

PART 3

HARMFUL INCENTIVES: THE CASE OF FISHERIES SUBSIDIES

3.1

TACKLING HARMFUL INCENTIVES AND UNSUSTAINABLE FISHERIES PRACTICES

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ABSTRACT

Addressing government incentives that drive unsustainable fisheries practices is not just an environmental imperative. Government subsidies in the fisheries sector can also have severe negative social and economic impacts for the most vulnerable countries and communities. The adoption of Sustainable Development Goals (SDGs) by the United Nations General Assembly in September 2015 brings hope of addressing this unfair situation, specifically thanks to Target 14.6, whereby the international community has committed to prohibit fisheries subsidies that contribute to overfishing and to IUU fishing. Considerable resources would be saved if harmful fisheries subsidies were prohibited and spent to secure the implementation of other SDG 14 targets for the conservation and sustainable use of the ocean, for example through a Blue Fund that would be established to that effect. Inaction on fish subsidies at the latest Ministerial Conference of the WTO held in December 2015 – three months after the adoption of the SDGs – is not an encouraging sign, but the upcoming High-Level United Nations Conference on Oceans and Seas in June 2017 may provide a new opportunity.

The emergence of the Global Oceans Commission

The Global Ocean Commission was established in 2013 as an independent initiative to examine the challenges of high seas governance and the conservation and sustainable use of biodiversity in areas beyond national jurisdiction. In its report *From Decline to Recovery – A Rescue Package for the Global Ocean*, the Commission identified the role of government subsidies in the fisheries sector as a key issue requiring urgent action by the international community (Global Ocean Commission, 2014). According to calculations by the Fisheries Centre, University of British Columbia, such subsidies amount to some US\$30 billion worldwide, of which 60 per cent (US\$18 billion) are estimated to contribute to fishing overcapacity and overfishing (Sumaila et al., 2010).

The Commission's report contained eight key proposals. The third of these covered fisheries subsidies and called for a three-step approach: first, full transparency and disclosure of all fisheries subsidies; second, classification of fisheries subsidies in order to identify and distinguish those that are harmful – i.e. they contribute to overcapacity, overfishing and destructive methods; and third, immediate capping and phasing out of high seas fishing fuel subsidies within five years.

Studies show that most high seas fishing operations would be largely unprofitable if it were not for the subsidies that sustain them, and fuel subsidies in particular (Sumaila et al., 2009). Moreover, the happy few who can afford to sponsor their high seas fishing fleets are in fact affecting small-scale fishers whose livelihoods depend on the availability of fish within their

countries' Exclusive Economic Zones (Sumaila et al., 2015). The point is that the tuna, the swordfish and the rest of the fish do not know that we humans have drawn a line at 200 miles from shore beyond which regulation, governance and control over living marine resources is either weak or non-existent.¹

Oceans and the new 2030 Development Agenda

In September 2015, the United Nations General Assembly adopted the 2030 Agenda for sustainable development, which includes a stand-alone Sustainable Development Goal for the Ocean, a proposal long championed by the Pacific Small Island Developing States and supported by the Global Ocean Commission among others. SDG 14 (conserve and sustainably use the oceans, seas and marine resources for sustainable development) contains seven targets. The Commission welcomed in particular Target 14.6 on fisheries subsidies:

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. (SDG 14, Target 14.6)

Like many delegations within the World Trade Organization, including the members of the so-called Friends of Fish and the African-Caribbean-Pacific (ACP) Group, the Global Ocean Commission had great hopes that the 10th WTO Ministerial Conference in Nairobi (December 2015) would take steps to accelerate the phasing out of harmful fisheries subsidies by 2020 at the latest, as called for in SDG 14.6 target.

Alas, the complexity of WTO negotiations has led to

the marginalization of the fisheries subsidies issue. Due to other priorities, fisheries subsidies did not make it into the Nairobi Package, raising serious questions about the ability of WTO Members to support SDG target 14.6 by 2020 (Global Ocean Commission, 2015a). In a statement issued in Nairobi, a group of 28 countries² reiterated their view that subsidies contributing to the exploitation of overfished stocks and illegal, unregulated and unreported (IUU) fishing should be phased out. It remains to be seen whether this will be sufficient to enforce the 2020 SDG 14.6 deadline for harmful fisheries subsidies elimination.

The slow progress on fisheries subsidies is regrettable. It also impacts other SDG 14 targets due to be achieved by 2020, in less than five years, such as Target 14.2 on coastal and marine ecosystem management, Target 14.4 on IUU fishing and Target 14.5 on marine protected areas. If governments prioritized the prohibition of harmful fisheries subsidies, could the US\$18 billion freed up annually be dedicated to finance a Blue Fund destined to implement other SDG 14 targets? In other words, could Target 14.6 become a means to implement the Ocean SDG? Taking advantage of resources that would be freed up through the elimination of harmful subsidies, the Blue Fund could help rescue our ocean at no cost to taxpayers, transforming subsidies that are harmful into socially and environmentally beneficial ones.

In this way we might not only stop encouraging activities that contribute to ocean decline – including fleet overcapacity and fuel-hungry destructive fishing practices such as high seas bottom trawling – but also build a solid financial basis for the conservation and sustainable use of ocean resources.

This may be an idea worth considering when the High-Level United Nations Conference on Oceans and Seas, convened by the United Nations General Assembly in support of the implementation of SDG 14, takes place in June 2017 (Global Ocean Commission, 2015b).

3.2

SUBSIDIES WEAKEN THE SUSTAINABILITY OF GLOBAL FISHERIES WHILE INCREASING INEQUALITY AMONG FISHERS

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ABSTRACT

First, this article provides a summary of the importance of fisheries to people and argues that our interactions with fisheries are currently unsustainable. Next, it identifies the provision of capacity-enhancing subsidies as one of the key policy failures that have intensified the degradation of marine fisheries while also increasing inequality among fishers. The article then provides reasons why all fishing nations (developing, developed, small and large) need to discipline their capacity-enhancing subsidies. Finally, the article provides suggestions on how to make progress in disciplining subsidies.

How important are fisheries to people?

Ocean and coastal biomes provide us with food, fuel and biological resources, climate regulation and biogeochemical processes (e.g. CO₂ uptake and carbon storage), as well as cultural services (e.g. recreational, spiritual and aesthetic enjoyment) while supporting other indirect ecosystem services such as nutrient cycling (Gattuso et al., 2015).

In particular, fish support human well-being by contributing to (i) food and nutritional security for the poor and rich alike (Srinivasan et al., 2010); (ii) social security by supporting millions of jobs and serving as an employer of last resort in many fishing communities around the world (Béné et al., 2010; Teh et al., 2013; FAO 2014); and (iii) economic security by generating incomes for both people and fishing enterprises (World Bank, 2009; Sumaila et al., 2012; FAO, 2014).

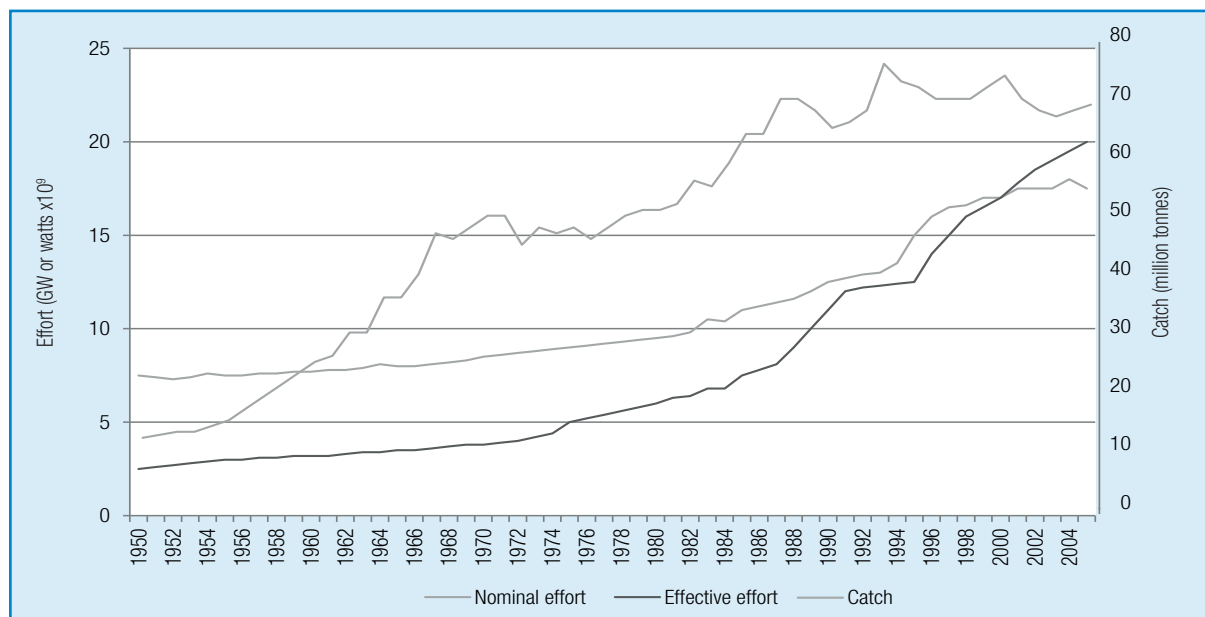
Challenges facing ocean fisheries worldwide

Achieving sustainable fisheries has proved difficult since after the Second World War, as they suffer from the tragedy of the commons resulting in overfishing, pollution, and habitat destruction (Pauly et al., 2002). Global warming, ocean acidification and deoxygenation are new threats (Gattuso et al., 2015). Combined with the long-standing threats, these new issues are creating formidable challenges to this important source of ecosystem services, especially, with respect to the ability of future generations to

enjoy these services too (Sumaila and Walters, 2005; Ekeland et al., 2015).

Fishing effort targeting wild fish stocks increased rapidly following World War II, particularly off the coasts of Europe, North America, and Japan. The spatial coverage of global fishing effort also expanded rapidly to cover most of the world's oceans by 2005 (Swartz et al., 2010), with an increase in overall fish catches continuing until 1996 when they peaked at about 86 million tonnes. The expansion of the geographic extent of fishing has been accompanied by a ten-fold increase in global fishing effort since 1950 (Figure 1); a figure that rises to 25-fold for Asia over the same period. Overall, the decline in global catch per unit effort suggests a decrease in the biomass of many fished populations, likely by over 50 percent (Watson et al., 2013). The reasons for this large increase in fishing effort are many, with ineffective management, technological innovation and the provision of subsidies chief among them. The expansion of capacity has been such that the World Bank and the FAO (2009) estimated that the total global catch could be achieved with only half of the effort actually employed.

The observed increase in fishing effort and catch has impacted wild fish stocks and their habitats negatively (Pauly et al., 2002). These impacts have significantly affected marine ecosystems and the fish stocks they contain (Halpern et al., 2012). This in turn threatens our food and nutritional security as well as social and economic security.

Figure 1: Global trends in fisheries catch and fishing effort (1950-2006)

Source: Watson et al., 2013.

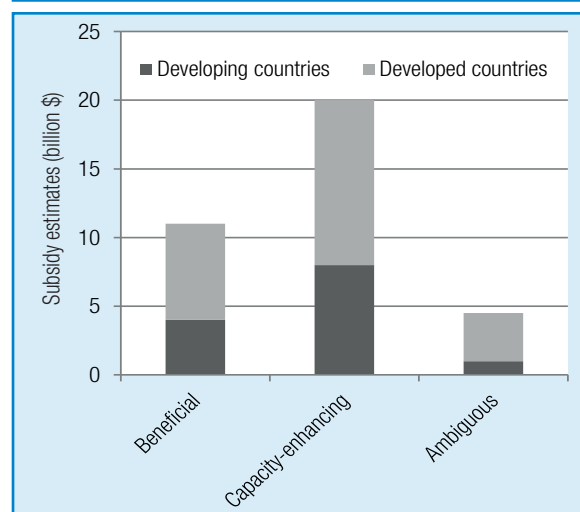
Fisheries subsidies

There are various definitions of fisheries subsidies in the literature. A simple and clear definition is provided by the WTO: It specifies that a subsidy exists if “there is a financial contribution by a government or any public body within the territory of a Member” and this contribution fulfils certain specified conditions, or if “there is any form of income or price support in the sense of Article XVI of GATT 1994”. Moreover, benefits have to be conferred (WTO 1994 Agreement on Subsidies and Countervailing Measures, article 1, also described in Milazzo, 1998).

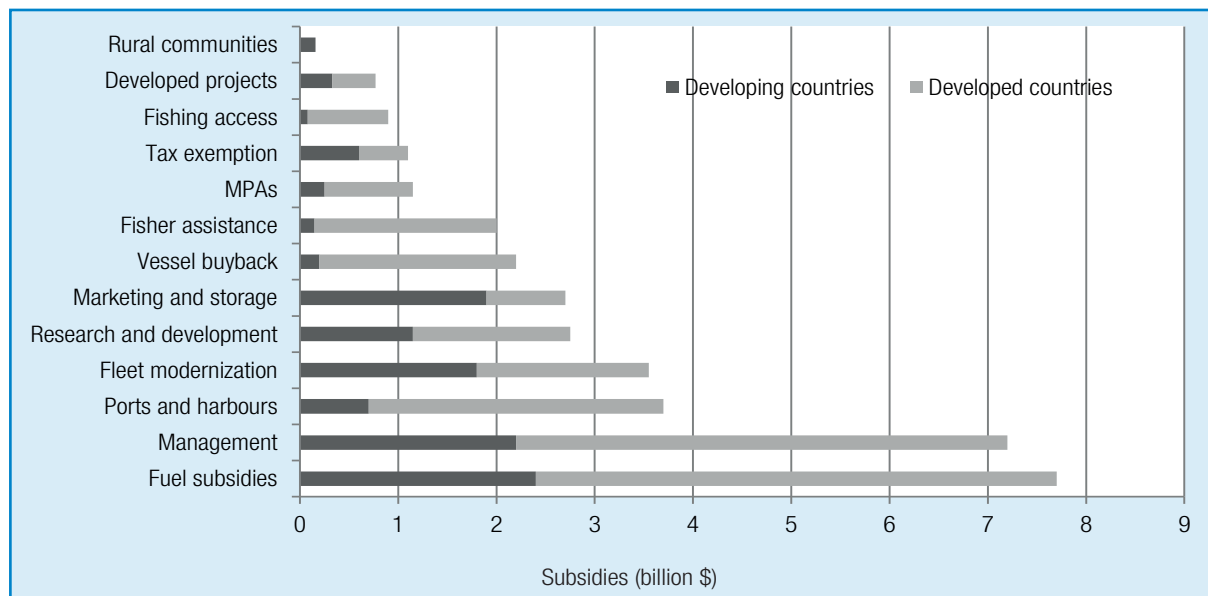
It should be noted that the economic justification for imposing taxes or providing subsidies to an economic sector stems from the existence of externality, which occurs when producing or consuming a good causes an impact on third parties not directly related to the transaction. Positive externalities have a positive impact while negative externalities impact third parties negatively. Hence, to achieve maximum benefits for society, subsidies are provided in the case of positive externalities (e.g. subsidising the education of citizens), and taxes are imposed in the case of negative externalities (e.g. taxes on cigarettes). Since the provision of capacity-enhancing or harmful subsidies results in overfishing of fish stocks, it makes no economic sense.

The above paragraph implies that different kinds of

subsidies would have different effects on the fish stocks targeted by the subsidized industry. Milazzo (1998) and Sumaila et al. (2013) identify three different types of subsidies according to the impact they tend to have on fisheries resources: (i) subsidies for management, research, etc., sometimes defined as good subsidies because they are generally assumed to have a positive effect on our ability to sustainably manage

Figure 2: Estimate of global fisheries subsidies. Capacity-enhancing subsidies 83% of total US\$35 billion. Subsidies to developed country fisheries at 65% of total

Source: Watson et al., 2013.

Figure 3: Subsidies by type and by developed and developing country (2009)

Source: Sumaila et al., 2013

fishery resources; (ii) capacity-enhancing (or harmful) subsidies, including those for boat construction and fuel, tend to promote disinvestment in the resource by motivating overcapacity and overfishing; and (iii) ambiguous subsidies, including those to vessel buy-back programmes and rural fisher community development, which can promote or undermine the sustainability of the fish stock depending on the circumstances.

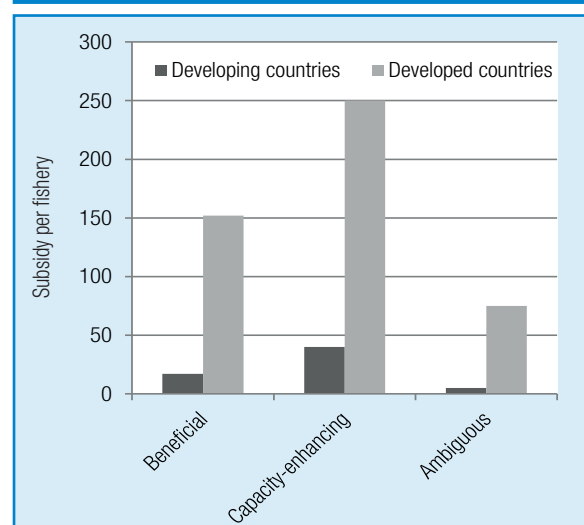
There are at least three interconnected reasons why subsidies should be disciplined. First, total fisheries subsidies were recently estimated at about US\$35 billion a year (Sumaila et al., 2013; 2016), which is significant since it constitutes between 30 to 40% of the landed values generated by wild fisheries worldwide. Of these, capacity-enhancing subsidies make up the highest share, at around US\$20 billion worth of transfers to fishing fleets in 2009 (Figure 2).

Figure 3 shows that fuel subsidies make up the greatest proportion (22% of the total), followed by subsidies for management at 20% and ports and harbours at 10%. Subsidies contributed by developed countries (65% of the total) are far greater than those contributed by developing countries, a group that lands about 80% of the global fish catch.

Second, subsidies have socio-economic, distributional and trade impacts because they can distort the market for fish and disadvantage fishers who receive relatively

less subsidies. For example, as depicted in Figure 4 below, most of the subsidies go to large-scale industrial fishers in developed countries, thereby distorting the market for fish and thus disadvantaging small-scale developing country fishers, who are relatively more resource poor. This is a barrier to development where it is most needed.

Third, it has theoretically been established that some fisheries subsidies (the capacity-enhancing

Figure 4: Subsidy type per fisher in developing versus developed countries

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

ones) are detrimental to the sustainability of fisheries because they stimulate overcapacity and overfishing (Clark et al., 2005), and empirical evidence of these effects is beginning to appear in the literature (e.g. Heymans et al., 2011). It can be argued that the provision of capacity-enhancing subsidies is one of the reasons why we see in Figure 1 that the fishing effort keeps on increasing while the catch remains flat or even decreasing, and global fisheries as a whole are currently running at a loss after their profits are adjusted for fisheries subsidies (Sumaila et al., 2012).

It should be noted that although the direct impact of subsidies on a fish stock depends on the health of the stock and the strength of management in place, fisheries management is very rarely completely effective. There is also evidence that subsidies can undermine efforts to manage stocks sustainably. This implies that even with good fisheries management, subsidies can be harmful (Munro and Sumaila, 2002).

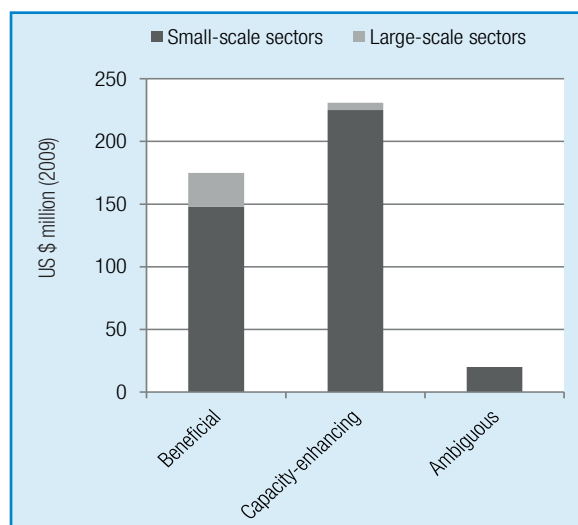
It is therefore important that capacity-enhancing subsidies be eliminated even in fisheries where management is reasonably effective.

Ways to discipline capacity-enhancing subsidies

To make real progress in disciplining capacity-enhancing subsidies, it is important to develop and implement a multi-scale and multi-stakeholder approach. Efforts should be exerted at the national, regional and global levels of governance.

An example of a recent national effort to discipline capacity-enhancing subsidies is Indonesia. This large developing country with globally significant fisheries provides a substantial amount of subsidies (Figure 5). For many countries, the key motivation for providing subsidies to the fishing sector is social, including the desire to help small-scale poor fishers. But as can be seen in Figure 5, over 95% of capacity-enhancing subsidies go to the large-scale sector in Indonesia (Schuhbauer and Sumaila, *in prep.*). For Mexico, only US\$22 million of the more than US\$200 million subsidy is estimated to go to the small-scale sector (Schuhbauer and Sumaila, *in prep.*). Further work by Schuhbauer and Sumaila (*in prep.*) indicates that these results are similar for other countries. In an enlightened endeavour for Indonesia, the current government is working on reducing its capacity-enhancing subsidies. Other key fishing nations could follow this example.

Figure 5: Indonesian fisheries subsidies by small-scale and large-scale sectors



Source: Schuhbauer and Sumaila (*in prep.*).

Presented below are four suggestions based on the work of the E15 Initiative Expert Group on Oceans, Fisheries and the Trade System convened by the International Centre for Trade and Sustainable Development and the World Economic Forum (Sumaila, forthcoming). These suggestions are at the regional and global levels.

Core group of countries adopts fisheries subsidies disciplines

A good example here is the effort of the countries of the TPP Agreement, which – if successful – can make a contribution to reducing the provision of capacity-enhancing subsidies. It should be noted, however, that a key gap remains in the TPP as it will not apply to large subsidiser States that are not party to this treaty. Still, the TPP outcome could serve as a stepping stone towards multilateral disciplines built on the work of a ‘core group’ of large subsidisers. Other groups that could make a move here are the African Caribbean and Pacific (ACP) countries and the countries of Benguela Current Commission – Angola, Namibia and South Africa.

Establish multilateral disciplines built step-wise and ‘bottom up’

A group of countries, perhaps in partnership with intergovernmental organisations such as the WTO, UNCTAD, and the FAO could stimulate collective action with bottom-up voluntary commitments to subsidy

reform. Through a process similar to the approach taken in climate change negotiations, each country would declare the amount of capacity-enhancing subsidies that they would voluntarily eliminate within a given time period. This kind of initiative can in and of itself stimulate other countries to follow the example of this group. To effectively close the “ambition gap” between the voluntary offers and the necessary level of global reductions, this approach would require either multilateral participation, or at least the participation of the world’s largest providers of fisheries subsidies. NGOs and other civil society groups could help speed up the uptake of this example by encouraging and prodding countries.

Establish multilateral disciplines built on areas of agreement in WTO negotiations

As identified in the WTO Rules Negotiating Group Chair’s 2011 report on the negotiations, areas of relatively more agreement, included disciplining subsidies to IUU vessels, transfer of vessels and access agreements. There was arguably a level of agreement, at least in principle, concerning the idea of reforming construction subsidies and those that affect overfished stocks. Proposals for a small package of subsidy disciplines tabled early in 2015 in the context of the WTO negotiations, including by the ACP Group of countries, and a proposal by Argentina, Iceland, New Zealand, Norway, Peru, and Uruguay, suggest that there is still interest in achieving multilateral disciplines. Both proposals include a core list of prohibited subsidies, such as those benefitting IUU fishing and those affecting overfished stocks. The 2015 WTO Ministerial Meeting in Nairobi did not achieve much despite much debate on the subject.

Align incentives by focusing international subsidy negotiations on international fish stocks

A key reason for the lack of progress in protracted subsidies negotiations at the WTO is that the negotiations suffer from what has been described as the “lumpiness” problem (Sumaila, 2013). This refers to

the requirement that WTO negotiators should aim for an all-inclusive deal or no deal at all. This requirement has limited the ability of the fisheries subsidies negotiations to make progress by confounding the subsidies issue with other problems. One way to overcome this difficulty is to align subsidies policies with national interests by splitting the world’s fisheries into domestic fisheries (i.e. those operating within a country’s EEZ targeting fish stocks that spend all their lives within the EEZ) and international fisheries (i.e. fish stocks that are transboundary, highly migratory or discrete high seas stocks). International negotiations could then prioritize agreement to reform subsidies that affect international fish stocks, and governments would work unilaterally to reform subsidies that affect only their domestic fisheries. It should be noted that because vessels move, specially industrial fishing. Also, subsidies may be obtained by firms operating in different parts of the world and even with vessels under different flags, special care will be needed for implementation of plans for this proposal. In addition, the existence of flag of convenience also means that ensuring State flag responsibility and compliance with regulation would be crucial (Miller and Sumaila, 2014)

Concluding remarks

I have discussed the importance of fisheries to people and argued that our interactions with fisheries, in most cases, are currently unsustainable. I also made the case that the provision of capacity-enhancing subsidies is a policy failure and economically counter-productive because they produce negative externalities. A key point stressed in this note is the fact that capacity-enhancing subsidies do not only undermine the marine ecosystems and fish stocks; they also aggravate inequality among fishers. I have also highlighted reasons why *all* fishing nations (developing, developed, small and large) should strive to discipline capacity-enhancing subsidies. Finally, I argue for approaches at national, regional and global levels that involve all stakeholders as a way to galvanize worldwide action to discipline subsidies.

3.3

FISHERIES SUBSIDIES, DEVELOPMENT AND THE GLOBAL TRADE REGIME

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ABSTRACT

It is widely recognized that some categories of fisheries subsidies contribute to excess fishing capacity. Overcapacity is one of the major causes of overfishing and the subsequent outcome that more than 85 per cent of global fish stocks are fully exploited or overexploited (FAO, 2014). In addition, fisheries subsidies distort production and international trade. These patterns are highly significant to developing coastal and island states that rely on fisheries for food security and economic opportunity. As a result, fisheries subsidies were identified as an object ripe for discipline in the context of the Doha Development Round of the WTO. This paper outlines the historical evolution of the fisheries subsidies debates and the shifting negotiating alliances. It shows how a recent dramatic reduction in the ambition of WTO disciplines mirrors fisheries subsidies commitments undertaken in the New 2015 Sustainable Development Goals and the Trans-Pacific Partnership Agreement. The analysis pays particular attention to implications and policy options for developing coastal and island states, offering a case of how proposed fisheries subsidies rules would have intersected with the interests of Pacific Island States overseeing the valuable tuna fishery in the Western and Central Pacific Ocean.

Introduction

The precarious state of global fisheries resources has serious implications for ecosystem health and socio-economic development, particularly in coastal regions that rely heavily on fisheries resources for food security and income generation (Bené et al., 2016). It is widely recognized that some categories of fisheries subsidies contribute to excess fishing capacity, which is one of the major causes of overfishing. As a result, fisheries subsidies were identified as an object ripe for discipline in the context of the Doha Round of the WTO. WTO Members have subsequently discussed the terms and conditions of disciplines on fisheries subsidies – and their development implications – for the past twenty years.

The Doha Round has long been stalled, mainly on the issues of agriculture and industrial goods. However, in the lead up to the Tenth WTO Ministerial Conference – held in Nairobi, Kenya, in December 2015 – Members resurrected the debate on fisheries subsidies disciplines. This paper reviews the historical evolution of these debates with an eye to understanding the role of multilateral agreements in disciplining fisheries subsidies. By identifying their origins, negotiating blocs and institutional intersections, we offer an explanation for the dramatic narrowing of the scope

of the negotiations at the WTO and elsewhere, as well as evidence for the relative decline of the institutional relevance of the WTO in the face of macro-regional trade processes. To illustrate one application of potential rules, we assess the implications of the narrower scope of discussions on the tuna industry in the Western and Central Pacific Ocean (WCPO) and, in particular, the development aspirations of the small island states who are the “owners” of much of the world’s tuna resources.

The institutional evolution of fisheries subsidies debates at the WTO, 1994-2014

Fish and fish products are classified at the WTO as industrial goods, meaning that subsidies to the sector fall under the WTO 1994 Agreement on Subsidies and Countervailing Measures (ASCM). Fisheries subsidies have not yet been challenged under the existing ASCM for four main reasons.³ First, it is difficult to identify and prove a ‘trade distortion’ for fish products since the same species normally fetch widely different prices due to complex quality and market differentials. Second, the WTO’s analytical emphasis on exchange/trade makes the ASCM structurally incapable of capturing fisheries subsidies, which distort production

An aptly named foreign tuna longliner in Fiji.



Credit: Liam Campling

rather than trade.⁴ Third, countries have been reluctant to take a fisheries subsidies case to WTO dispute settlement for fear of turning a lens on their own subsidies. Finally, notifications of fisheries subsidies under the ASCM are notoriously scarce (WTO, 2010).

In this context, the argument for specific disciplines is that fisheries subsidies damage the environment by creating incentives for overfishing and cause injury to developing countries by harming their stocks and creating an uneven playing field for their unsubsidized fishing industries. Should the WTO eliminate subsidies to the fishing industry, it could create a 'triple win' in which trade is liberalized in the interest of the environment and development (WTO, 1999).

A WTO Ministerial mandate for establishing fisheries subsidies disciplines was included in the 2001 Doha Development Agenda (DDA), which formed a dedicated Negotiating Group on Rules to oversee disciplines on fisheries subsidies (as well as anti-dumping and regional trade agreements, among other things). WTO Members agreed to clarify and improve disciplines on fisheries subsidies, taking into account the importance of this sector to developing countries (WTO, 2001). This agreement was reaffirmed at the 2005 Ministerial Conference in Hong Kong, China and further elaborated to include the prohibition of subsidies that contribute to overcapacity and overfishing (WTO, 2005).

Following the Hong Kong Ministerial, a number of WTO Members tabled proposals for new fishing subsidies rules. The negotiating group focused on (i) the scope of the prohibition, (ii) Special and Differential Treatment (SDT) for developing countries and (iii) the use of fisheries management conditionalities (sustainability

criteria) to ensure that non-prohibited subsidies do not further deplete global fish stocks (Von Moltke, 2011).

In November 2007, the Chair of the Rules Negotiating Group released the first draft legal text of the ASCM, which included proposed disciplines on fisheries subsidies (WTO, 2007). The Chair adopted a 'bottom-up' approach to the scope of the rules, including a broad set of harmful prohibited subsidies, together with a list of general exceptions to these prohibitions covering beneficial subsidies (e.g. for crew safety and fisheries management). SDT provisions were also included, subject to meeting certain fisheries management conditions. Deep disagreement among Members and the wider breakdown of DDA negotiations in 2008 saw the Chair produce a 'roadmap' of questions on key issues of non-convergence in lieu of a comprehensive revised text (WTO, 2008). In the following discussions, substantive differences remained.

In 2010, a new Chair established four small 'contact groups' on contentious issues – high seas fisheries, artisanal/small-scale fisheries, income support and fuel subsidies – consisting of representatives of demandeurs, defensive and developing country WTO Members. As consensus remained elusive, the Chair decided against releasing a revised legal text. Instead, he issued a narrative report detailing positions and highlighting points of contention (WTO, 2011). This deadlock was more widely reflected at failed Ministerials in Geneva in 2011 and Bali in 2013. In 2015, Members seemed to breathe new life into fisheries subsidies debates by tabling several proposals in advance of the Nairobi Ministerial (ICTSD, 2015a).

WTO negotiating blocks and topics of debate, 2005-2014

WTO Members generally acknowledge that fisheries subsidies contribute to global fish stock depletion and agree that the WTO should strengthen disciplines. However, between 2005 and 2014, several negotiating blocs were formed, often with widely divergent views on the ambition and structure of future rules. Negotiations in this area focused on three key issues: (i) scope of the prohibition; (ii) SDT; and, (iii) fisheries management conditionalities. We review the negotiating positions around these issues and their relation to national fisheries interests (see Table X). We argue that clashes between these blocs contributed to the low ambition at the current juncture.

Developed demandeurs (Friends of Fish)

New Zealand, Norway and United States (the three leaders), together with Australia, Chile, Colombia, Iceland, Peru, Pakistan and Philippines,⁵ were the first to propose that the WTO establish disciplines for fisheries subsidies. This group can be defined as having an offensive interest in fisheries subsidies disciplines. In general, Members have some combination of domestic fishing interests, relatively high operating costs (making their domestic producers less competitive than lower cost producers), limited or no subsidy provision to their industry and, at times, strong environmental lobby interests. They pushed for a strict ‘top-down’ approach prohibiting all fisheries subsidies, except specific positive ‘green box’ subsidies supporting conservation and enhanced fisheries management. The Friends of Fish supported appropriate special and differential treatment for developing countries, subject to strict fisheries management conditionalities, with the broadest level of flexibility given to LDCs. The Friends of Fish also opposed any subsidies to high seas fishing.

Developing country demandeurs

While Argentina, Brazil and Mexico also support strong disciplines for fisheries subsidies, they moved away from the Friends of Fish position in 2009 and aligned themselves with the ‘bottom up’ – or ambitious prohibited list – outlined in the Chair’s 2007 legal text. This group promoted moderate but effective flexibilities for developing countries under SDT that would not be contingent on scale or geographic location – that is, commercially significant subsidies should be granted for developing countries’ industrial scale fishing vessels, as well as subsistence and artisanal vessels. Subsidies should also be permitted for high seas fishing when targeting highly migratory/straddling stocks, subject to strong fisheries management conditionalities. This group had interests in protecting domestic subsidy programmes including for industrial scale interests.

Developed defensive countries

Japan, South Korea and Taiwan Province of China initially opposed any rules on fisheries subsidies developed by the WTO on the grounds that a direct causal link cannot be established between subsidies and the depletion of global fish stocks. In 2004, their position changed to one of support for fisheries subsidies disciplines, but under a ‘bottom-up’ approach which would only prohibit subsidies directly

linked to overfishing and overcapacity while all other subsidies would be permitted. The European Union shared some of the East Asian countries’ positions, including a bottom-up approach to prohibited subsidies. The developed defensive countries offer their fishing fleets extensive subsidies, including for capacity enhancing activities such as boat building. On SDT, the European Union noted that a one-size-fits-all approach was not practical and Japan informally supported additional SDT flexibilities for small developing countries. The prohibited list of banned fisheries subsidies was reflected in the 2007 Chair’s draft legal text.

Large developing defensive countries

China and India, which have significant fisheries interests – and, in some cases, significant subsidy provisions – emphasised that SDT should be granted equally for all non-LDC developing countries. They opposed proposals for the establishment of distinct SDT sub-categories for small and large developing countries, such as *de minimis* provisions (a position also supported by Brazil and Mexico). They supported the use of some sustainability criteria to ensure that permitted subsidies are not harmful, high ambition in prohibitions applied to developed members, and large SDT ‘carve-outs’ for developing members. India and Indonesia focused on protecting artisanal and small-scale sectors.

Small and vulnerable economies (SVEs)

Barbados, Fiji, Papua New Guinea, Samoa, the Solomon Islands, Tonga and Vanuatu called for enhanced SDT for SVEs. They argued that fisheries are critically important to their economies and that they are neither major subsidisers, nor contributors to overcapacity or overfishing. While SVEs sought to limit subsidized competition from the developed world and large non-LDC Members, they supported SDT for themselves on the grounds that fish is one of the few resources available to them for current and future development efforts. To reconcile this tension, SVEs proposed a *de minimis* approach for additional flexibilities on subsidies over and above SDT offered to larger developing WTO Members. They proposed that any fisheries management conditions should not be overly burdensome for subsistence and artisanal/small-scale fisheries. SVEs’ positions were supported and promoted by the African, Caribbean and Pacific (ACP) Group and LDCs. For further details on Fish Subsidies Groups, see Annex.

Table 1: Key players and negotiating blocks in WTO fisheries subsidies negotiations, 2005-2014

Group (selected country)	% annual average volume of world fish commodity production (1998-2007)	Value of 'capacity- enhancing' and 'ambiguous' subsidies (US\$ million, 2003)	Broad position on subsidy negotiations
Developed demandeurs	11.0	1 951	Supports broad ban or ambitious prohibited list, limited SDT, strong sustainability criteria.
United States	5.2	1 320	
Norway	3.4	214	
New Zealand	0.7	0	
Developing demandeurs	13.1	994	Supports broad ban or ambitious prohibited list, moderate SDT, strong sustainability criteria.
Chile	3.9	46	
Argentina	1.3	236	
Mexico	1.0	243	
Brazil	0.5	236	
Defensive developed	26.8	6 999	Opposes broad ban and ambitious prohibited list, limited SDT, strong sustainability criteria.
Japan	11.4	4 045	
EU-15	10.9	1 808	
Defensive large developing	31.1	6 464	Supports ambitious prohibited list, significant SDT, moderate sustainability criteria.
China	16.9	2 911	
Thailand	5.7	522	
Indonesia	4.0	811	
India	2.5	887	

Note: Subsidy categories are indicative rather than definitive because definitions and data can be problematic. See above for complete lists of countries in each grouping

Source: Campling et al., 2013; FAO, 2014; Sumaila et al., 2010.

WTO fisheries subsidies debates in the lead up to MC10

Following the gridlock described above, WTO Members tabled a series of new proposals in preparation for the 10th Ministerial Conference (MC10) held in Nairobi in December 2015, including on fisheries subsidies. To move beyond the entrenched offensive and defensive interests outlined above, the 2015 proposals dramatically scaled back the ambition of proposed fisheries subsidies rules. In reviewing the content of recent WTO submissions and the key players, this section reveals that the sharply reduced scope of negotiations not only softens entrenched blocs, but also reflects fisheries subsidies provisions agreed upon in other institutional fora such as the SDGs and the TPP.

In the lead up to MC10, even the most ambitious demandeurs called for only a minimum agreement. Discussions centred on four issue areas: (i) disciplines on subsidies to vessels fishing on overfished stocks or engaged in IUU fishing; (ii) transparency requirements; (iii) a standstill on introducing new subsidies, and; (iv) SDT.

All 2015 proposals coalesced around disciplining subsidies to vessels fishing on overfished stocks or engaged in IUU fishing, albeit with slight variations. The ACP Group of States proposed banning subsidies that adversely impact vulnerable marine ecosystems and habitats, as well as subsidies to vessels affecting fish stocks in 'unequivocally' overfished conditions (WTO, 2015a). Some members of the now defunct Friends of Fish, including Argentina, Iceland, New Zealand, Norway, Peru and Uruguay (dubbed the NZ+5) specified that in addition to subsidies to vessels fishing on overfished stocks or engaged in IUU fishing, all other fisheries subsidies should remain actionable under the ASCM to guard against circumvention (WTO, 2015b). The ACP's introduction and definition of 'unequivocally' overfished as a basis for disciplines illustrates the long-standing attention to definitions that have underwritten the technical dimensions of fisheries subsidies negotiations (WTO, 2015c).

On transparency, the NZ+5 proposed amending the ASCM to require notification of any specific subsidies that Members grant or maintain, as well as a dedicated annual review of progress in implementing new disciplines (WTO, 2015b). The European Union took a

leading role on transparency, attempting to improve the robustness of reporting requirements, (WTO, 2015e) but later – in response to developing country concerns on the reporting burden – suggested a threshold that required only leading subsidisers to report (e.g. the first 50 Members in terms of marine capture and/or Members representing 90 per cent of world marine capture would be required to report) (WTO, 2015f). With regard to SDT, the ACP Group followed the European Union's proposal for a notification threshold (WTO, 2015c).

The NZ+5 picked up language on the standstill provision in SDG14, which commits signatories to refrain from introducing new subsidies that contribute to overcapacity, overfishing or IUU fishing. The group proposed the standstill as a stopgap until more complete disciplines could be established (WTO, 2015b).

Special and differential treatment was a point of disagreement across all Doha Round negotiations. The ACP Group called for *de minimis* provisions that would exempt Members with a share of global marine wild capture less than 0.6 per cent from rules and provide these Members with technical assistance and capacity building for fisheries management (WTO, 2015a). The NZ+5 proposed SDT for transparency requirements or transition times (WTO, 2015b). Peru offered general support for flexible treatment for artisanal fishing activities due to their importance to economic development (WTO, 2015g). Outside of the reporting threshold proposal, the ACP proposed a transitional arrangement for notification, and emphasized its broad commitment to appropriate and effective SDT beyond MC10 (WTO, 2015c and WTO, 2015d).

Negotiation standstill at WTO MC10

Despite the radically reduced scope of the negotiations, as well as an agreement on historically gridlocked debates including on agricultural export subsidies, Members failed to agree on fisheries subsidies disciplines at MC10. Resistance emerged around three issues: (ICTSD, 2015b)

- A proposal to complete negotiations on the prohibition of subsidies to IUU fishing and effort on overfished stocks within a specific timeframe.
- A provision that would have had Members commit to a best endeavour standstill provision on new subsidies in prohibited areas, despite the inclusion of the standstill provision in the SDGs and the TPP.

- Specific fisheries subsidy programmes notification commitments under the ASCM, including details on format, and accounting for Members' resources and technical capacity.

Following this failure, 28 Members released a Ministerial Statement pledging to reinvigorate WTO work to achieve ambitious and effective disciplines on fisheries subsidies (WTO, 2015j). However, the relevance of the WTO's multilateral work on fisheries subsidies is questionable given the difficulty in generating consensus around even a narrow scope of rules. Instead, it seems that future rules in this area will be advanced in other fora, such as the United Nations and Free Trade Agreements (FTAs).

United Nations Sustainable Development Goals

In parallel to WTO negotiations, the expiration of the United Nations Millennium Development Goals in 2015 saw the negotiation of a set of Sustainable Development Goals (SDGs). As at the WTO, the SDGs seek a 'triple win', integrating environmental, economic and social dimensions of development. In this process, SDG 14 addresses fisheries subsidies as part of its focus on the conservation and sustainable use of oceanic ecosystems. In SDG (14.6) on fisheries subsidies, United Nations Members agreed to:

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.

As of December 2015, the Inter-Agency and Expert Group on Sustainable Development Goal Indicators (IAEG-SDG) has been developing SDG indicators. One proposal is an indicator to measure progress on fisheries subsidies against a 2015 baseline. However, the group indicated that more discussion and/or methodological development is needed (IAEG-SDG, 2015). A proposal to prohibit subsidies based on a 2015 baseline faces a challenge as reporting on subsidies has been inadequate in the WTO and elsewhere.

Box 1: Low-ambition rules and the Western and Central Pacific Ocean tuna fishery

The level of technical detail in WTO negotiations can abstract the real world ramifications of proposed rules, including environment and development outcomes. As an illustration of the application of fisheries subsidies rules, this box outlines how the low-ambition rules proposed for MC10 could play out in the WCPO tuna fishery, one of the largest and most valuable in the world (Hamilton et al., 2011). It is important to the development aspirations of Pacific Island Countries (PICs) whose stocks are under increasing pressure. Many distant water fleets targeting tuna benefit from subsidies, which means that the WCPO fishery has much at stake in the fisheries subsidy ‘triple win’ (Campling et al., 2007). The narrow rules considered at MC10 would have distinct implications for different segments of the tuna fishery in the region.

Foreign purse seine sector: This is a multispecies fishery in which bigeye tuna is caught in association with the target skipjack species. Bigeye is categorized as being in an overfished state. Eliminating subsidies to vessels that fish for bigeye (even if it is not the target species) could impact all distant water fleets, which in turn could potentially drive down access fee revenue captured by PICs.

PIC-flagged, foreign owned purse seine vessels: Since these vessels fish on bigeye, PICs would have to carefully review the terms and conditions of supports against the definition of a subsidy in the existing ASCM. It is possible that the allocation of discounted licenses used to attract investments could be considered as ‘government revenue that is otherwise due is foregone or not collected’ (ASCM 1994 1.1(ii)). However, action on this category would require another Member to demonstrate a conferral of benefit.

Foreign longline albacore sector: While southern albacore are not in overfished state, the Scientific Committee in the region recommends reducing fish mortality to maintain economic viability. Like the purse seine sector, albacore vessels also catch bigeye as by-catch. If proposed WTO regulations on overfishing extend to major retained by-catch species, instead of just target species, disciplines could help address a pressing problem for PIC domestic fleets: competition from subsidized Chinese longliners.

Tropical longline sector: The tropical longline fishery targets large bigeye (overfished) and yellowfin stocks. The removal of subsidies to this sector would help alleviate overfishing of bigeye and improve stock status. Large-scale tropical longline fishing vessels are typically owned and flagged by distant water fishing nations, not PICs.

Note: This is a summary prepared by the authors. Highlights have also been added by the authors.

The Trans-Pacific Partnership Agreement (TPP)

The TPP is a major macro-regional FTA that encompasses 12 countries bordering the Pacific Rim: Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Viet Nam. While the text was agreed in October 2015 after seven years of negotiations, ratification is still subject to Congressional approval in the United States and elsewhere. The TPP can be seen as a reaction to the failure of the WTO’s Doha Round and the perceived “threat” from China (Bowles, 2015).

The TPP’s coverage of fisheries subsidies can be found in the environment chapter. The text is a considerable roll-back of ambition compared to the 2007 Chair’s draft text. Far more specific than the SDGs, the TPP attributes subsidies to “the Party conferring it”, regardless of vessel flag or rules of origin.⁶ In Article 20.16.5 TPP signatories agree to not “grant or maintain”:

- (a) subsidies for fishing that negatively affect fish stocks in an overfished condition;
- (b) subsidies provided to any vessels while listed by the flag State or relevant Regional Fisheries Management Organization or Arrangement for IUU fishing in accordance with the rules and

procedures of that organisation or arrangement and in conformity with international law (Article 20.16.5).

The TPP triggers disciplines on subsidies when a stock is in an “overfished condition”. Its environment chapter offers a specific definition of overfished stocks and respects national and regional fisheries management bodies’ definitions of such stocks.

Article 20.16.5(a) specifies a three-year transition period, but there is no transition period for subsidies to IUU fishing in 5(b). A weak standstill clause commits parties to “make best efforts” to not provide new, expanded or enhanced fisheries subsidies outside of those prohibited under 20.16.5 (a) and (b). The TPP does not contain SDT provisions on fisheries subsidies disciplines except for a two-year extension to the transition period allocated to Viet Nam (footnote 18). Countries should report any subsidy within one year of the agreement’s entry into force and every two years thereafter. An environment committee established under the TPP will regularly review prohibited subsidies in light of “the objective of eliminating subsidies that contribute to overfishing and overcapacity”.

Perhaps most importantly, commitments in the environment chapter are subject to “hard” law dispute settlement. Several steps, including consultation mechanisms, are required before a Party can make use of the dispute settlement body. If a dispute finds against the Party, compensation and monetary payments can be made, but the ultimate objective is the “elimination of the non-conformity or the nullification or impairment” (Article 28.19.3)). Panel decisions and documentation are accessible to the public unless the disputing Parties agree otherwise. In addition, panels “shall consider requests from non-governmental entities located in the territory of any disputing party” (Article 28.12. 1(b), (d) and (e)). This suggests a potentially high degree of transparency in proceedings as firms, industry associations and NGOs can make representations (i.e. *amicus curiae* – or “friend of the court” – briefs).

United States and Japanese negotiators agreed to this text, indicating a minimal convergence of the demandeur and defensive negotiating blocks in historical fisheries subsidies debates at the WTO. There may also be a sense of political urgency around the state of marine capture fisheries and related willingness to act, signalled by the application of hard dispute settlement. Either way, the TPP text represents

consensus on minimal ambition of disciplines that was mirrored, to no avail, in the lead up to the WTO’s MC10.

Conclusion and policy implications

In 2015, ambitions to discipline fisheries subsidies narrowed radically as reflected in WTO negotiations and the modest agreements on fisheries subsidies in the SDGs and the TPP. While we are unable to trace the policy linkages between the WTO and the SDG and TPP negotiations, we hypothesize that the text developed in the latter two fora directly influenced drafts developed in the WTO.⁷ On the one hand, text agreed at the United Nations and in the TPP ensures that fisheries subsidies remain on the international agenda. On the other, rules in these two bodies, even if of minor ambition, could suggest that work on fisheries subsidies has already been undertaken in multilateral and regional contexts, reducing the urgency of future WTO’s efforts in this area. Developed and developing country demandeurs at MC10 should have made a stronger push for consensus mirroring the lowest common denominator rules in the SDGs and the TPP. Instead, more stalemate ensued.

In terms of development implications, many economically smaller, fiscally squeezed coastal developing countries – such as the ACP States and SVEs – have an *offensive* interest in focusing attention on fisheries subsidies and carrying the proposed rules through to agreement in the multilateral and legally binding WTO context. They want to limit subsidies by developed *and* developing countries to fleets that fish on overfished stocks, which would improve the chances of domestic producers, and potentially benefit long-term sustainability and food security. In practice, however, it is difficult to predict the real world implications of any agreement, not least because of the paucity of data on subsidy programs, debate over how to define overfished stocks and the challenges and costs associated with dispute settlement. From a developing country perspective, the major *defensive interest* of the low-ambition WTO agenda is the disproportionate reporting burden for small subsidy programs. Otherwise, SDT is broadly irrelevant given the narrow scope of the rules, although developing countries can – and should – continue to reiterate that nothing in the ongoing debates will prejudice their use of SDT provisions should more extensive disciplines be proposed in the future.

In order to keep the flagging WTO fisheries subsidies negotiations on the agenda, the ACP and SVE groupings, along with other developing countries could take the moral high ground as leading supporters of efforts to eliminate subsidies that are widely recognized as distorting trade, creating an uneven playing field for small economies, and harming a resource that is central to food security and sovereignty. For example, if the ACP Group were to enter in an ad hoc alliance with the NZ+5, it would create the most important coalition in 20 years of debates on fisheries subsidies at the WTO. While this alliance could provide a platform for using the WTO to reinvigorate and expand the scope of fisheries subsidies rules beyond the level of

ambition in the SDGs and the TPP, lack of agreement on even minimal disciplines at MC10 does not hold promise for this tactic. Finally, several specific textual definitions remain in play and developing country Members should weigh in on these definitions, including by making a strategic decision on the definition of “overfished”.

These issues could be reinvigorated in the aftermath of the MC10 failure. They might be driven by advances in other fora such as the SDGs and the TPP. Either way, coastal and island developing countries should pursue offensive as well as more traditional defensive interests. As ever at the WTO, the devil will be in the detail and the politics surrounding definitions.

Key Messages on Sustainable Trade in Fish

Creating the framework for sustainability

- Create a global monitoring and review process (a High-Level United Nations Conference) on the advancement of trade-related targets under SDG 14;
- Multilateral, regional and bilateral trade agreements should build on multilateral United Nations instruments seeking oceans conservation and sustainable fisheries;
- Transfer guidance provided by United Nations resolutions when related to oceans and fisheries into national and regional policies more effectively;
- Improve the levels of coherence, implementation and enforcement of multiple oceans and fisheries-related treaties and instruments under the framework of the UNCLOS and the FAO;
- Trade-related measures should seek to strengthen the implementation of the existing international legal regime for fisheries;
- Stronger links between obligations and technical cooperation and capacity building by developed parties in multilateral and regional trade agreements, especially in the form of special cooperation funds, could make implementation efforts less complex and more effective;
- There should be a balance between the interests of countries participating in mega-regionals and the coherence of the multilateral trading system;
- The inclusion of an independent but also interlinked dispute settlement would strengthen the effectiveness of implementation and enforcement measures in international agreements with fish related provisions;
- Parties should cooperate with each other to build capacity to support implementation. In this regard, they should promote increased capacity building in oceans affairs, in order to target the lack of capacity to implement the relevant regulations and guidelines, especially in developing states.

Taking climate change into account

- The effects on climate change and variability on fisheries should be considered together and from a global perspective;
- Allocate resources and promote research on climate change effects on fisheries;
- Identify and promote technological alternatives for sound fishing practices;
- Promote research on fisheries' resilience and adaptation to climate change;
- Countries and the international community should engage in preserving the age and geographical structure of fish populations in order to sustain their resilience and the management of marine biomass.

Trade in sustainable fisheries

- Direct reference to multilateral United Nations instruments when setting fish management systems can make obligations more precise and strengthen common interpretations over grey areas or legal vacuums;
- International organizations and countries should collaborate for the mapping, convergence and harmonization of NTMs;
- Rules of origin should be more flexible for developing countries to facilitate value addition and stimulate the emergence of new production networks;
- It is increasingly important to bring together governments, companies and local communities to engage in sustainable, sound and innovative fisheries exploration practices, where ecosystems restoration and sustainable fisheries harvesting will need to go hand in hand.
- Fish management systems should be designed to prevent overfishing and overcapacity reduce by-catch and non-targeted species, and promote recovery of overfished stocks;
- The international community could clearly identify minimum requirements for social sustainability within the seafood sector;
- Facilitate information and access to technology of local and small fishing communities could promote a

wider use of sustainable fishing practices and certification;

- Development and multilateral agencies, working with national governments could provide significant and targeted technical assistance to facilitate certification of developing country producers, especially of smaller producers;
- The World Customs Organization (WCO) HS codes could differentiate between wild capture fish and aquaculture produce as well as on sustainable harvested or produced.
- National governments, in coordination with the WCO, could establish Harmonized System of Tariff and Nomenclature codes for certified seafood products;
- Where standards have demonstrated full compliance with the FAO Guidelines, national governments could consider the implementation of preferential fiscal policies for certified seafood products.

Boosting the sustainability of aquaculture

- National programmes to support aquaculture are a prerequisite for the continued growth of the sector;
- In addition to best management practices for aquaculture, it might also be important for governments to introduce regulations for sustainable and/or organic aquaculture. Such regulations could include guidelines for the development of the organic aquaculture production;
- To avoid the overly burdensome difficulties that many producers in developing countries face to access major developed country markets, exporting producers should be made more aware of the benefits of sustainability certification;
- Certification could be made more affordable by pooling producers in order to achieve economies of scale, reduce costs and narrow market access gaps.

Reducing harmful incentives

- There should be full transparency and disclosure of all fisheries subsidies;
- Fisheries subsidies should be classified in order to identify and distinguish those that are harmful or not;
- Efforts to discipline capacity-enhancing subsidies should be exerted at the national, regional and global levels of governance;
- A group of countries in partnership with organizations such as the WTO, UNCTAD and the FAO could stimulate collective actions with bottom-up voluntary commitments to subsidy reform. Each country could declare the amount of capacity-enhancing subsidies that they would voluntarily eliminate within a given time period;
- To avoid lack of consensus at the international negotiations of fisheries subsidies, negotiations could be limited to subsidies that affect international fish stocks. This would then leave governments to work unilaterally to reform subsidies that affect only their domestic fisheries;
- The implementation of fish management systems should include the control of, reduction and eventual elimination of all subsidies that contribute to overfishing and overcapacity;
- There should be an immediate capping and phasing out of high seas fishing fuel subsidies within 5 years;
- Means for stopping IUU fishing could include:
 - » Monitoring, control and surveillance of known IUU vessels
 - » International cooperation such as sharing information on IUU vessels
 - » International coordination of catch certificates to facilitate border control of traded fish
 - » Certification of product from verifiably managed fisheries
- These potential means for stopping IUU would require an over-arching solution of traceability of traded fish from vessel to final consumer.
- The implementation of the FAO's Port State Measures Agreement must be accompanied with technical cooperation and capacity building that allows its effective implementation by developing countries, LDCs and SIDS.

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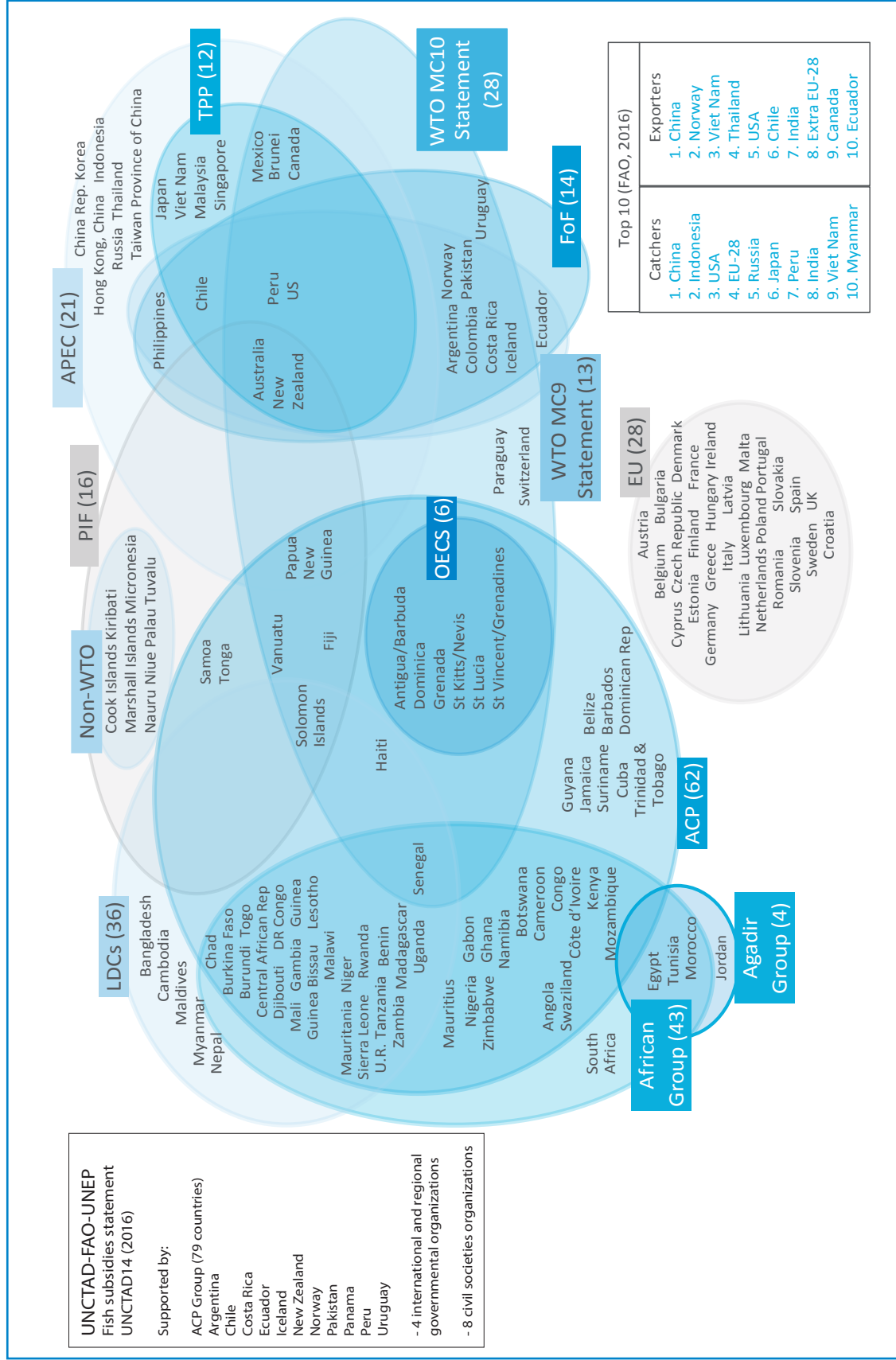
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Notes

- 1 On the weak and fragmented character of high seas governance, see Section 2 of the Global Ocean Commission 2014 report.
- 2 Australia, Argentina, Brunei Darussalam, Canada, Colombia, Costa Rica, Fiji, Iceland, Mexico, New Zealand, Norway, Pakistan, Paraguay, Papua New Guinea, Peru, Senegal, Solomon Islands, Switzerland, United States, Uruguay, Vanuatu and OECS Economic Union WTO Members (Antigua and Barbuda, Dominica, Grenada, St Kitts and Nevis, St Lucia and St Vincent and the Grenadine).
- 3 For a detailed analysis of ASCM rules and their relation to fisheries subsidies, see Schorr (2004).
- 4 Ibid.
- 5 In 2009, Brazil, Mexico and Ecuador left the Friends of Fish group, while Colombia and Pakistan joined.
- 6 This might allow third countries (non-Parties) to subsidise activities on boats flagged by Parties.
- 7 Especially TN/RL/W/258. See WTO, 2015b.

Annex: Fisheries subsidies groups



Source: New Zealand Mission to the WTO (2016)