



***** *New UNEP-WWF publication on fisheries subsidies* *****

Sustainability Criteria for Fisheries Subsidies – Options for the WTO and Beyond

Full study and further information at:
<http://www.unep.ch/etb/areas/fisherySub.php>
<http://www.panda.org/trade>



Background

It is broadly recognised that inappropriate subsidies contribute to widespread overfishing and to the distortion of trade in fisheries products. Global subsidies are estimated to be within the range of at least 15-20 billion USD per year which constitutes 20% of total annual revenues to the fisheries sector worldwide. Current negotiations in the WTO aim to address this problem through binding new subsidies rules and many governments are working to reform their domestic fisheries subsidies programmes.

No doubt, some fisheries subsidies will continue to be used for the years to come. This might be the case in those circumstances where other policy goals, such as the need to protect fisheries or to uplift certain impoverished coastal communities, require certain risks associated with subsidies to be taken.

Main findings and conclusions

This UNEP-WWF publication demonstrates that sustainability criteria for fisheries subsidies can be plausible, solidly rooted in accepted international norms, adapted to special cases such as the treatment of artisanal fisheries, and tailored for use in the WTO as well as in the broader context of national practices. It carefully considers the institutional context of the WTO and addresses key issues related to special and differential treatment for developing countries linked to sustainability criteria.

The paper defines three categories of criteria that could guide both WTO negotiators and domestic policymakers in designing criteria for the use of those subsidies that fall outside the scope of a potential new ban. These categories reflect the biological (health of fish stock), the industrial (fleet capacity) and the regulatory (adequate fisheries management) dimension. Based on an analysis of these criteria, the paper proposes a series of basic tests whose application may allow the risks of fisheries subsidies to be reduced. In each category, criteria are articulated at different levels of environmental ambition where the least ambitious level reflects requirements suitable for use in WTO rules, and the most ambitious level suggests best practices for national subsidies reform.

With regards to the former, less ambitious level, the proposed **stock-related** criteria would require governments to do what many of them are already doing – and what all are obliged to do by well-established (if imperfectly implemented) international norms. Under this category, governments would, for instance, be asked for science-based assessments revealing that the stock is “underexploited”.

The **capacity-related** criteria, in contrast, would require governments to undertake reforms. While all of these are clearly promoted by existing international instruments, they are still far from standard practice today. Criteria would require fleet capacity – assessed with varying levels of confidence according to the level of ambition – to be far below full capacity.

Finally, the **management-related** criteria, while only posing rudimentary tests of adequate management, focus on a number of concrete elements of management infrastructure, and could result in significant improvements in the administration of fisheries where subsidies are to be used. In the area of monitoring, control and surveillance, for example, governments would be asked to establish a system of mandatory reporting of catches and landings – linked to varying levels of on-board observer coverage.

UNEP Work of Fisheries Subsidies

The paper builds upon a series of technical and policy papers as well as country studies on fisheries subsidies reform that UNEP published during the last 10 years. The UNEP-WWF Symposium in March 2007 confirmed the high level of interest among diverse stakeholders in crafting WTO Rules that pose appropriate limits on fisheries subsidies. In fact, fisheries subsidies reform has been repeatedly cited as a very positive example – and as model – for creating mutual supportiveness of the international trade and environmental regimes.