



# HOW TO DISCIPLINE FISHERIES SUBSIDIES

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# HOW TO DISCIPLINE FISHERIES SUBSIDIES

## POSSIBLE WAYS TO DISCIPLINE FISHERIES SUBSIDIES

PRINCIPLES

ELEMENTS

DESIGN

What to prohibit?  
Which subsidies could be actionable?  
Which general exceptions?  
Which exceptions for developing countries?  
Flexibilities under what conditions?

## Principles

<b>EFFECTIVE</b>	Seek to respond to the ambition set in WTO and United Nations through the Hong Kong mandate and Agenda 2030
<b>FEASIBLE</b>	Stick to trade disciplines (on subsidies), NOT on fishing policies Design an integrated yet simple system of disciplines, flexibilities and periods for implementation
<b>CLEAR</b>	Use a Positive list of prohibitions and/ Or define approach
<b>COHERENT</b>	Based on international hard and soft law and existing definitions

# HOW TO DISCIPLINE FISHERIES SUBSIDIES

## Elements

- SCOPE
- CATEGORY OF SUBSIDIES
- TYPE OF FISHERIES
- TYPE OF DISCIPLINES
  - PROHIBITED SUBSIDIES
  - PERMITTED SUBSIDIES
  - ACTIONABLE SUBSIDIES

# HOW TO DISCIPLINE FISHERIES SUBSIDIES

## What to prohibit?



- Only in respect of subsidies to global marine wild capture fisheries
- The focus should be on subsidies that directly affect fishing and related activities:

Construction & repair
Transfer of vessels
Operating costs (fuel)
Port infrastructure
Income support
Price support
Further transfer of A.R.
IUU
Affecting Over exploited fisheries

- Prohibition of any other subsidy for fishing of overexploited stocks (beyond the MSY). Who defines MSY? FAO, RFMOs, Member States?

## Which subsidies could be actionable?

General discipline that makes actionable any non-prohibited subsidy that harms stocks in which another Member has identifiable fishing interests. (adverse effects)

## Which general exceptions?

For subsidies related to:

1. Environmental / sustainability
2. Crew safety
3. Re-education or redeployment of fishworkers
4. Vessel decommissioning
5. R&D for sustainability purposes



# Special and differential treatment for developing countries



# HOW TO DISCIPLINE FISHERIES SUBSIDIES

The entry point for setting prohibitions defines the type of S&DT needed. Possible entry points:

- Prohibitions directly affecting fishing and related activities (proposed list above)
- Prohibitions within fish management systems obligations (TPP model) ( here there is a need for capacity building, TF model)
- Prohibitions by definitions (overfishing and overcapacity) (S&DT can also be crafted in the definitions themselves or listed after)

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UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT



## LDCs

Full, unconditional exemption from all disciplines less IUU

## Remaining developing Members

Progressive, conditional exceptions according to the type of fisheries

# HOW TO DISCIPLINE FISHERIES SUBSIDIES



Subsidies for  
**subsistence and small-scale  
commercial (artisanal) fishing**  
should be allowed

Subject to an

**Indicative conditionality**

on fisheries management measures  
(national/regional) aimed at  
sustainability

# HOW TO DISCIPLINE FISHERIES SUBSIDIES

## Subsidies are allowed for



- Port infrastructure
- Income
- Price supports

Subject to **mandatory** fisheries management measures aimed at sustainability

# HOW TO DISCIPLINE FISHERIES SUBSIDIES

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

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S&DT for developing countries

## Subsidies are allowed for



construction of small  
fishing vessels

Subject to **mandatory**  
fisheries management measures  
aimed at sustainability

# HOW TO DISCIPLINE FISHERIES SUBSIDIES

S&DT for developing countries



**Subsidies are allowed for**  
construction of large vessels

Subject to:

**Mandatory** fisheries management measures aimed at sustainability

Vessels exclusively for use within the Member's own Exclusive Economic Zone ("EEZ")

The status of the stocks to be fished with the new vessels has been subject to a previous scientific assessment

ALL LDCs

All non-LDC / Developing Countries



Subsistence

Type of fishing operations



Small decked boat



Undecked boat

< 10 m / 34 ft Any size



Large decked boat

> 10 m / 34 ft

Within EEZ



Construction



Transfer



Operating



Infrastructure



Income



Price



Access





# FISHERIES MANAGEMENT requirements



# HOW TO DISCIPLINE FISHERIES SUBSIDIES

**FLEXIBLE PRINCIPLES**

**MANDATORY ELEMENTS**

**ENFORCEMENT /  
IMPLEMENTATION  
REQUIREMENTS**

# HOW TO DISCIPLINE FISHERIES SUBSIDIES

## WELL ACCEPTED PRINCIPLES

Based on internationally-recognized best practices for fisheries management and conservation as reflected in the relevant provisions of international instruments aimed at ensuring the sustainable use and conservation of marine species

e.g. :

- UN Fish Stocks Agreement,
- FAO Port State Measures Agreement
- FAO Code of Conduct on Responsible Fisheries,
- FAO Compliance Agreement
- CITES
- IPOA, IUU & fishing capacity
- Other technical guidelines and plans of action

# HOW TO DISCIPLINE FISHERIES SUBSIDIES

## WELL ACCEPTED PRINCIPLES

- Regular science-based stock assessment (e.g harvesting licenses or fees)
- Capacity and effort management measures
- Vessel registries
- Establishment and allocation of fishing rights; exclusive quotas to vessels, individuals and/or groups; and related enforcement mechanisms;
- Species-specific quotas, seasons and other stock management measures;
- Vessel monitoring (e.g electronic tracking & on-board observers)
- Systems for timely reporting
- Research and other measures related to conservation, stock maintenance and replenishment.

## ENFORCEMENT / IMPLEMENTATION REQUIREMENTS

### Enforcement legislation

- WTO
- National CVD investigations (for actionable subsidies) + selected measures under the Port State Measures Agreement in case of IUU

### Notification to:

- FAO (?) for peer review
- Creation of a database for notified national / regional management system
- Creation of database on national, regional and global assessments on the levels of stocks
- Committee on Subsidies

### Enquiry point

## **TEST**

<b>IS IT EFFECTIVE</b>	Does it respond to the ambition set in WTO and United Nations through the Hong Kong mandate and Agenda 2030?
<b>IS IT FEASIBLE</b>	Does it stick to trade disciplines (on subsidies), NOT on fishing policies? Is it a comprehensive yet simple system of disciplines, flexibilities and periods for implementation?
<b>IS IT CLEAR</b>	Are any ambiguities on the prohibitions?
<b>IS IT COHERENT</b>	Is it built on international hard and soft law and existing definitions?

# CONCLUSIONS

- S&DT is essential for a balance solution especially for countries with no or low fishing capacity
- A solution to SDG14.6 must be effective, feasible, clear and coherent
- We need to define the best approach to introduce prohibition  
(e.g activities, fish management or definitions)
- The WTO 2007 rules chair text offers significant options for consensus



# THANK YOU