

# A Potential Bright Spot

The WTO negotiations on fisheries subsidies can help conservation and sustainable exploitation efforts as well as ensure the well-being of fishing communities around the world

After an extended period of relative inactivity, the World Trade Organization (WTO) has revitalized negotiations on a number of trade issues, notably, on the reform on fisheries subsidies. Several proposals have recently been tabled. (The latest WTO submissions on fisheries subsidies came from the European Union; Rwanda, on behalf of the African, Caribbean and the Pacific (ACP) group; Peru, Argentina, Colombia, Costa Rica, Panama, and Uruguay; Benin, on behalf of the Least Developed Countries (LDCs) group; Japan and New Zealand with Iceland and Pakistan. Note that there is also a parallel plurilateral discussion on a 'fisheries subsidies agreement' by

and least developing countries. (SDG 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 WTO fisheries subsidies negotiations.")

One of the main challenges is how 'subsistence' and 'artisanal' fisheries in developing countries should receive special treatment under new WTO rules. Key questions raised at the WTO talks include (a) what should be considered to be subsistence, artisanal and small-scale fishing, and (b) whether, and how, subsidies to such activities should be treated in eventual WTO rules.

There is no universal definition of what is meant by small-scale fisheries. Beyond the definitions based on size and gross tonnage, the usage of the terms vary widely from country to country. What is small in one country is considered large in another country. Nonetheless, subsistence or near-subsistence-level fishing has been a matter of special concern from the outset of WTO negotiations and the need for special rules for fishing communities at the lowest end of the development scale appears to be broadly agreed upon.

## Special consideration

A number of developing countries believe that special consideration should be expanded to include subsidies to commercial fishing far above subsistence levels of development. This stems from the

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11 WTO members, chaired by Canada and participated in by Argentina, Chile, Brazil, Norway, Peru, Uruguay, New Zealand and the United States.) These have been discussed intensively within the WTO and in other forums. The aim is to help develop a meaningful outcome at the upcoming 11th WTO Ministerial in Buenos Aires, Argentina, in December 2017.

The revitalized discussions are largely driven by the WTO's desire to contribute to the implementation of the 2030 UN Agenda for Sustainable Development and, specifically, the Ocean Target 14.6, which calls for the elimination of harmful fisheries subsidies in the WTO, taking into account the special needs of developing

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legitimate desire of many developing countries to make appropriate public investments in their fisheries sectors and take fuller advantage of their own fisheries resources. Nonetheless, this ‘right to develop’ should not mean a carte blanche exemption for all types of fisheries in developing countries fisheries. Although only a small fraction of fisheries subsidies goes to small-scale fisheries, and large-scale fisheries receive a higher proportion of capacity-enhancing subsidies, subsistence or artisanal fisheries are far from immune to overfishing or depletion or inappropriate harms of subsidies.

Recent discussions on ‘special differential treatment’ at the WTO reveal concerns over the potential cumulative impact of subsistence, artisanal and small-scale fishing, and some members argue that the rules should include safeguards to prevent or remedy resource depletion that could result from the cumulative effect of such subsidized activities (Personal communications with select WTO negotiators, March 2016.)

WWF–UNEP propose some basic sustainability criteria such as assessing fish stocks and fleet capacity before allowing subsidies in any fisheries. The WTO can draw on the assessment and management standards and implementation experience of FAO and other global and regional fisheries management bodies. Given the relative lack of capacity to manage fisheries in many developing countries, some adjustments could be made for artisanal fisheries in terms of flexibilities in the WTO fisheries subsidies disciplines. Possible examples could include: (a) transitional periods to implement stock assessments whereby informal non-quantitative assessments that are transparent and based on best-available science could be accepted; (b) ‘qualitative’ fleet capacity assessments vis-à-vis quantitative benchmarks for non-artisanal fisheries; and (c) transition periods to implement vessel registry, licensing and catch-documentation schemes, by allowing relaxed criteria if the local inshore



Moroccan fishermen carrying freshly caught tuna to a refrigerated truck for export. The fisheries subsidies talks remain a potential bright spot on the WTO horizon

character of fleet is maintained, and phase in requirement of catch documentation for fisheries moving towards export orientation. Such adjustments should include technical assistance and capacity-building commitments to LDCs to enable rudimentary fisheries management.

Be that as it may, the scope and content of the special and differential treatment will depend on what will be agreed in terms of binding prohibitions. This article assumes that the most harmful capacity- and effort-enhancing subsidies will be banned as called for by the UN SDG 14.6 and consistent with the WTO Ministerial agreement in Hong Kong.

The fisheries subsidies talks remain a potential bright spot on the WTO horizon. The unusual opportunity for the WTO to make a real difference to the conservation and sustainable exploitation of a vital natural resource and to the well-being of fishing communities around the world has brought energy to the fisheries subsidies talks from the start. Now, with the UN Oceans Conference in June 2017 and the 11th WTO Ministerial conference in December 2017, the true willingness of WTO Members to play a constructive role in securing healthy oceans and sustainable trade will be revealed. 3

#### For more

[wto.org/english/tratop\\_e/rulesneg\\_e/fish\\_e/fish\\_e.htm](http://wto.org/english/tratop_e/rulesneg_e/fish_e/fish_e.htm)

#### WTO fisheries subsidies negotiations

[unctad.org/en/pages/MeetingDetails.aspx?meetingid=1299](http://unctad.org/en/pages/MeetingDetails.aspx?meetingid=1299)

#### UNCTAD, FAO and UNEF ‘Oceans Forum on trade-related aspects of Sustainable Development Goal 14’

[e15initiative.org/wp-content/uploads/2015/09/1.-AGENDA-12-APRIL-2017-E15-INITIATIVE-FISHERIES.pdf](http://e15initiative.org/wp-content/uploads/2015/09/1.-AGENDA-12-APRIL-2017-E15-INITIATIVE-FISHERIES.pdf)

#### ICTSD E15 initiative event on ‘Advancing SDG 14.6 through fisheries subsidies disciplines’

[wto.org/english/forums\\_e/ngo\\_e/posp72\\_www\\_e.pdf](http://wto.org/english/forums_e/ngo_e/posp72_www_e.pdf)

#### Small Boats, Big Problems. Gland, Switzerland