



The role economic incentives and their impact on the fisheries sectors: the case of fish subsidies



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Setting the course

- Sustainable Development Goals and sustainable fisheries
- The Aichi targets relevant to economic incentives and fisheries + UNCTAD's mandate on SDG 14
- Status of Fish Stocks
- UNCTAD's Trade and Environment Review (2016): Fish Trade
- **Harmful incentives:** the case of fish subsidies
- The UNCTAD/FAO and UNEP response
- **Positive incentives** for marine biodiversity conservation and sustainable use



Conserve and sustainably use the oceans, seas and marine resources



THE GLOBAL GOALS
For Sustainable Development

By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices, in order to restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics

By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, 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 World Trade Organization fisheries subsidies negotiation

By 2030, increase the economic benefits to SIDS and LDCs from the sustainable use of marine resources, including through sustainable management of **fisheries, aquaculture and tourism**

Provide access for small-scale artisanal fishers to marine resources and markets

Aichi targets, Economic incentives and ecosystem conservations

Target 3



By 2020, at the latest, **incentives, including subsidies, harmful to biodiversity are eliminated, phased out or reformed (NEGATIVE)** in order to minimize or avoid negative impacts, and **positive incentives for the conservation and sustainable use of biodiversity are developed and applied (POSITIVE)** (...)

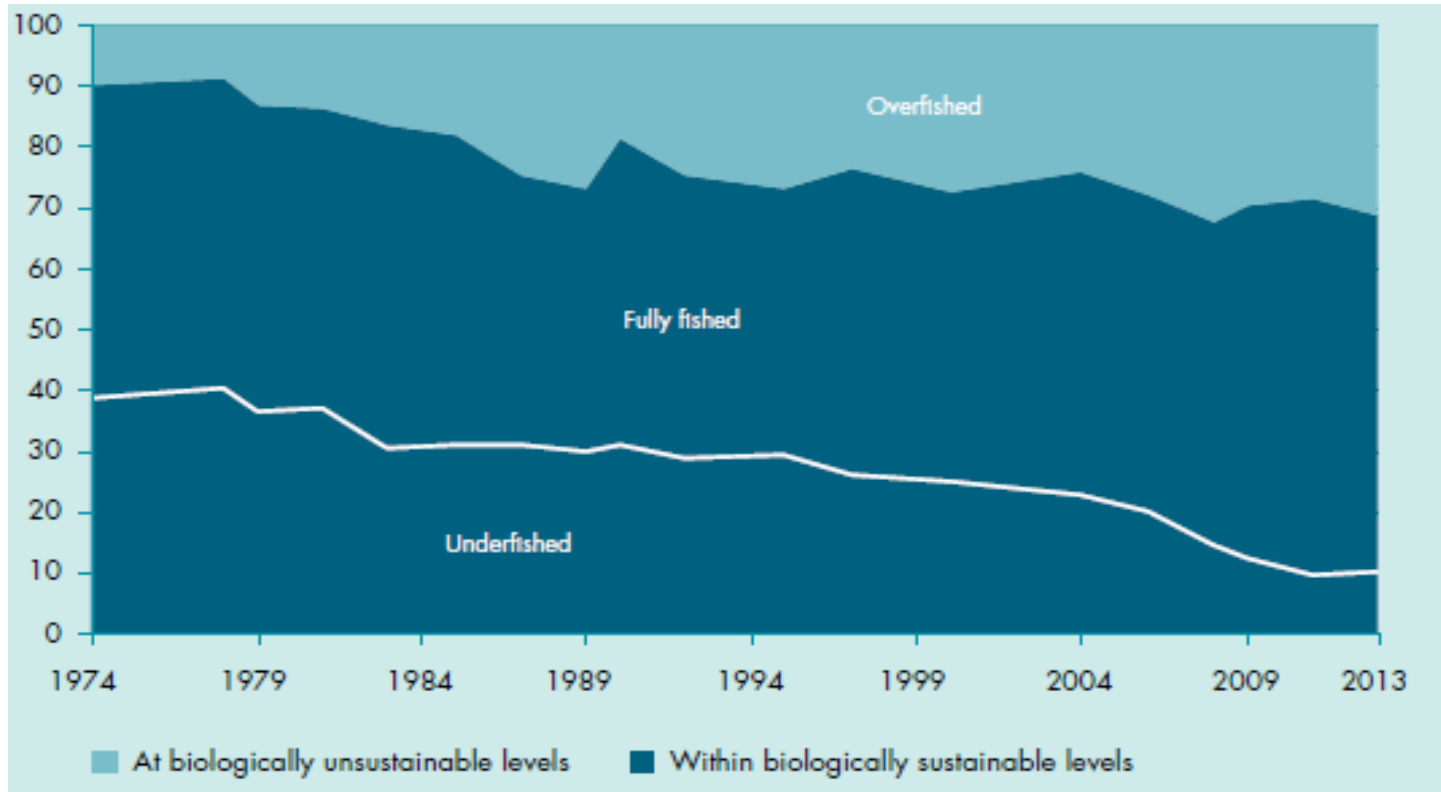
Target 6



By 2020 **all fish and invertebrate stocks and aquatic plants are managed and harvested sustainably, legally and applying ecosystem based approaches (...)**

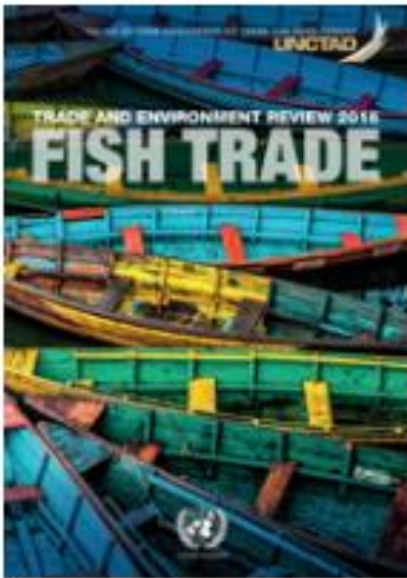
Nairobi Maafikiano (Consensus) Para 100 (t) In cooperation with other relevant international organizations and other stakeholders, **UNCTAD should support developing countries, in particular SIDS, in the advancement of Sustainable Development Goal 14** in the design and implementation of **regional and/or 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 IUU fishing (...)

Status of fish stocks



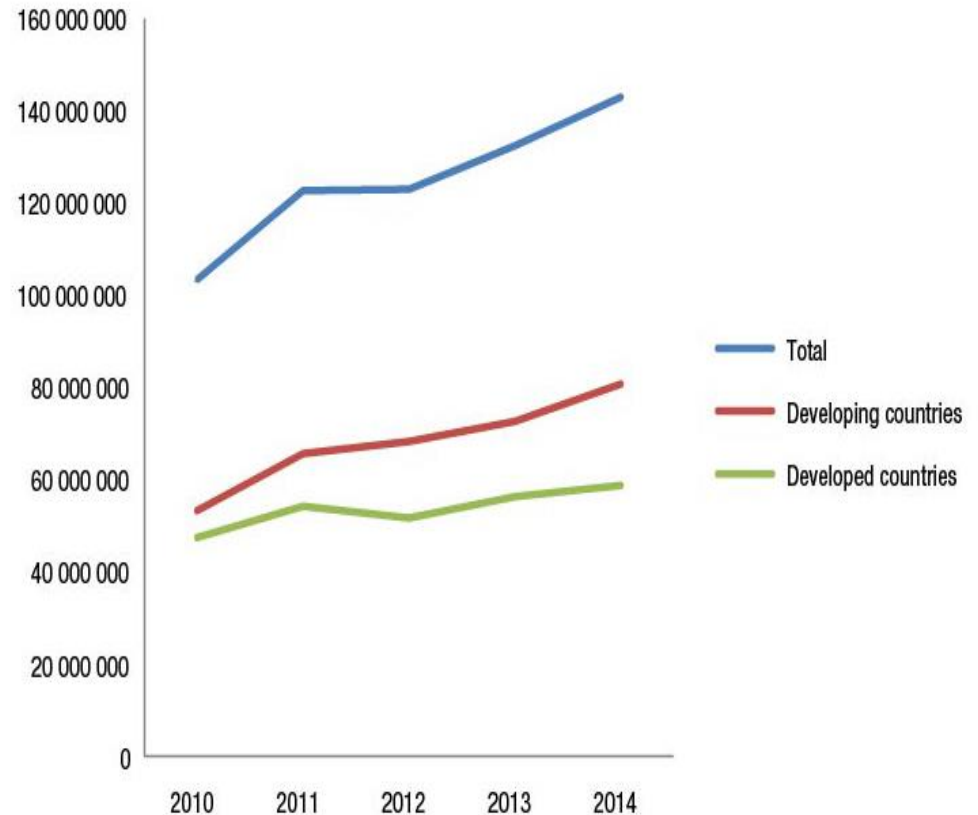
Source: FAO, The State of World Fisheries and Aquaculture (2016), Rome.

- ✓ **31.4%** of overfished stocks
- ✓ **68.6%** of stocks fished within biologically sustainable levels:
 - ✓ 58.1% fully fished
 - ✓ 10.5% underfished
- ✓ We have **reached the limit** but some signs of recovery due to improved management of some of the stocks in some species and areas



UNCTAD's Trade and Environment review 2016: Fish Trade

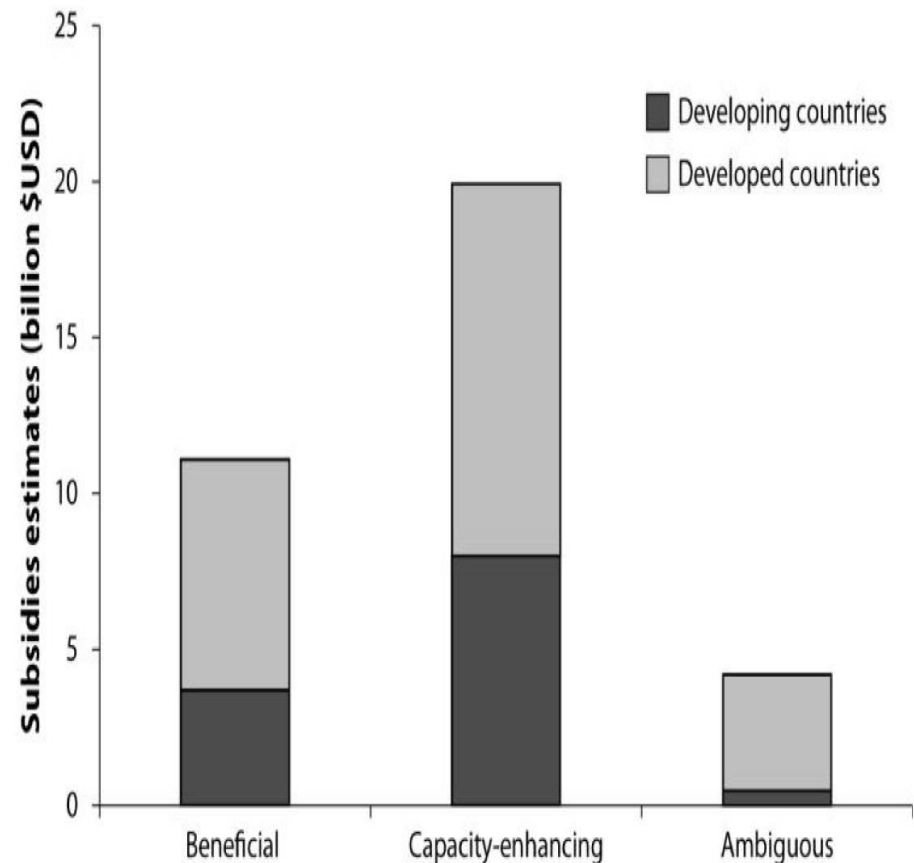
- Current level of wild catch = 90 million tons. if we apply **good fish management policies** we may arrive to 93-94 million tons by 2035
- Fish exports in value arrived to a record of **\$146 billion in 2014**
- Developing countries are the main exporters with **56% of total world exports** by 2014 (in value)



Source: UNCTAD (2016)

Harmful incentives: the case of fish subsidies

- Global fisheries subsidies have been estimated to be as high as **\$35 billion worldwide, of which 22% are fuel subsidies**
- OECD countries would provide about **6.4 billion in fish subsidies** (even the OECD considers this as an underestimation, OECD, 2006).
- **About 57% of fishery subsidies** can be categorized as negative, enhancing capacity to extract an already quite depleted natural resource
- Subsidies represent about **23% of the total fish exports value by 2014** (UNCTAD, 2016)



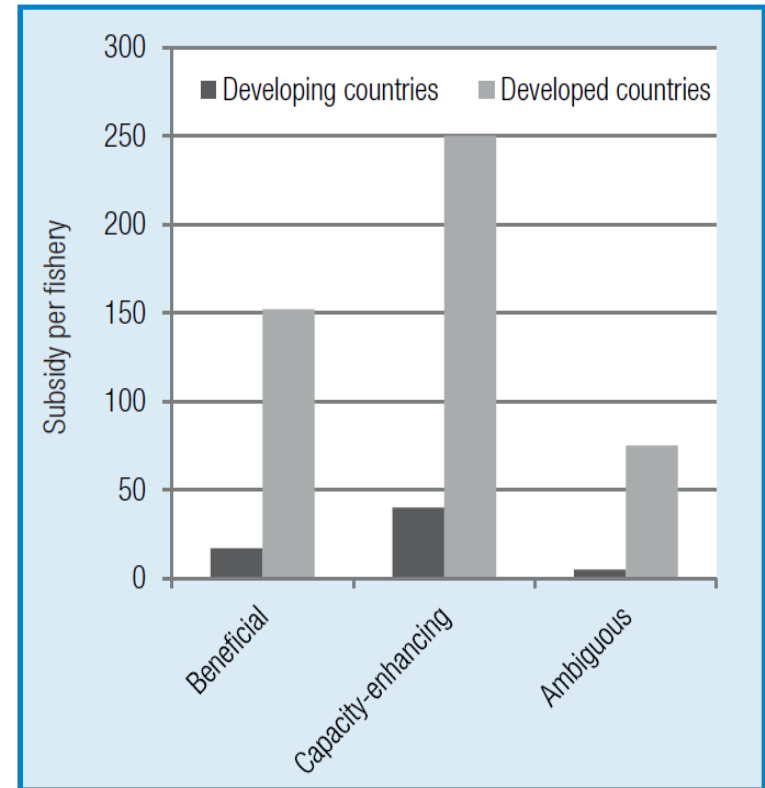
Source: Sumaila et al. (2013), Global Fisheries Subsidies, EU Parliament.

Harmful incentives: the effects of certain fish subsidies

Certain fish subsidies can contribute to:

- IUU fishing
- Overfishing and resource depletion
- Overcapacity
- GHG emissions
- Unfair trade
- Inequality
- Consumer burden

Source: UNCTAD TER, 2016;



Source: Subsidies: Sumaila et al., 2013. Jobs: Teh and Sumaila, 2013.

Many subsidies as currently crafted do not make any environmental, economic, and social sense....

UNCTAD FAO UNEP INITIATIVE



Joint-Statement highlighting the importance of having an international regulatory framework to streamline fisheries subsidies (supported by more than 90 Member States)

ROADMAP TOWARDS ENDING HARMFUL FISHING SUBSIDIES

Four-point plan:

- Require countries to provide information on what subsidies they are providing
- Prohibit those subsidies which contribute to overfishing and illegal fishing
- Introduce new policies tools to deter the introduction of new harmful subsidies
- Provide special and differential treatment to developing countries, in particular the least developed ones and the Small Islands Development States (SIDS)

Positive incentives for fisheries and marine biodiversity conservation



Shift toward positive subsidies. Reallocate government support toward:

- Sustainable stocks management, stocks restoration and resilience, setting systems against IUU;
- Ship decommissioning, change in economic activity, safety of crews
- Vigilance and sustainable use of MPAs and EBSAs.

BioTrade in the Blue. Adapt and apply of BioTrade principles and criteria (UNCTAD 2007) for:

- **Goods:** harvest and farming of marine species such as fish, crustaceans, mollusks, sponges, algae & microorganisms for food, cosmetic, and medicinal products (e.g. sustainable artisanal fishing methods in Ecuador and sponge collection in the Caribbean).
- **Ecosystem services:** costal tourism and carbon capture (mangrove reserves);

Positive incentives for fisheries and marine biodiversity conservation



- **Private certification:**

- Use of certification schemes applicable to capture but also all along the value chain. 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 (UNCTAD TER, 2016)

- **Positive links between seafood and costal tourism:**

- Use of certified catch and local hotel and restauration, and ecosystem reconstruction for touristic purposes. For example 35 % of all certified sea food comes from South America. In Peru, fisheries support 269,000 jobs, of which 35 % are found in restaurants and hotels (UNCTAD TER and CAF, 2016).

Many Thanks

UNCTAD Oceans Economy and fisheries page:

<http://unctad.org/en/Pages/DITC/Trade-and-Environment/Oceans-Economy.aspx>

UNCTAD's page on regulating fish subsidies:

<http://unctad.org/en/Pages/DITC/Trade-and-Environment/Regulating-Fisheries-Susidies.aspx>

Trade and Environment Review 2016: Trade in Fish

<http://unctad.org/en/Pages/MeetingDetails.aspx?meetingid=1243>

