

**Contribution to the Session on Trade Subsidies in Fisheries  
Sector at the Ocean Forum jointly organized by UNCTAD,  
UNEP, FAO and COMMONWEALTH**

**By**

**Papa Gora NDIAYE<sup>1</sup>, Fisheries Economist**

**Geneva, March 22<sup>nd</sup> 2017**

**First of all, I would like to thank UNCTAD for this invitation to participate at this important event and to thank also UNEP/ETB for facilitating my participation. Indeed, since the early 2000s, UNEP has supported Enda and then REPAO to better integrate trade policies and effects of trade liberalization in the management of fisheries sectors in West Africa through a series of researches, publications and workshops.**

**From these activities implemented with UNEP, assessment of the effects of trade on fisheries in West Africa had shown a lack of understanding at national level of the links between trade and marine ecosystems.**

- **That's why, the absence of a clear link between trade and exploitation of resources has led the public authorities to develop management measures that are disconnected from trade considerations and thus, each time undermined by opportunist actors so closely linked to the international market.**
- **Consequently, all studies point to the difficulty of considering management measures today as a response to the effects of the penetration of international market forces into national production systems.**
- **Yet, it is in this way that each country has responded to the overexploitation of fisheries resources, harvested for export markets, by increasing restrictive measures.**

---

<sup>1</sup> Executive Director of REPAO (Réseau sur Politiques de Pêche en Afrique de l'Ouest) :  
[www.repao.org](http://www.repao.org) email : [gndiaye@gmail.com](mailto:gndiaye@gmail.com) / [gndiaye@repao.org](mailto:gndiaye@repao.org)

- The strategy implemented by fishermen and fishing companies in West Africa is to increase the fishing effort both on the species usually targeted and on those of second interest which are destined for domestic consumption.
- All in all, management measures, designed to stem the decline of some export resources, have had a devastating effect on virtually all commercially valuable resources, and more generally on the ecosystem as a whole, fisheries and its sub-sequent discharges.

**More generally, the evaluation of the trade effects on national policy of each coastal country in West Africa highlights two elements that undermine any aspiration for sustainable development.**

- **The first is the phenomenon of "ecological dumping", which can be translated as "leakage" of natural resources and which consists in forcing the trajectory of economic growth on the abuse of renewable and non-renewable natural resources.**
- **The second is the lack of coherence of sectoral and national policies, which shows that the coordination of public policies, particularly those dedicated to production, marketing and fisheries resources management, generates far more positive effects for a country that inconsistent policies.**

**Particularly, trade subsidies in fisheries have been the subject of specific researches and consultations between various stakeholders, both at regional and national levels (in West Africa). It is clear that a global reform of subsidies in the fisheries sector is an essential turning point, to make fisheries more sustainable and increase their contribution to food security in Africa. Also, African countries should consider reforms on trade subsidies at international level as an opportunity to revise their fisheries, trade and environment policies to focus on coherence and sustainability and to achieve the Target 14.6: « By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminate subsidies that contribute to illegal, unreported and unregulated**

**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 ».**

**At international level, WTO and UN agencies, particularly FAO, UNEP and UNCTAD might enhance equity, transparency for the use of trade subsidies with cleared and updated data for all countries. It's a big challenge, as well as all countries are not in same level on this topic.**

**Equity and transparency in the use of fisheries subsidies are essential, as well as competition for access to fisheries resources is becoming increasingly difficult. The West African marine area, unfortunately, is considered by foreign fishing powers as their "blue garden", Europeans, Koreans, Chinese and Russians strongly subsidize their fleets to make them more competitive and profitable. However, transfers of overcapacity from these countries to developing countries need to be looked at more closely, to avoid competition on the same resources with national fleets and to avoid harming food security and supply of national markets. In West Africa, this risk is very high with the interest of artisanal fleets on small pelagics, which play an important role on food security and livelihoods of artisanal fishing communities.**

**It is in this context also that subsidies allocated by the EU under the fisheries agreements must be reviewed under the WTO perspective to discipline subsidies in fisheries sector. The question is to know if European vessels could be competitive without the aid granted by the European Commission to promote their redeployment in south countries under fisheries agreements? Financial counterparts provide by EU Commission in the framework fisheries agreements is not an aid of development for coastal States, these financial counterparts should also be considered as subsidies belonging to the "red box" in the WTO and not to the "green box". In view of the fact that these financial counterparts reduce fishing effort in the European marine area, Its contribute to overcapacity in third countries and sometimes, even competition with other national and foreign fleets on same fish stocks?**

**Governments of coastal States in West Africa, need to be support in terms of analyzing the economic opportunity to have a fishing agreement, and not only considering the financial counterparts. Because in some cases, the economic and biological lost is more important than the financial rent generate by the fisheries agreement. The case of Senegal is relevant as inconsistency policy choice: the ongoing fishing agreement signed with EU generates an annual financial counterpart estimated around 1 million Euros per year. At the same time, the government subsidies fuel and fishing gear for artisanal annually up to 12 millions Euros.**

**Often, when talking about the fisheries of developing countries in trade negotiations, there is a reference to the need for a Special Differential Treatment (SDT). Special Differential Treatment should be discussed with great attention, differentiating between small-scale and artisanal fisheries, which in the case of West Africa may even be cross-border. I give you just the example of Senegal, which justifies the subsidies given to artisanal fisheries by the need to facilitate the supply of the national market. However, it is this artisanal fishery that supplies the export industries up to 70% of their raw material needs. Finally, the European consumer is subsidized rather than the Senegalese consumer.**

**That's why, it is important for African countries:**

- To have a better analysis and mainstreaming of trade subsidies under the auspice of WTO in national trade and fisheries policies,**
- Trade subsidies reforms need to be link consistently with non-trade barriers measures, notably the implementation of international standard norms on hygiene and quality for fish and fishery products. These standards are often considered to be barriers of entry in international markets by African fish exporters. Without upgrading actions in fisheries value chains in Africa, these standards remain very high to be achieved by African States.**

**All subsidies provide by African coastal states are not actionable subsidies; most of them lead to overcapacity and overexploitation of fisheries resources.** Main trade measures implemented by coastal countries in Africa relate mainly to support for catches and especially to the export of fish. No significant incentives for fish processing were noted in any country in the sub-region. The creation of added value does not therefore appear to be a commercial imperative. This is all the more unfortunate as the added value is realized on the chain of processing and marketing and not at all on the catch. Except for a few processed products such as canned tuna in Dakar (which is heavily subsidized under the Senegal-EU fisheries agreements), all production destined for export to Europe or Japan is subject to charges or frozen but as raw material. At the same time, most of the production destined for national consumption or for export to neighboring countries is processed in the form of salted, dried or smoked.

**Trade subsidies regulation under the auspices of the WTO are therefore a windfall for West African countries with a view to creating a real blue economy from the development of fisheries value chains.** Indeed, this could allow States to completely rethink support schemes for fishery industries by adopting a sustainability perspective and focusing on added value for the African market. **Developing fisheries value chains in West Africa involves redirecting trade subsidies from the “harvest segment” to the “post-harvest segment”, which includes improving the quality of products, their processing and access to local, regional, and African markets, since they hold enormous potential that remains largely untapped.**

**Redirecting these subsidies would help increase competitiveness on the African market while also having a positive impact on food security and the fight against poverty.** It could also encourage the empowerment of women, as they often play a dominant role in the processing of seafood products. States should therefore support fisheries value chains through support policies and subsidies that help address the significant constraints that they face. Whether in terms of the added value created, job creation, contribution to the consumption of local people, the processing of fishery products is a key pillar of fisheries value chains, which is important to support as much as possible.

The marketing of small-scale processed products, which continues to be mainly carried out through informal channels, also needs to be developed. Despite the dynamism and flexibility of these channels when it comes to meeting regional demand, the sector is faced with huge challenges (limited transport facilities, border issues, duties, lack of information, etc.).

**Experts generally agree that the key for developing fisheries value chains has nothing to do with increasing catch levels, but rather lies in enhancing the value of local products through processing and more effective marketing. Subsidies must be redirected to these business segments in order to face the challenges posed by respecting health, hygienic and quality standards, providing adequate infrastructures and production storage, transport equipment, fostering capacity building for traders, women involved in processing activities in intra and interregional trade.**

**In conclusion, for reaching SDG Target 14.6, it is important at the international level to co-ordinate the implementation of several instruments in a coherent way, reform of subsidies in fisheries is necessary but insufficient, other measures, such as the implementation of an international plan of action to combat IUU fishing, with strict application of the FAO guidelines on port State measures, the Code of Conduct for Responsible fishing, guidelines for sustainable artisanal fisheries, among others ...**

**2020 to achieve this goal 14.6 is tomorrow! Actions must be undertaken and implemented immediately. Especially for the Western Africa region where the attention of the public authorities is now more focus about the exploitation of oil and gas offshore which will generate more rents than the exploitation of fishery resources. To achieve this target 14.6, we call up on UNCTAD, UNEP, FAO and all partners to support the implementation of action plan to eliminate and deter all subsidies that lead to overcapacity and non-sustainable management of fisheries resources in West Africa.**