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Small Vulnerable Economies' Fisheries – Initial Thoughts

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Abstract

The discussion on improving disciplines on fisheries subsidies and making a contribution towards sustainable fishing and managing global fisheries has been ongoing at the World Trade Organization (WTO) since the WTO Doha Ministerial Conference held in 2001. In 2005, the WTO Hong Kong Ministerial Declaration gave a mandate on negotiations on fisheries subsidies aimed at strengthening disciplines on fisheries subsidies as well as to prohibit certain forms of subsidies that lead to overcapacity and over-fishing. Small vulnerable economies (SVEs) have strongly been involved in these discussions, particularly in view of the implications for their economies of the threat of certain forms of fisheries subsidies to the sustainability of fishing. To date, negotiations on fisheries subsidies have intensified as WTO members seek an outcome at the 11th Ministerial Conference (MC11). In order for SVEs to participate meaningfully in the negotiations, they have to identify issues of interest to them and ensure that they are captured in the outcome at MC11. This briefing paper assesses the current proposals on the negotiating table to determine whether or not they take into account the interests of SVEs. It concludes by suggesting strategic options on how SVEs can structure approaches to negotiations on strengthening disciplines on subsidies in the fisheries sector.

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Abbreviations and acronyms

ACP	African, Caribbean and Pacific
ASCM	Agreement on Subsidies and Countervailing Measures
EEZ	exclusive economic zone
EU	European Union
IUU	illegal, unreported and unregulated
LDC	least developed countries
RFMO	regional fisheries management organisation
SDT	special and differential treatment
SIDS	small island developing states
SVE	small vulnerable economies
TFA	Trade Facilitation Agreement
WTO	World Trade Organization

1. Introduction

This short brief identifies issues of interest to small vulnerable economies (SVEs) in the World Trade Organization (WTO) negotiations on strengthening the disciplines in the fisheries sector and the prohibition of harmful subsidies. Building on previous SVE submissions, the brief assesses the current proposals on the

negotiating table to determine whether or not they fully take into account the interests of SVEs as determined by their special circumstances. The brief also offers strategic options on how SVEs can structure approaches to negotiations on strengthening disciplines on subsidies in the fisheries sector.

2. Background

One of the main factors behind overcapacity and overfishing, which is threatening the sustainability of fishing, is the abundant use of subsidies. Sumaila (2016a) and the United Nations Conference on Trade and Development (UNCTAD 2016) have identified three types of fisheries subsidies. First, subsidies, such as for research, that are generally seen as having a positive effect on a country's ability to manage fisheries. Such subsidies are generally important for fish-dependent countries. Second, capacity-enhancing subsidies,¹ such as for boat construction and renewal, and fuel,² which tend to motivate overcapacity and overfishing. Third, subsidies, such as for vessel buy-back programmes and rural fisher community development, that have the potential to promote or undermine the sustainability of fisheries depending on circumstances. This means that different subsidies have different effects on fish stocks. However, as argued by Sumaila, capacity-enhancing subsidies, which are estimated at approximately US\$20 billion, stand out as motivators of overcapacity and overfishing. It is therefore reasonable to target capacity-enhancing subsidies for elimination, including where the management of fisheries is reasonably effective, as there is evidence to show that subsidies can undermine efforts to manage stocks sustainably (Sumaila 2016b). Consequently, the prohibition of capacity-enhancing subsidies could help fisheries' stock to rebuild for exploitation by future generations, providing income, employment and nutrition.

The history of the WTO shows members trying to make a contribution towards sustainable fishing and managing global fisheries. The WTO Doha Ministerial Conference held in 2001 agreed on members clarifying and improving the disciplines on fisheries subsidies (WTO 2001). In 2005, paragraph 9 of Annex D of the Hong Kong Ministerial Declaration gave a mandate on fisheries subsidies and called on members to 'strengthen disciplines on subsidies in the fisheries sector, including through the prohibition of certain forms of fisheries subsidies that contribute to overcapacity and overfishing'. Members were also urged to 'establish the nature and extent of these disciplines', while making special and differential treatment (SDT) for developing countries and least-developed countries (LDCs) an 'integral part of the fisheries subsidies negotiations' (WTO 2005a). The importance of curbing subsidies that contribute to overfishing, overcapacity and illegal, unreported and unregulated (IUU) fishing was also reinforced by the international community when it endorsed Sustainable Development Goal 14.6 of the 2030 Agenda for sustainable development. The goal sets out undertakings that, by 2020, will contribute to sustainable fisheries. The undertakings include:

- the prohibition of certain forms of subsidies that contribute to overfishing and overcapacity;
- the elimination of subsidies that contribute to IUU fishing;

- countries desisting from introducing new forms of subsidies that contribute to over-fishing and overcapacity;
- making appropriate and effective SDT for developing countries and LDCs an integral part of the fisheries subsidies negotiations in the WTO (United Nations 2015).

However, despite the intensity and amount of work that took place from the time of the Doha Ministerial Conference up to the most recent 10th WTO Ministerial Conference in Nairobi in 2015, members have failed to come up with disciplines capable of curbing harmful fisheries subsidies.

3. Fisheries subsidies and SVEs

Threats to the sustainability of fishing have considerable implications for small states, especially SVEs. This is because fish plays a major role in contributing to these countries' sustainable development, economic growth, food security and livelihoods. For example, the threat to tuna in the Western and Central Pacific Ocean has been seen to have implications for Pacific Island countries because tuna plays an important role in the development aspirations of these countries (Campling and Havice 2016). Fish is an important source of food and protein for much of SVEs' populations, particularly for coastal populations. In addition, in 2013, the category of 'fish' accounted for about 3.4 per cent of exports from small economies and for 90.5 per cent of processed products, making the sector an important driver of value-adding activities and the expansion of formal employment opportunities. Small economies' exports of processed fish almost tripled from under US\$1.5 billion in 2003 to US\$4.2 billion in 2013, and their share in the world trade of processed fish increased from 5.2 per cent in 2003 to 6.5 per cent in 2013 (Lanz and Werner 2015). However, Keane (2017) advises caution in the interpretation of these data, noting that information is lacking on the types of firms involved in the processing activities and to whom value added accrues. Keane (2017) also argues that the data may not reflect fish catch and movement of primary fish products from the waters and ports of many SVEs that are not registered as exports, as they are caught by foreign flags, thus demonstrating the urgent need for transparency initiatives. In any case, the fish in SVEs is

mostly supplied by small-scale coastal fisheries whose survival, together with the livelihoods of their employees, is dependent on fish. In addition, subsidies distort trade by disadvantaging fishers who receive relatively few subsidies or no subsidies at all. The disadvantaged fishers are usually small-scale fishers from SVEs and LDCs (Sumaila 2016b).

Some SVEs have vast marine wildlife that remains underexploited commercially by local fisheries. Instead, subsidised foreign fleets capture much of the fish in SVEs' exclusive economic zones (EEZs), owing to bilateral fisheries access agreements. However, most SVEs enter into these bilateral agreements without mechanisms to ensure that there is no transfer of overcapacity into their EEZ. This is in addition to the fact that access to these EEZs by foreign vessels does not guarantee the non-exploitation of fish stocks shared with another EEZ or of migratory species that swim through different EEZs. Under these circumstances, capacity-enhancing subsidies will have significant effects on the ability of foreign companies to exploit offshore fisheries in SVE fishery resources. SVEs' vast marine wildlife is also affected by IUU activities, some of which are a result of subsidies. Such activities pose a huge challenge to the effective management and sustainability of SVE fisheries. Although much IUU fishing tends to occur in high seas, it also takes place in poorly managed EEZs. In this regard, WTO members should therefore have to identify the subsidies that need disciplining and the type and form of disciplines as outlined in paragraph 9 of Annex D of the Hong Kong Ministerial Declaration.

4. WTO SVEs' fisheries interests

Hitherto, SVEs have been strongly involved in the negotiations on fisheries subsidies, primarily with the aims of contributing to finding a mechanism for curbing those subsidies that cause overfishing and overcapacity and helping ensure that SVEs and other developing countries are able to support their fisheries and attain developmental gains from this sector. Proposals by SVEs were designed to address their interests based on the characteristics and peculiarities of these countries in the fisheries context.

- Most SVEs have a share in global marine capture of less than 0.1 per cent, and the size of subsidies provided by these countries is very small, with some countries not in a position to provide subsidies. In most instances, this is due in particular to the financial constraints faced by these countries, which prevent them from providing subsidies to their fisheries. As a result, the contribution of SVE fisheries subsidies to overcapacity and overfishing is negligible.
- Most SVEs are economically heavily dependent on the fisheries sector, so much so that any disciplines are likely to bring profound implications for livelihoods, sustainable growth and development, and economic survival.
- For SVEs to be better able to harvest their fisheries resources within sustainable limits, they require policy space that will allow them to provide small amounts of subsidies. In this regard, some flexibilities must be found in terms of exemptions to the prohibited subsidies under Article 1 of the Agreement on Subsidies and Countervailing Measures (ASCM), if the WTO is to achieve a balanced outcome.

A submission by a group of SVEs³ in 2003 (TN/RL/W/136) (WTO 2003) outlined some proposals to address specific sustainable development concerns for SVEs in relation to the negotiation of fisheries subsidies under the ASCM. The proposal also requested SDT for SVEs in relation to their fisheries activities, as well as their operationalisation. In this regard, the SVEs requested certain elements to be excluded from the definition of *subsidy*

provided in Article 1 of the ASCM. The identified exclusions included access fees and development assistance provided to SVEs to facilitate sustainable management of fisheries, incentives⁴ provided by SVEs for the development of their fisheries and of domestic capacity to enable them to use their fisheries for development purposes, and government assistance to artisanal fisheries, taking into consideration that the sector comprises subsistence, low-income and women fishers who rely on government for monetised inputs.

The above SDT provisions were further specified in a submission by a group of SVEs⁵ in 2005 (TN/RL/GEN/57/Rev.2) (WTO 2005b), which also highlighted the economic importance of fisheries to SVEs and the need for sustainable fisheries management at the national, regional and international levels, as well as the need to combat IUU fishing. It also raised the importance of identifying and rehabilitating endangered species and of a more responsive approach to the problem of threatened fisheries species. In 2007, a number of SVEs⁶ co-sponsored document TN/RL/W/210/Rev.2 (WTO 2007), which outlined their key principles regarding fisheries negotiations and SDT in particular, with the aim that these key principles would help in designing rules on fisheries subsidies. The key principles were consistent with the Doha Ministerial Declaration and the Hong Kong Ministerial Declaration in terms of the importance of the fisheries sector to development priorities, poverty reduction, and livelihood and food security concerns.

In this regard, SVEs proposed that SDT should be an integral component of fisheries disciplines and should be unconditional so as to, among other things, enable SVEs and other developing countries to take advantage of fisheries to enhance their productivity in the sector, help minimise environmental and ecological damage, and support SVEs in their potential trade in fisheries. The demand for SDT by SVEs also took into account the wide divergences between the productive and trading capacities of developing countries in the fisheries sector and the fact that SVEs and other developing countries had a minimal impact on overfishing and overcapacity.⁷ In addition, SVEs lacked

effective management regimes for fisheries, as well as the capacity to enact such management regimes to secure their waters from IUU fishing.

The elements in TN/RL/W/210/Rev.2 were reaffirmed in 2008 in a submission by a number of SVEs⁸ in document (TN/RL/W/226/Rev.5) (WTO 2008), as well as in 2009 in a statement by Barbados delivered on behalf of the SVEs (TN/RL/W/242) (WTO 2009). The last submission by SVEs was in 2011 (TN/RL/GE/162/Rev.1) (WTO 2011); it also sought some flexibilities for SVEs with respect to exemption from certain prohibited subsidies under Article 1 of the ASCM. SVEs also demanded that flexibilities be in the context of disciplines on fisheries subsidies and fisheries-management-related criteria that are easily enforceable in developing countries. The proposal also reiterated the SVE

position that those members with a history of providing the highest magnitude of harmful subsidies should bear the greater burden of the disciplines.

Thus, from an SVE perspective, the strengthening of disciplines in the fisheries sector and the prohibition of harmful subsidies will have a negative effect given their high dependence on both domestic and export fisheries and therefore should take into account a broad array of considerations, including economic growth, food security, the development of fisheries, employment and livelihoods, and sustainable consumption and production. In this regard, SVEs have continually demanded fisheries subsidies provisions that are consistent with the realities of their fisheries, the type of subsidies these countries offer and the sustainable development of these countries.

5. Current negotiation status

The current status of negotiations is such that the WTO membership is divided on how to approach them. While some countries are interested in a plurilateral approach to the negotiations, some are in favour of a multilateral approach, and a few other members are not interested in having the negotiations at all. Members are also finding it difficult to come up with a modality for identifying subsidies that need disciplining and the type and form of disciplines.⁹ Currently, four proposals have been tabled, notably by the European Union (EU), the African, Caribbean and Pacific (ACP) group, the LDC group and a group of countries here referred to as Argentina et al. The question is whether or not these proposals have adequately taken into account the interests of SVEs as set out in previous SVE proposals.

5.1 ACP proposal

Most small states have co-sponsored this paper by virtue of being members of the ACP. Therefore, the proposal reflects some SVE interests. However, it does not fully capture specific SVE interests, since the proposals in the submission are based on the lowest common

denominator approach in order to achieve consensus in the group.

Like previous SVE proposals, the ACP proposal, (TN/RL/GEN/182) (WTO 2016a), is premised on the facts that fisheries play an important role in economic growth, food security and the sustainable development of ACP countries and that the depletion of fish stocks, which is partly due to overfishing and overcapacity, poses a greater challenge to the well-being of ACP economies, some of which are dependent on fisheries. The ACP group attaches a higher priority to disciplining subsidies that lead to overcapacity and overfishing and the abolition of IUU fishing. The proposal recognises that not all subsidies lead to overcapacity and overfishing and thus proposes the targeting of only those subsidies that do so. The group's main interests are set out in Annex 1.

5.2 EU proposal

The EU proposal (TN/RL/GEN/181) (WTO 2016b) builds on previous WTO discussions and reinforces the need for a multilateral approach to strengthening disciplines in the fisheries sector and the prohibition of harmful

subsidies. The proposal has an emphasis on disciplining capacity-enhancing subsidies, which, as discussed above, have been identified as major contributors to overcapacity and overfishing. However, members are not in agreement on what constitutes a subsidy that leads to overcapacity and overfishing. Citing the lack of progress on negotiations on fisheries subsidies, the EU proposed that members start defining the possible disciplines and engage in text-based negotiations. The EU's main interests are set out in Annex 1.

5.3 Argentina et al. proposal

Argentina, Colombia, Costa Rica, Panama, Peru and Uruguay co-sponsored a proposal that adopts the Trade Facilitation Agreement (TFA) approach, with a view to delinking the fisheries negotiations from the single undertaking principle. The idea is to have a stand-alone agreement that would circumvent the principle of the single undertaking.¹⁰ Like the TFA, the proposed agreement would align the

commitments undertaken by countries to their capacity to implement each adopted measure. The group's main interests proposals are set out in Annex 1.

5.4 LDC proposal

Like the ACP submission, the LDC submission addresses a number of SVE interests by virtue of some SVEs being members of the LDC group. As in the ACP submission, the interests represented are based on the lowest common denominator approach in order to achieve consensus in the group, which has a diverse membership. The proposal highlights the importance of the fisheries sector to the LDCs and the impact of depleting stocks on their economies. In addition, it draws special attention to LDCs' lacking capacity in fisheries management and having limited fishing capacity, and to the fact that these countries are not responsible for overfishing, including in their EEZs. The group's main interests are set out in Annex 1.

6. General overview

The Argentina et al. proposal contains some elements that are of concern to SVEs. Fevrier and Dugal (2016) identify some of these concerns. First, that it is difficult to envisage how the demand for policy space and SDT by SVEs would be accommodated in the proposed framework. Second, that it would be difficult to identify these subsidies for categorisation purposes. Third, that the concept of self-designation would provide countries with the opportunity to avoid making ambitious commitments, thereby defeating the purpose of disciplining subsidies that lead to overcapacity and overfishing. Fourth, the need to ensure that the notification requirement would not overburden developing countries. However, despite the above concerns, the approach has the advantage that it would allow a move away from the conventional practice of equating SDT with transitional periods and flexibilities, as SDT would be on a country-by-country basis and would depend on each country's capacity to implement the agreement.

A close examination of the proposed EU text reveals a number of issues relevant to SVEs, as well as several causes for concern. The EU proposal recognises the economic importance of fisheries to developing country communities. However, some of the subsidies identified in Article 1 of the EU text and definitions of terms might have a negative impact on SVEs in their attempts to develop their fisheries sectors, particularly in terms of developing the capacities of artisanal and small-scale fishers. For example, the EU definition of 'fishing vessel' covers vessels used by artisanal and small-scale fishers, which might not be of appropriate for to SVEs. The exemption of subsistence fishing activities for non-commercial purposes from the disciplines could have a positive impact in terms of transforming these sectors and their integration into today's modern economy, creating jobs and sustaining livelihoods. However, it is important for SVEs to ensure that the definition of *non-commercial activities* captures the

type of sectors that exist in their countries. For example, subsistence fisheries in small states often sell their surplus fish at local markets, which might or might not be regarded as commercial. Moreover, the conditionality of SDT by the EU is at odds with SVEs' demands for unconditional SDT. However, the EU conditions seem to be aimed at curbing subsidies for vessels fishing overfished stocks and improperly managed stocks. While the notification process proposed by the EU could bring the required transparency, the use of terminology such as 'strictly necessary and relevant' and 'overly burdensome' bring with them some definitional problems. Furthermore, the additional information on notification requested by the EU needs further clarification to avoid its being burdensome for SVEs.

The ACP and the LDC proposals cover the bulk of SVE interests as reflected in SVE submissions from 2003 to 2011, particularly with regard to the contribution of fisheries to SVEs' economies and the importance of SDT in ensuring that fisheries continue to contribute to the sustainable development of SVEs. The policy space demanded by the ACP and LDC proposals, if realised, would exempt SVEs from granting subsidies for the development and modernisation of artisanal and small-scale¹¹ commercial fisheries and develop substantial national capacity that would allow them to harness their fishery resources. Exemption from granting subsidies may also help these countries to develop their export capabilities for fishery products such as developing fisheries value chains, which is essential for export earnings that are critical for their sustainable development. However, any demands for these measures must take into account the possibility that such subsidies might lead to the development of commercially viable artisanal and small-scale fishers, which might end up contributing to overcapacity and overfishing. Consideration should also be given to situations where subsidised small-scale or artisanal fishers supply large multinational enterprises, which might also lead to overfishing and overcapacity.

Critical attention should be given to the following areas for SDT technical assistance:

- SDT for strengthening SVEs' fisheries capacity and control of fisheries activities,
- which would be in line with Sustainable Development Goal 14.a. The goal aims to boost scientific knowledge, develop research capacity and transfer marine technology for the purposes of enhancing the contribution of marine biodiversity to the development of developing countries, particularly small island developing states (SIDS) and LDCs (United Nations 2015). Attempts to address overfishing by SVEs are undermined by a lack of science-based management, weak institutional capacity, and low data collection and analysis capacities, among other things.
- Technical assistance to help SVEs comply with the implementation of new disciplines, in line with SDG14.b. The goal aims to provide small-scale fisheries with access to marine resources and markets. The assistance should also be provided in such a way that it helps these countries reform or develop trade policies so that they comply with regional and international trade rules and help in the countries' fuller integration into international trade. Aid for Trade financial resources could be of significant importance in this respect.
 - Technical assistance in helping SVEs in their ability to monitor their vast EEZs and harness their fisheries resources for their development. This would be in line with Sustainable Development Goal 14.7, which aims to increase the economic benefits of the sustainable use of marine resources to SIDS and LDCs, including through the sustainable management of fisheries, by 2030 (United Nations 2015).
 - Disciplining fisheries subsidies may also disrupt the livelihoods of communities in SVEs. Such countries may require technical assistance and other forms of support in coming up with policy adjustment mechanisms. Aid for Trade financial resources could also be of significant importance in this respect.
 - Technical assistance for strengthening the capacity of existing regional fisheries management systems and regional fisheries management organisations (RFMOs), for example, the upgrading of institutional and technical implementation capacities, developing IUU regulations, co-ordinating

regional co-operation to prevent IUU catch being sold in another less regulated market and escalating their warning systems. RFMOs have been effective in ensuring that tuna fishing is carried out by legally registered fishing vessels (ICTSD 2016). The strengthening of regional management systems will also support the implementation of multilateral instruments. In addition, the need for technical assistance arises where SVEs seek help with private sector certification schemes that focus on assessments of the sustainability and legality of fish caught and traceability systems that help to ensure the legality of fish origin in the supply chain.

Obtaining certification entails an increase in production costs, which can be prohibitive in the case of small-scale fishers in SVEs, making them less competitive as well as excluding them from the wider effort to ensure the sustainability of fisheries.

- Technical assistance for strengthening existing capacity and building capacity in ensuring appropriate levels of transparency, for example capacity in capturing accurate and reliable data on the use of subsidies to ensure transparency and WTO notification. This would also help in identifying IUU fishing and make it difficult for IUU fish to enter the market, eventually eliminating it.

7. Conclusions and recommendations

As the 11th WTO Ministerial Conference, to be held in Buenos Aires, Argentina, in December 2017, draws closer, the negotiations to find ways to strengthen disciplines on subsidies in the fisheries sector are expected to intensify. In this regard, it is increasingly possible that present circumstances and the grounds on which the negotiations have taken place to date will shift. As such, there is need for SVEs to:

- Intensify and deepen engagement with other delegations to build consensus on a number of outstanding issues. SVEs should be involved in explanatory consultations to explain their uniqueness, the challenges they face and the need for flexibilities. Continued engagement will also enable SVEs to obtain assurance in advance from key players that SVEs are likely to receive favourable treatment.
- Explore different perspectives on the issues to see where they lead the discussions. There is no clarity at this stage on the form the negotiations might take.
- Continue to support the multilateral approach, as it helps cushion SVEs to a degree from the leverage exerted by the bigger economic powers. The approach will

also provide sufficient scope for accommodating SVE requirements for flexibilities. It seems unlikely that undue pressure would be brought to bear on SVEs in this regard.

- Reject a plurilateral approach, as its risks will outweigh the opportunities it might present. It cannot be assumed that the plurilateral approach would adequately address SVE interests, making it logical for SVEs to reject this approach in favour of the multilateral approach.
- Continue to send a strong message that they are not prepared to abandon the defensive positions enshrined in their previous proposals and the current ACP proposal, and that any solution identified at the WTO would ultimately have to accommodate to some extent the interests of SVEs.
- Identify the forms of negligible or no-impact subsidies, such as those for operating costs of ice and bait, that they think could be exemptions under Article 1 of the ASCM.
- Submit a proposal that restates SVE interests from their various proposals and emphasises the demand for SDT and technical assistance as well as identifying the subsidies for exemption.

Annex 1

SVE, ACP, LDC, EU and Argentina et al. major interests

SVEs	ACP	LDC group	EU	Argentina et al.
<p>Push for multilateral outcome</p> <p>Combating subsidies that lead to IUU fishing</p> <p>The exclusion of certain elements such as access fees and development assistance from the ASCM definition of <i>subsidy</i></p> <p>Members that provide the highest magnitude of harmful subsidies to bear the greater burden of the disciplines</p> <p>Disciplines should be consistent with the realities faced by SVEs</p> <p>Technical assistance and capacity building to develop effective management regimes for fisheries</p>	<p>Push for multilateral outcome</p> <p>The delinking of fisheries outcomes from other negotiating areas</p> <p>Target disciplining fisheries subsidies that contribute to overcapacity and overfishing</p> <p>Prioritise disciplines targeting subsidies given to large-scale commercial and industrial fishing¹² and subsidies to activities outside the EEZ of a member or in the EEZ of another member</p> <p>The prohibition of subsidies for fishing activities that negatively affect fish stocks that are in an overfished condition</p> <p>Developing countries and LDCs to be allowed to maintain or provide subsidies that do not contribute to overcapacity and overfishing</p>	<p>Push for multilateral outcome</p> <p>Granting of transitional periods for LDCs in implementing disciplines</p> <p>Discipline subsidies that contribute to overcapacity and overfishing</p> <p>Prohibit and eliminate subsidies that promote IUU fishing</p> <p>Disciplines to target primarily industrial fishing on a large scale</p> <p>Prohibit subsidies to vessels that fish overfished stocks</p>	<p>Push for multilateral outcome</p> <p>The need to define harmful subsidies that should be banned or prevented from being granted in future</p> <p>The prohibition of subsidies related to IUU fishing for vessels included in a country's IUU vessel list or that of the RFMO</p> <p>Ensure that a clear and transparent framework is developed through a notification process that is not 'overly burdensome' for WTO members</p> <p>SDT for developing countries and LDCs to be exempted from subsidy bans under certain conditions and in accordance with international law</p> <p>–</p>	<p>Push for multilateral outcome</p> <p>Members to refrain from introducing new subsidies that might lead to overcapacity and overfishing</p> <p>Notification schemes should go beyond the ASCM</p> <p>Members to consider the establishment of an advisory mechanism to help members with technical issues that might help the negotiations</p> <p>The designation of a focal point for the implementation of commitments by members and for providing additional information</p> <p>Members may agree to grant a limited transitional period to a member to implement disciplines prohibiting subsidies that contribute to overfishing and overcapacity</p>

<p>SVEs to be allowed to provide or maintain subsidies for the development of their domestic fisheries capacity, such as subsidies for coastal fishing activities for artisanal, small-scale, subsistence and women fishers, and subsidies for sustainable fisheries management</p> <p>SDT be made an integral component of fisheries disciplines and should be unconditional</p> <p>Disciplines on fisheries subsidies and fisheries management criteria should be easily enforceable in SVEs and developing countries</p> <p>Curb subsidies that cause overfishing and overcapacity</p> <p>Operationalisation of agreed SDT provisions</p> <p>Identifying and rehabilitating endangered species and a more responsive approach to the problem of threatened fisheries species</p>	<p>Developing countries and LDCs to be allowed to provide or maintain subsidies that do not affect third countries, such as for coastal fishing activities exclusively for artisanal, small-scale and subsistence fishers in their territories, activities that exclusively exploit domestic fish stocks in a member's EEZ and activities that exclusively exploit quotas or any other rights provided by an RFMO</p> <p>SDT be made an integral part of disciplines; they should take into account the contribution of fisheries to the economic growth, food security and sustainable development of ACP countries</p>	<p>Exemption from disciplines on fishing activities exclusive to artisanal, traditional and small-scale fishers</p> <p>Exemption from disciplines on fishing activities exclusively exploiting domestic fish stocks confined to a member's EEZ</p> <p>Exemption from disciplines on activities that exclusively use quotas or other rights granted by an RFMO or a regional fisheries management system</p> <p>Transparency requirements and notification should not be burdensome to LDCs</p> <p>LDCs to be exempted from disciplines on subsidies for capital and operating costs</p> <p>The provision of capacity building resources to LDCs to help them to develop their fishing capacity, assess and monitor stocks, and control fishing activities</p> <p>The provision of technical assistance to LDCs</p>	<p>–</p> <p>–</p> <p>–</p> <p>–</p> <p>–</p> <p>–</p> <p>–</p> <p>–</p>	<p>Members to consider a scheme of co-operation that would help members to benefit from capacity building and technical assistance</p> <p>The elimination of subsidies that contribute to IUU fishing by 2020</p> <p>Prohibit identified forms of subsidies that lead to overfishing by 2020</p> <p>Prohibit identified forms of subsidies that lead to overcapacity by 2020</p> <p>–</p> <p>–</p> <p>–</p>
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- * Collin Zhuawu is a Geneva-based Commonwealth Secretariat trade adviser. The views expressed here are those of the author and do not necessarily represent those of the Commonwealth Secretariat.
- 1 Capacity-enhancing subsidies help fleets to catch more fish than would be the case without such assistance, encouraging overfishing and making it difficult for governments to sustainably manage fish stocks (Milazzo 1998).
 - 2 There is disagreement at the WTO about whether or not fuel subsidies fall within the category of capacity-enhancing subsidies.
 - 3 Antigua and Barbuda, Barbados, Belize, Fiji, Guyana, the Maldives, Papua New Guinea, St Kitts and Nevis, and Solomon Islands.
 - 4 Incentives would be for both local and foreign fishers.
 - 5 Antigua and Barbuda, Barbados, Dominican Republic, Fiji, Grenada, Guyana, Jamaica, Papua New Guinea, St Kitts and Nevis, St Lucia, Solomon Islands, and Trinidad and Tobago.
 - 6 Antigua and Barbuda, Barbados, Cuba, the Dominican Republic, El Salvador, Fiji, Guyana, Honduras, Jamaica, Mauritius, Nicaragua, Papua New Guinea and Solomon Islands.
 - 7 The argument is that, since most SVEs are not in a position to provide subsidies, such as for operating costs and boat building and maintenance, they should not be punished for not causing overfishing and overcapacity. Instead, those countries that provide subsidies that cause overfishing and overcapacity should bear the greatest burden in the disciplines.
 - 8 Barbados, Cuba, Dominica, the Dominican Republic, El Salvador, Fiji, Honduras, Jamaica, Mauritius, Nicaragua, Papua New Guinea, St Lucia, St Vincent and the Grenadines, and Tonga.
 - 9 The identification of subsidies must be based on the definition of *subsidy* provided in Article 1 of the ASCM, which notes that a subsidy exists if 'there is financial contribution by government or any public body within the territory of a Member' or if 'there is any form of income or price support in the sense of Article XVI of GATT 1994' (WTO 1999). Negotiations to identify the subsidies that need disciplining might assume the declaration-request approach, whereby countries declare subsidies that contribute to overcapacity and overfishing and those that do not, as well as making requests for the elimination of subsidies applied by other members that they perceive as leading to overfishing and overcapacity. The identification of subsidies must also take into account the economic justification for subsidies, as different kinds of subsidies will have different impacts on fish stocks. Such an approach would go beyond the proposed notification process.
 - 10 Some WTO members have objected to the delinking, noting the need to preserve the principle of the single undertaking.
 - 11 Members have to agree on a definition of *artisanal and small-scale*.
 - 12 There is a need to define *large-scale commercial and industrial fishing*, as demonstrated by the negotiations.
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