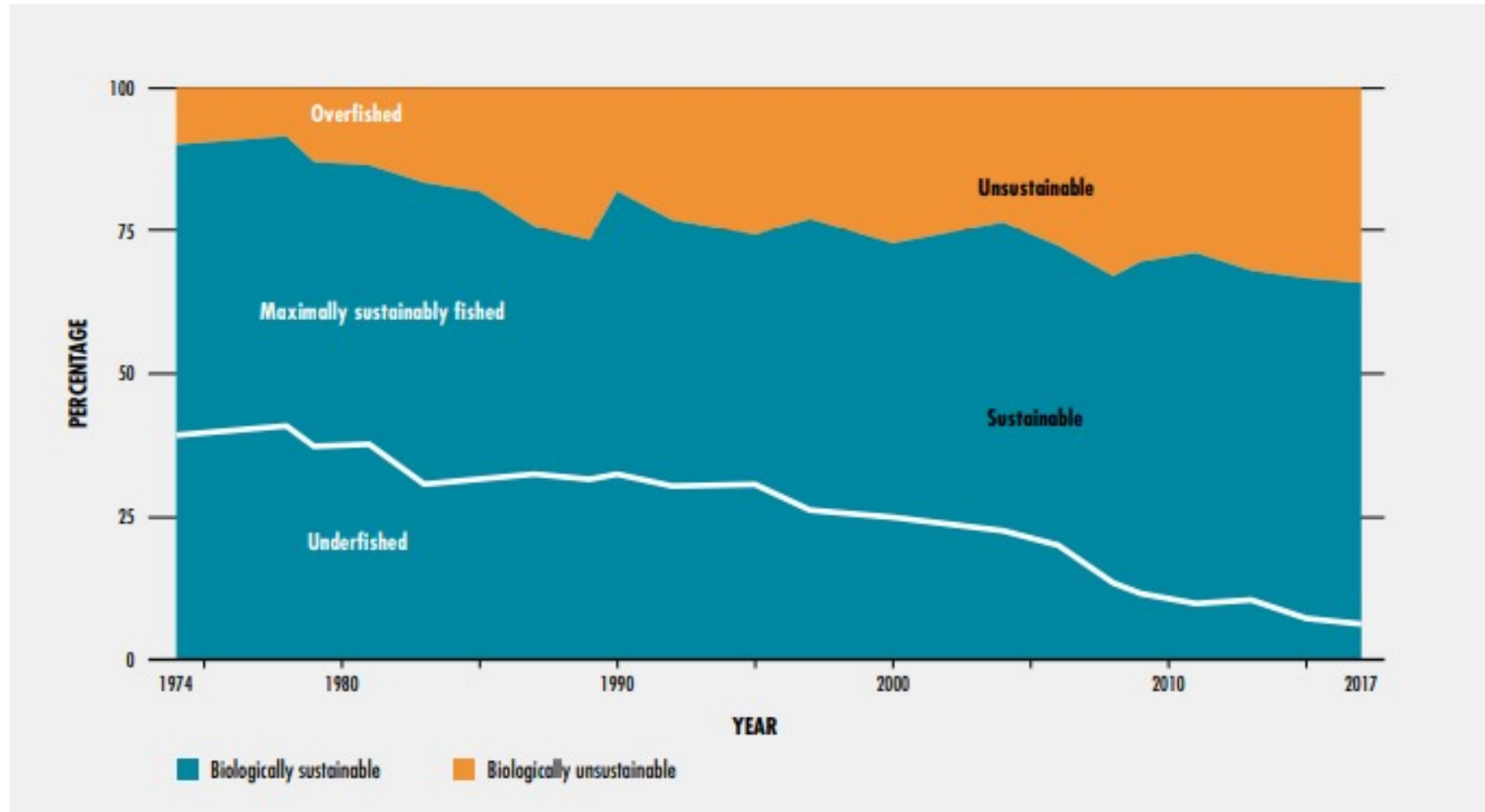




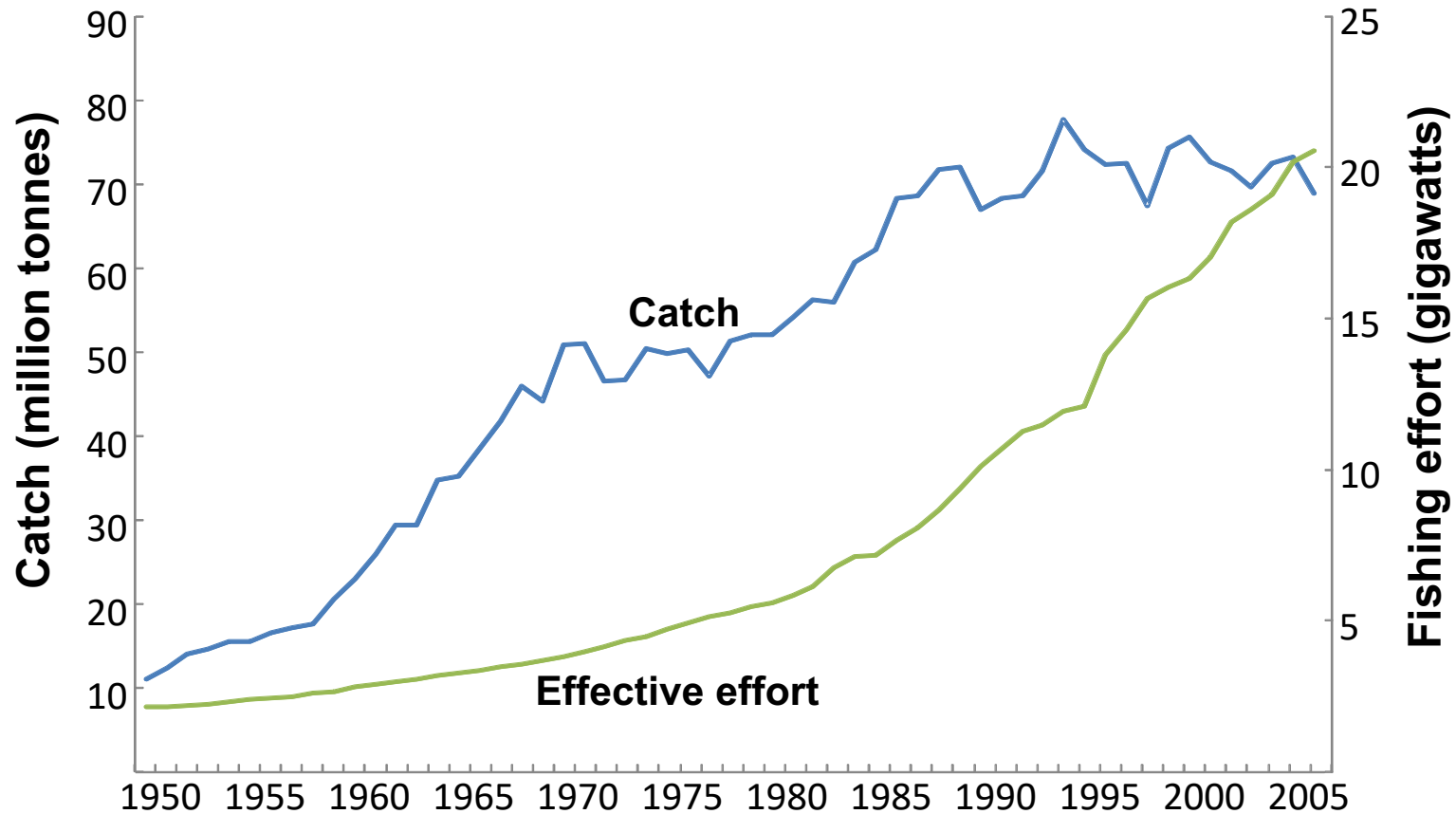
Fisheries Subsidies Negotiations: Where we are and what we've learned

Alice Tipping
18 November 2021

Global fish stocks are increasingly overfished



Catch is stagnating as effort increases



Depleted fisheries undermine sustainable development

- The vulnerability of fisheries is a serious threat to:
 - the health of marine **ecosystems**
 - the **livelihoods** and **food security** of coastal communities, in particular in developing countries and LDCs
 - the economic **development interests** of countries who rely on fishing and fishing-related activities
- How come?

Fish represents more than 50% of the average animal protein intake in some developing countries and LDCs (more for some coastal communities) (FAO, 2017)

It has also been estimated that fisheries supported a total of 260 million jobs worldwide, 78% of which are developing countries (Teh and Sumaila, 2011)

In 14 LDCs, fishery exports are in the top five merchandise exports (UNCTAD, 2017)

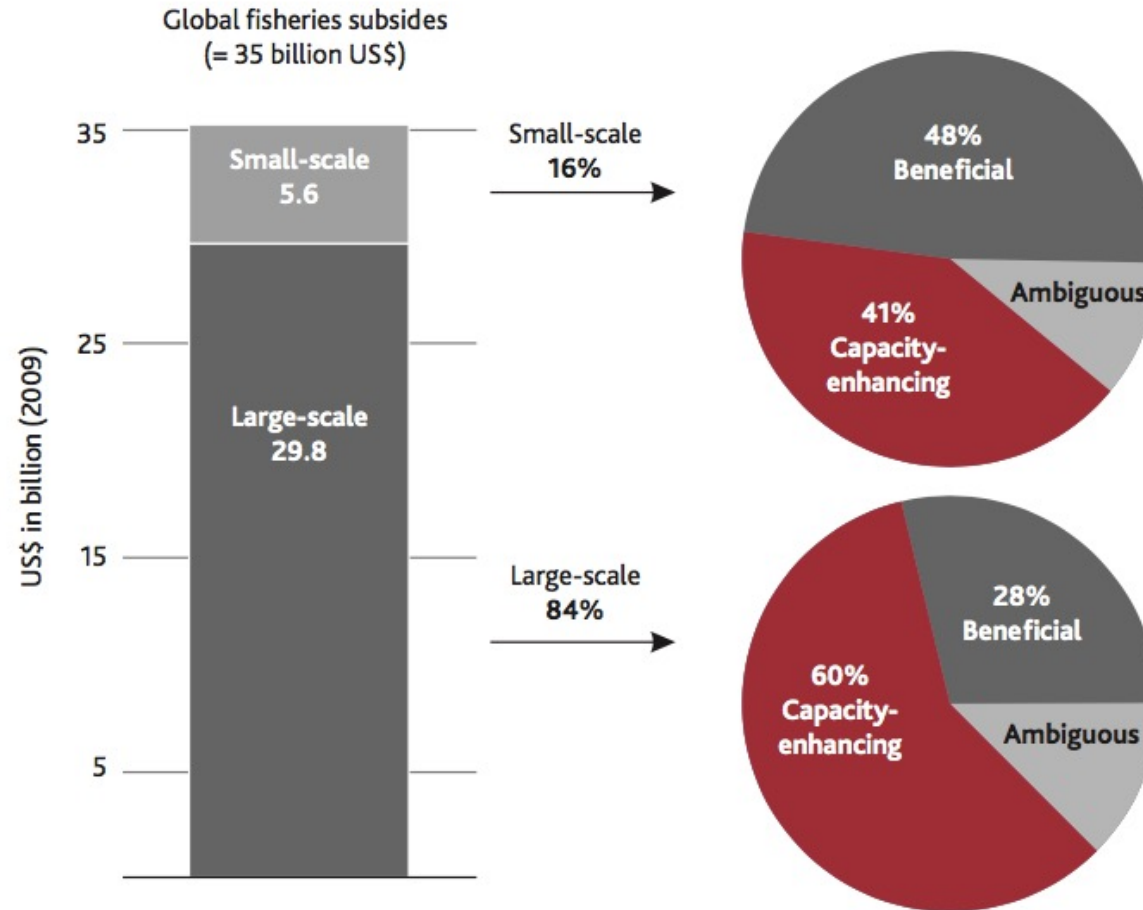
What about subsidies?

- **Fisheries subsidies** have significantly contributed to **unsustainable levels** of fishing worldwide
- Subsidies artificially **lower the costs** of fishing and can thus increase the level of fishing capacity and effort. They allow boats to fish more, further, and longer.
- Not all subsidies have the same impacts:
 - Capacity-enhancing vs beneficial vs ambiguous subsidies (Sumaila et al.)
 - OECD analysis shows fuel subsidies, for example, have a strong impact on fishing effort in open-access fisheries (Martin and Innes, 2018)

What about subsidies?

22% of global fisheries subsidies go to fuel.

90% of these are captured by large-scale fishers



Note: Capacity-enhancing subsidies tend to promote disinvestment in a fisheries resource once fishing exceeds the economic optimum; beneficial subsidies lead to investment in fisheries resources; while ambiguous subsidies can promote or undermine investment in fisheries resources; see Sumaila et al (2013).

Source: Schuhbauer et al. (2017)

		WTO Member	Production (MT): Average Marine Capture 2017-2019 (FAO data)	World share of marine capture	Subsidies (Sumaila, only WTO-relevant subsidies)																	
1																						
2		China	12676279	15.44%	\$ 5,727,081,496																	
3		Indonesia	6658473	8.11%	\$ 312,244,601																	
4		Peru	5358507	6.53%	\$ 175,762,525																	
5		European Union	5194787	6.33%	\$ 2,013,133,590	Developed Members + developing Members >3% global catch											67%	Global catch				
6		United States	4847391	5.90%	\$ 1,010,903,361													DCs only =	39%	Global catch		
7		Russian Federation	4717901	5.75%	\$ 1,135,405,292																	
8		India	3743353	4.56%	\$ 169,072,576															75%	Global subsidies	
9		Vietnam	3209310	3.91%	\$ 77,933,701													DCs only:	37%	Global subsidies		
10	3%	Japan	3187835	3.88%	\$ 1,585,032,628																	
11		Norway	2398289	2.92%	\$ 398,706,054																	
12		Chile	2004768	2.44%	\$ 24,337,428																	
13		Philippines	1839302	2.24%	\$ 136,575,558																	
14		Malaysia	1461887	1.78%	\$ 360,645,927	Other developing Members											23%	Global catch				
15		Mexico	1449218	1.77%	\$ 190,615,686															19%	Global subsidies	
16		Morocco	1387090	1.69%	\$ 27,450,945																	
17		Thailand	1368006	1.67%	\$ 877,118,256																	
18		Korea, Republic of	1362350	1.66%	\$ 696,935,527																	
19	LDC	Myanmar	1159850	1.41%	\$ 115,498																	
20		Iceland	1113673	1.36%	\$ 95,453,813																	
21		Mauritania	812712	0.99%	\$ 7,815,374																	
22		Argentina	809602	0.99%	\$ 181,379,886																	
23		Canada	773914	0.94%	\$ 352,451,478																	
24		Chinese Taipei	767059	0.93%	\$ 645,323,886																	
25	LDC	Bangladesh	650691	0.79%	\$ 86,279,984																	
26	0.70%	Ecuador	609263	0.74%	\$ 10,169,990																	
27		South Africa	508719	0.62%	\$ 26,012,065	Developing Members with <0.7% global catch											11%	Global catch				
28		Oman	493761	0.60%	\$ 38,864,443															6%	Global subsidies	
29		Brazil	489358	0.60%	\$ 156,344,403																	
30		Namibia	483407	0.59%	\$ 4,146,768																	
31	LDC	Senegal	478128	0.58%	\$ 105,667,522																	

Negotiations at the WTO: A brief history

- 2001 Doha Development Agenda:
“clarify and improve” existing WTO disciplines on subsidies to fishing
- 2005 Hong Kong Ministerial renewed mandate:
“strengthen disciplines on subsidies in the fisheries sector, including through the **prohibition of certain forms of fisheries subsidies that contribute to overcapacity and over-fishing**, and call on Participants promptly to undertake further detailed work to, inter alia, establish the nature and extent of those disciplines, including transparency and enforceability. **Appropriate and effective special and differential treatment for developing and least-developed Members should be an integral part of the fisheries subsidies negotiations**, taking into account the importance of this sector to development priorities, poverty reduction, and livelihood and food security concerns;
- 2007 Chair’s text
List of prohibited subsidies, General Exceptions, SDT, IUU and overfished stocks rules.
- 2008 – 2011 : DDA stagnates

Negotiations at the WTO: A brief history

- 2015: UN SDG target 14.6:

“by 2020, **prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, and eliminate subsidies that contribute to IUU fishing**, and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the WTO fisheries subsidies negotiation

- 2016 TPP concludes (re-negotiated to become CPTPP)
 - Prohibition on subsidies to vessels and operators on IUU fishing lists
 - Prohibition of subsidies to overfished stocks



Negotiations at the WTO: A brief history

- 2018-2020: Negotiations intensify
- 2018: “Incubator groups” brainstorming on specific issues
- Late 2018: Consolidations of proposals (hundreds of brackets) TN/RL/W/274/Rev.6

Facilitators “hold the pen”

- 2019: 6 Facilitators crafting text or options on IUU, overfished stocks, overcapacity and overfishing, SDT, institutional issues

Chair “holds the pen”

- 2020: June consolidated draft text TN/RL/W/126 and Revs.
- 2021: June, November: TN/RL/W/276 and Revs.

Members continue to submit proposals for text formally and informally.
Negotiations in “variable geometry” configurations for inclusiveness and effectiveness

MC12: December 2021

Negotiations at the WTO: External politics

WTO members committed to reaching an agreement to end harmful subsidies by 2020 under SDG 14 Target 6

74	16	40	03
DAYS	HOURS	MINUTES	SECONDS

HAVE PASSED SINCE THAT DEADLINE WAS MISSED

STOP FUNDING OVERFISHING

MORE THAN ONE THIRD OF THE WORLD'S FISH STOCKS ARE OVEREXPLOITED. OUR OCEAN IS ALREADY SUFFERING.

Billions of dollars in government subsidies just encourage more fishing—but we have an opportunity now to end harmful subsidies, helping people and the planet while meeting Sustainable Development Goal (SDG) 14 target 6.

World Trade Organization (WTO) members have been negotiating new rules to tackle harmful fisheries subsidies for many years. Although the last round of negotiations in 2020 did not result in a deal, to the disappointment of supporters across the globe, negotiators are closer to agreeing on a final text than ever before. We need your help to keep the pressure up—let's make sure that the WTO continues to prioritize this critical issue in 2021 to reel in the deal this year.



Negotiations at the WTO: Internal politics

Substance: Insist subsidies are bad policy, not necessary for poverty reduction or fleet development

Politics: SDT should be “needs-based” not a blanket exception for all developing Members

Ambitious Members

Substance: Reluctant to reduce subsidies their fleets depend on for competitiveness

Politics: China’s position as a developing country Member

Major Subsidisers

Developing Members

Substance: SDT should allow for subsidies for poverty reduction and industrial fleet development

Politics: Precedent set for SDT (permanent vs time-bound, differentiation)

Special and Differential Treatment

- Longer **implementation timeframes**
- **Technical assistance and capacity-building**

- **Exceptions from the rules**

IUU: subsidies continue if a determination relates to unreported or unregulated fishing by small-scale fishers within territorial sea

Overfished stocks: subsidies continue if an overfished stock is within the territorial sea.

Overcapacity and overfishing: subsidies continue for:

LDC Members

Artisanal fishing (permanent)

Non-artisanal fishing within EEZ for x years

All fishing for de-minimis Members

Advancing trade and environment issues: «lessons» from fisheries subsidies

What do you want?

- **Be clear (internally and externally) about the policy problem you are trying to solve.** How exactly does trade policy (or the trade aspects of environmental policy) need to change? (e.g. plastic waste standards)

Why here?

- **Forum choice involves trade offs:** multilateral vs plurilateral, legally binding vs non-binding, timeframes
- But there are opportunities to leverage progress between forums (CPTPP, SDG examples).

Why now?

- **The political moment matters; sometimes you need strategic patience...**
- **But delay breeds delay** (staff change, data becomes out-dated, Ministers get distracted, civil society loses interest or runs out of money)...

How?

- **Don't underestimate the amount of “education” required all along the process.**
- **Negotiated outcome will be a product of political as well as policy rationality**



Thank You!

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