



Reaching consensus on a WTO fish subsidies Agreement and next steps

David Vivas Eugui, UNCTAD

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DOALOS/UNCTAD

Side Event

What is a subsidy under WTO (SCM)?

- (i) a financial contribution
- (ii) by a government or any public body within the territory of a Member
- (iii) which confers a benefit (trade effect).
- (iv) that is specific to a sector, region or industry.

What is a fish subsidy under the draft WTO Agreement on Fisheries Subsidies?

Subsidies as defined under the WTO that are specific to **marine capture fishing and related activities at sea**. It does not cover inland fisheries or aquaculture activities.

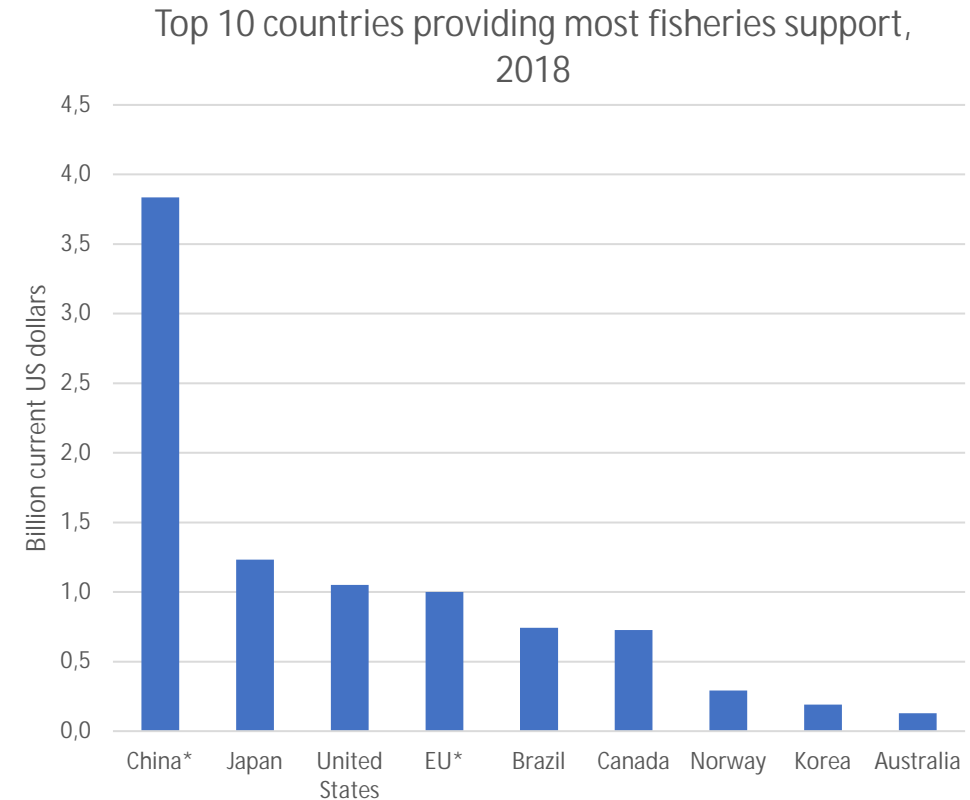
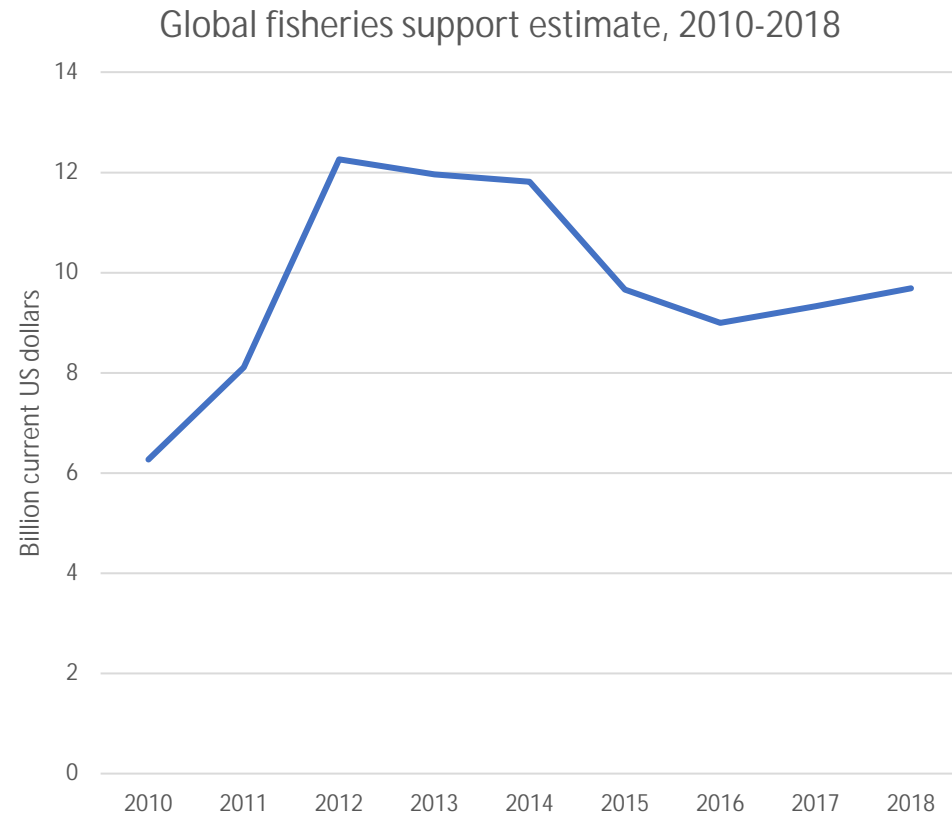
Key aspects to consider in any subsidies related policy are:

- Purpose
- Volume
- Beneficiaries
- Conditionalities
- Duration
- Effects

Why certain fish subsidies still are a concern?

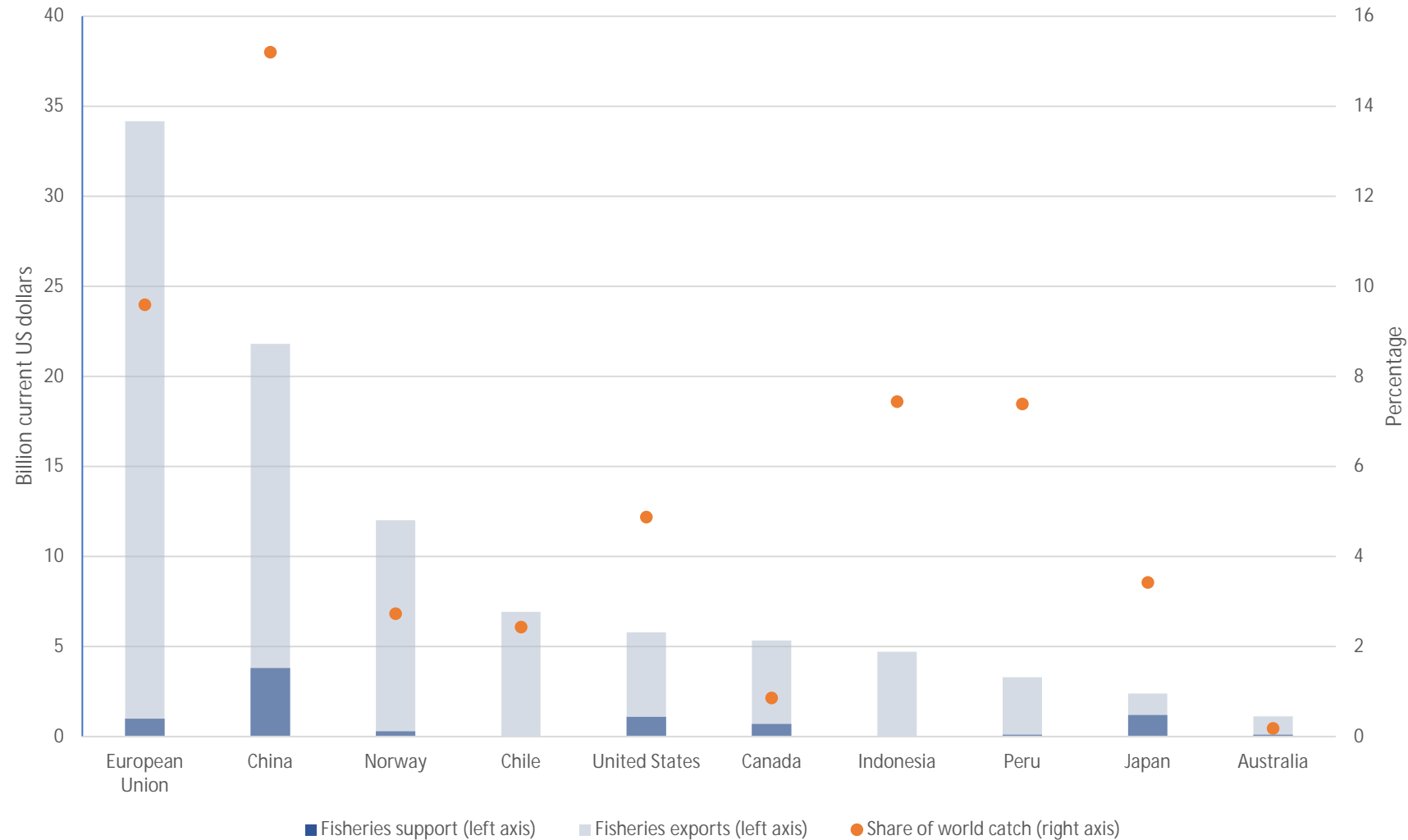
- **Negative incentive to biodiversity and stock conservation:** 34% of stocks are below sustainable biological levels
- They can be linked to **IUU fishing and overfishing**
- **Inequality**, as industrial fleets receive 5 times more subsidies than the small and artisanal fishermen
- **No longer economically optimal** as the cost of extracting the resource may be higher than income generated in many cases
- **Prices are not reflecting the real costs** of applying international regulatory requirements
- They can contribute to **GHG emissions**, fuel subsidies are about 22% of fish subsidies
- It does **not make economic sense to allocate public resources for the extraction of scarce resource** (race to the bottom)

Public fisheries support continues to grow and can even grow more with energy & commodities price peaks in a post COVID-19 (2010-2018)



Source: UNCTAD based on OECD (2022) Fisheries Support Estimates data

Incidence of the fisheries support over exports and share of world catch (2018)



Source: UNCTAD based on OECD (2022) Fisheries Support Estimates data

Typologies of fisheries subsidies in economic literature

- Harmful (IUU fishing, overfishing and overcapacity) vs Beneficial
- Capacity enhancing (harmful), non- capacity enhancing (neutral) & Sustainable purpose (environmental)

FISHERIES SUPPORT ESTIMATE DATABASE
2016-18 = USD 9.4 BILLIONS



https://stats.oecd.org/Index.aspx?datasetcode=FISH_FSE



A WTO
Fisheries
Subsidies
Agreement is
**at our
doorstep**

Massive political efforts and high-level discussions

- Political and technical “acquis”
- Main political objective is “sustainability” and not “trade distortions”

Main pillars of the negotiation process:

- Prohibition of Subsidies that contribute to:
 - IUU fishing
 - Fishing on overfished stocks
 - Overcapacity and overfishing
 - Capital and operational costs
 - Subsidies for activities outside Members’ jurisdiction or outside RFMOs competence

WTO Members pledged to conclude negotiations

- Fish Week for final negotiations (remaining critical issues including S&DT)
- WTO Ministerial Conference (week of 12-15 June 2022)

Second UN Oceans Conference + 2022 UN HLPF

- Portugal (27 June – 1 July 2022)
- Progress assessment for SDG 14 and 17 (5 July - 15 July)



Recommendations from the 4th United Nations Oceans Forum (Geneva, April 2022)

- To **adopt and sign a WTO fisheries Subsidies Agreement** supportive of SDG 14, with due attention given to addressing the burden of obligations between Members and clarifying the implementation process.
- To **identify and implement policy and technical changes** ahead of the entry into force of the agreement.
- To **disavow the subsidization of vessels fishing outside the country's Economic Exclusive Zone.**
- To **provide adequate investments in data collection and analysis tools** to support evidence-based fisheries management, implementation, & enforcement.
- To **implement comprehensive and transparent regulations, policies and tools to fight IUU fishing**
- To put in place **adequate technical assistance** and capacity development programs by **FAO and UNCTAD**, to support Members' implementation of the fisheries agreement to be agreed at the 12th WTO MC

