

## BENEFITS OF ELIMINATING TRADE DISTORTING AND ENVIRONMENTALLY DAMAGING SUBSIDIES IN THE FISHERIES SECTOR

### Submission by New Zealand

The following paper has been received from the delegation of New Zealand with the request that it be circulated to Members of the Committee on Trade and Environment for its forthcoming meeting to be held on 29-30 June 1999.

### SUMMARY

The world's fisheries are facing a crisis. The main reason is overfishing in the absence of effective fisheries management regimes. Overfishing is driven by excess capacity and government support in the form of subsidies and other transfers. With developing countries accounting for over half of world trade in fish and fish products, subsidies in this sector have an impact not only on the environment but also on development and trade. This is an issue the WTO must address. A number of steps are suggested, including support for the implementation of the FAO Plan of Action for Management of Fishing Capacity and analysis of existing WTO disciplines. Members need to reflect further on this issue not only in the Committee on Trade and Environment but in the context of preparations for the Third Ministerial Conference in Seattle.

### I. EFFECT OF SUBSIDIES ON GLOBAL FISHERIES

#### A. PROBLEM OF OVERFISHING

1. Global fisheries are in a dire state. In 1994 the FAO reported that 69 per cent of known fish stocks were intensively to fully exploited, overfished, depleted or slowly recovering and thus in need of urgent management action.<sup>1</sup> Analysis from other sources tends to confirm this estimate.<sup>2</sup> Non-sustainable fishing effort is being targeted at well over half of the world's main fishing populations.<sup>3</sup> Fishing industries in many countries face acute difficulties as a result of resource depletion.

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<sup>1</sup>*Current situation, trends and prospects in world capture fisheries*. A paper presented at Conference on Fisheries Management, Washington, 14-16 June 1994. FAO analysis suggested that 44 per cent of the stocks for which formal assessments were available were intensively to fully exploited, 16 per cent were overfished, 6 depleted and 3 per cent slowly recovering.

<sup>2</sup>See FAO State of World Fisheries and Aquaculture 1998, published 1999.

<sup>3</sup>Matteo Milazzo, *Subsidies in World Fisheries: A Re-examination*, World Bank Technical Paper No. 406, 1998.

2. The consequences of this are immense. If urgent action is not taken further key fish stocks will collapse. The viability of fishing industries and the communities they support will be further threatened. Meanwhile the combination of excessive effort and depletion of resources is causing economic waste on a large scale.

3. To remedy the problem the underlying causes must be addressed. The immediate cause of this situation is fishing effort far in excess of what the resource can sustain. The underlying factors are excess capacity, government transfers which encourage excessive investment and effort and the absence of effective management regimes.

4. It is now widely recognized that to bring effort into line with the sustainable yield of fisheries, major reductions in capacity are required, together with more effective fisheries management regimes. The FAO has estimated that some 30 to 40 per cent of current fishing capacity needs to be retired before the seafood sector is in equilibrium internationally.

#### B. SUBSIDIES AND OVERFISHING

5. Subsidies have been identified as a major cause of excess fishing capacity.<sup>4</sup> Many studies undertaken over the last decade have confirmed and clarified this linkage. The linkage is direct and clear. Subsidies of various types have encouraged investment in fishing industries. This has taken capacity beyond levels that fish stocks can sustain. There are now "more fishing vessels which are more powerful and able to make larger catches".<sup>5</sup> Pressures to achieve a return on this investment have, together with operating subsidies, encouraged excessive effort. Subsidies prop up the profitability of fishing fleets that would otherwise not be economically viable while at the same time undermining global efforts to move to a more environmentally sustainable regime.<sup>6</sup>

6. The scale of the subsidies going into fishing industries is immense and explains why pressures on fish stocks have become so acute. A study published recently by the World Bank has estimated that a total of US\$14-20 billion of subsidies are being granted each year to the fisheries sector, with at least half of this amount provided by OECD countries alone.<sup>7</sup> These subsidies represent 20-25 per cent of fisheries revenues. According to the World Bank analysis environmental subsidies account for at most 5 per cent of all subsidies provided worldwide in this sector.

#### C. FISH SUBSIDIES, TRADE, DEVELOPMENT AND THE ENVIRONMENT

7. "Fish and fishery products are the most international of all foodstuffs. Annually, between 35 and 40 per cent of fisheries production is traded internationally, reaching a value - as traded - of about US\$50,000 million. Developing countries currently account for half of this exchange and, in 1996, derived a net surplus (value of exports minus value of imports) in the order of US\$17,000 million)."<sup>8</sup>

8. The fact that fish is such a heavily traded commodity means that the nature and scale of subsidies in this sector present a number of important issues for the multilateral trading system. In particular:

- Subsidies offered by industrial nations have a large and distortionary impact on this trade.

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<sup>4</sup>FAO, Fisheries Department, *Marine Fisheries and the Law of the Sea: A Decade of Change*, 1993.

<sup>5</sup>Downes and Van Dyke, *Fisheries Conservation and Trade Rules: Ensuring That Trade Law Promotes Sustainable Fisheries*, Greenpeace and CIEL, 1998.

<sup>6</sup>WWF's Endangered Seas Campaign, *Subsidies and Depletion of World Fisheries: Case Studies*, April 1997.

<sup>7</sup>Earlier studies by the FAO concluded that subsidy levels were probably higher than this.

<sup>8</sup>FAO, *State of the World Fisheries and Aquaculture*, 1999.

- The environmental impact of overcapacity and heavy overfishing which are driven by trade-distorting interventions is an important issue in terms of trade and environment principles.
- Subsidized fishing by wealthier nations limits the ability of developing countries to develop their own sustainable fishing industries with the benefit of full access to markets and true market prices. Corrective action is necessary in order to restore productivity of these industries.<sup>9</sup>

#### D. WTO AND FISH SUBSIDIES

9. The issue of subsidies in the fisheries sector has attracted close attention in the Committee on Trade and the Environment in recent years. The issue was considered in some detail at several meetings of the Committee in 1997. In 1998 the Secretariat produced, at the Committee's request, a detailed paper which describes relevant WTO rules and offers an overview of fishing industry subsidies notified under Article 25 of the SCM Agreement. Fishing industry subsidies continue to be an issue of particular relevance to the ongoing work of the CTE.

10. Most recently fish subsidies and their impact on trade, development and the environment were a key concern of a number of delegations and speakers at the High Level Symposia on Trade and Environment and Trade and Development held in March 1999. Five countries issued the attached joint statement calling for the elimination of environmentally-damaging and trade-distorting subsidization of the fisheries sector. This call was endorsed by governments and non-governmental organizations alike in the course of the two meetings.

#### E. ACTION IN OTHER INTERNATIONAL FORA

11. The problem of overfishing has attracted close scrutiny in a range of international fora, including the FAO, CSD, OECD, UNEP, UNCTAD and APEC. The Rome Declaration adopted by the FAO Ministerial Meeting on Fisheries in March 1999 highlighted concern that so many of the world's major marine fishery resources were subject to overfishing, destructive and wasteful fishing practices and excess capacity, resulting in reduced yields and economic returns. There was extended debate this year in the Commission on Sustainable Development on the specific issue of subsidies to fishing industries. The OECD Ministerial Meeting in Paris in May 1999 called for further examination of the impacts of government financial transfers on fishery resource sustainability, including over-fishing.

## II. MANAGING FISHING CAPACITY

#### A. FAO PLAN OF ACTION

12. Following detailed work over some years the FAO Committee on Fisheries in February 1999 adopted the attached International Plan of Action for Management of Fishing Capacity. This plan offers an agreed framework for measures at national, regional and multilateral levels to balance fishing capacity with resource sustainability objectives.

13. Part III of the FAO Plan of Action sets out implementation provisions. They include:

- Development of national plans to manage and, if necessary, reduce fishing capacity to balance capacity with resources available on a sustainable basis.

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<sup>9</sup>Steenblik and Munro, *Current International Work on Subsidies in Fisheries: A Survey*, October 1998.

- Progressive elimination of all factors, including subsidies and economic incentives which contribute, directly or indirectly, to the build-up of excessive fishing capacity.
- Participation in international agreements which relate to the management of fishing capacity, particularly the Compliance Agreement and the UN Fish Stocks Agreement.<sup>11</sup>

14. The FAO Ministerial Meeting in March 1999 issued the Rome Declaration in which members declared they would collaborate with other states and relevant intergovernmental and non-governmental organizations and financial institutions to promote the effective implementation of the Code of Conduct for Responsible Fisheries.

### **III. FUTURE WTO WORK ON FISH SUBSIDIES**

15. Given the trade, development and environment impacts of fish subsidies, there is scope for the WTO, through the Committee on Trade and the Environment, to continue to look at ways and means of addressing this issue. The value of fisheries trade, the scale of the trade-distorting interventions in this sector and their impact on the global environment clearly make this an appropriate subject for scrutiny by the CTE.

16. Recommendations for a work programme that would assist in advancing work on fish subsidies could include the following:

- (a) As a first step, the CTE could invite the FAO to provide information on the implementation of the FAO Plan of Action and any other actions taken to address the problem of overcapacity in the fisheries sector. This would be in recognition of the fact that the full implementation of the FAO Plan of Action would contribute to important trade, developmental and environmental goals to which WTO and FAO members are committed. Members could also directly provide information to the Committee on the specific steps they are taking in this regard.
- (b) Further analysis and study is required of the implementation of existing WTO disciplines on fish subsidies. Questions have been raised on transparency and adequacy of notifications under Article 25 of the Agreement on Subsidies and Countervailing Measures (SCM Agreement). Members could consider the extent to which these obligations are being met and whether they are sufficient to ensure transparent reporting of fish subsidies.
- (c) Consideration should also be given to the adequacy of the broader existing WTO disciplines. This work should be aimed at determining if current provisions are effectively implemented by Members and whether they require supplementation in order to secure progressive reduction and elimination of fish subsidies that contribute to overcapacity.

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<sup>11</sup> Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks.

17. Given the range of WTO interests affected by fisheries sector subsidies there is a strong case for giving specific attention to the issue in a new round of multilateral trade negotiations. Aspects of the work programme noted above, would be useful to consider in this regard. New Zealand looks forward to exploring these ideas with other delegations.

## **ANNEX I**

### **PROMOTE SUSTAINABLE DEVELOPMENT BY ELIMINATING TRADE DISTORTING AND ENVIRONMENTALLY DAMAGING FISHERIES SUBSIDIES**

1. Australia, Iceland, New Zealand, the Philippines and the United States welcome the opportunity provided by the High Level Symposia on Trade and Development and Trade and Environment to highlight the beneficial contribution that the elimination of environmentally-damaging and trade-distorting subsidization of the fisheries sector would make to the conservation and sustainable use of fish stocks and the promotion of sustainable development.
2. Today, one year after the International Year of Oceans, and as we approach the twentieth anniversary of the adoption of the 1982 United Nations Convention of the Law of the Sea, it is alarming that the progress of sustainable fisheries continues to be seriously undermined by trade-distorting and restrictive fisheries practices. This situation continues despite international efforts to develop new conservation rules for the sustainable utilization of fish stocks over recent years
3. Overcapacity of the global fishing fleet is, along with inadequate management regimes, the predominant cause of the depletion of fish stocks in many regions. It is generally recognized that government subsidies and other market distortions are primary factors in causing this overcapacity. A recent study published by the World Bank estimates that a total of US\$14-20 billion of environmentally harmful subsidies are being granted each year to the global fisheries sector. This amounts to 20 to 25 per cent of world fisheries first sale revenues. It has been noted that many of the subsidies granted to the fisheries sector may be actionable under the WTO Subsidies Agreement in view of the serious prejudice they cause to the interests of other member countries - yet these subsidies still persist.
4. The billions of dollars wasted on subsidizing environmentally damaging activities could easily be transformed into expenditures that would make a positive difference in a world plagued by sustainable development challenges.
5. The encouragement of the use of fisheries resources beyond normal economic rates of exploitation also creates supply distortions that place downward pressures on world seafood prices and this affects the ability of all countries, but particularly developing countries, to achieve adequate economic returns from their fisheries resources.
6. In summary, subsidizing fishing activities impedes sustainable development, and seriously undermines the possibilities for effective conservation and sustainable utilization of fish stocks.
7. The issue of overcapacity and resulting overfishing of fish stocks has been the subject of increasing attention in various international fora. In the FAO, Governments have recently adopted a Plan of Action for the Management of Fishing Capacity, which calls for action "to reduce and eliminate all factors, including subsidies, that contribute directly or indirectly, to the build-up of excess fishing capacity thereby undermining the sustainability of marine living resources, giving due regard to the needs of artisanal fisheries". In the WTO Committee on Trade and Environment, there has also been a detailed discussion of the positive relationship between subsidies reform and fisheries conservation and there is a growing recognition of the need for governments to make a positive contribution in this regard.

8. We therefore urge Governments to make an early commitment to progressively eliminate fisheries subsidies that contribute to fisheries overcapacity, in view of their environmentally-damaging and trade-distorting effects, and to pursue work in the WTO aimed at achieving the reduction and elimination of such subsidies. Progress in this area would represent a clear “win-win” achievement in the area of trade, environment, and sustainable development.

## ANNEX II

### FAO FISHERIES DEPARTMENT

#### The International Plan of Action for the Management of Fishing Capacity

## INTRODUCTION

1. In the context of the Code of Conduct for Responsible Fisheries and its overall objective of sustainable fisheries, the issues of excess fishing capacity in world fisheries is an increasing concern. Excessive fishing capacity is a problem that, among others, contributes substantially to overfishing, the degradation of marine fisheries resources, the decline of food production potential, and significant economic waste.

2. The Code of Conduct provides that States should take measures to prevent or eliminate excess fishing capacity and should ensure that levels of fishing effort are commensurate with sustainable use of fishery resources.

3. At its last Session in 1997, the Committee on Fisheries (COFI), requested FAO to address the issue of fishing capacity. FAO organized a Technical Working Group on the Management of Fishing Capacity in La Jolla, USA, from 15 to 18 April 1998. A subsequent FAO consultation was held in Rome from 26 to 30 October 1998, preceded by a preparatory meeting from 22 to 24 July 1998.

## I. PART I - NATURE AND SCOPE OF THE INTERNATIONAL PLAN OF ACTION

4. The International Plan of Action is voluntary. It has been elaborated within the framework of the Code of Conduct for Responsible Fisheries as envisaged by Article 2 (d). The provisions of Article 3 of the Code apply to the interpretation and application of this International Plan of Action and its relationship with other international instruments.

5. This document is in furtherance of the commitment of all States<sup>1</sup> to implement the Code of Conduct. States and regional<sup>2</sup> fisheries organizations should apply this document consistently with international law and within the framework of the respective competencies of the organizations concerned.

6. The International Plan of Action constitutes an element of fishery conservation and sustainable management.

## II. PART II - OBJECTIVE AND PRINCIPLES

7. The immediate objective of the International Plan of Action is for States and regional fisheries organizations, to achieve world-wide, preferably by 2003 but not later than 2005, an efficient, equitable and transparent management of fishing capacity. *Inter alia*, States and regional fisheries organizations confronted with an overcapacity problem, where capacity is undermining achievement of long-term sustainability outcomes, should endeavour initially to limit at present level and progressively reduce the fishing capacity applied to affected fisheries. Where long-term sustainability outcomes are being achieved, States and regional fisheries organizations nevertheless need to exercise caution to avoid growth in capacity undermining long-term sustainability objectives.

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<sup>1</sup>In this document the term "State" includes Members and non-members of FAO and applies *mutatis mutandis* also to "fishing entities" other than States.

<sup>2</sup>In this document, the term "regional" includes sub-regional, as appropriate.



8. The above objective may be achieved through a series of actions related to four major strategies:

- (i) The conduct of national, regional and global assessments of capacity and improvement of the capability for monitoring fishing capacity;
- (ii) the preparation and implementation of national plans to effectively manage fishing capacity and of immediate actions for coastal fisheries requiring urgent measures;
- (iii) the strengthening of regional fisheries organizations and related mechanisms for improved management of fishing capacity at regional and global levels;
- (iv) immediate actions for major transboundary, straddling, highly migratory and high seas fisheries requiring urgent measures.

These strategies may be implemented through complementary mechanisms to promote implementation of this international Plan of Action: awareness building and education, technical co-operation at the international level, and co-ordination.

9. The management of fishing capacity should be based on the Code of Conduct for Responsible Fisheries and take into consideration the following major principles and approaches:

- (i) *Participation:* The International Plan of Action should be implemented by States either directly, in co-operation with other States, or through FAO in co-operation with other appropriate intergovernmental organizations, including regional fisheries organizations. States and regional fisheries organizations, as appropriate, are encouraged to give effect to it and to inform FAO of actions taken to implement it. FAO will regularly provide information about its implementation.
- (ii) *Phased implementation:* The management of fishing capacity on the basis of national and regional plans should be achieved through the following three phases: assessment and diagnosis (preliminary analysis to be completed by the end of 2000), adoption of management measures (preliminary steps to be adopted by the end of 2002) and periodic adjustment of such assessment and diagnosed measures, as appropriate. States and regional fisheries organizations should complete these steps and progressively implement by 2005 the complementary measures specified in the International Plan of Action.
- (iii) *Holistic approach:* The management of fishing capacity should consider all factors affecting capacity in both national and international waters;
- (iv) *Conservation:* The management of fishing capacity should be designed to achieve the conservation and sustainable use of fish stocks and the protection of the marine environment consistent with the precautionary approach, the need to minimize by-catch, waste and discard and ensure selective and environmentally safe fishing practices, the protection of biodiversity in the marine environment, and the protection of habitat, in particular habitats of special concern.
- (v) *Priority:* Priority should be given to managing the fishing capacity in those fisheries in which there already unequivocally exists overfishing;
- (vi) *New technologies:* The management of fishing capacity should be designed so that it takes into account the incorporation of environmentally sound and evolving technology in all areas of capture fisheries.

- (vii) *Mobility*: The management of fishing capacity should encourage efficient use of fishing capacity and discourage mobility when it negatively affects sustainability and take due account of socio-economic performances in other fisheries;
- (viii) *Transparency*: The International Plan of Action should be implemented in a transparent manner in accordance with Article 6.13 of the Code of Conduct.

10. The implementation of the International Plan of Action should be based on the Code of Conduct, particularly Article 5, in relation to enhancing the ability of developing countries, to develop their own fisheries as well as to participate in high seas fisheries, including access to such fisheries, in accordance with their legitimate rights and their obligations under international law.

### **III. PART III: URGENT ACTIONS**

#### **A. SECTION I: ASSESSMENT AND MONITORING OF FISHING CAPACITY**

##### **1. Measurement of fishing capacity**

11. States should support coordinated efforts and research at national, regional and global levels to better understand the fundamental aspects of issues related to the measurement and monitoring of fishing capacity.

12. States should support the organization by FAO of a technical consultation to be held as early as possible in 1999 on the definition and measurement of fishing capacity and the subsequent preparation of technical guidelines for data collection and analysis, noting that the result of this consultation should provide specific guidance for preliminary assessments of fishing capacity and excess fishing capacity at national, regional and global levels.

##### **2. Diagnosis and identification of fisheries and fleets requiring urgent measures**

13. States should proceed, by the end of 2000, with a preliminary assessment of the fishing capacity deployed at the national level in relation to all the fleets of principal fisheries and update this assessment periodically.

14. States should proceed, by the end of 2001, with the systematic identification of national fisheries and fleets requiring urgent measures and update this analysis periodically.

15. States should cooperate, within the same time frame, in the organization of similar preliminary assessments of fishing capacity at the regional level (within the relevant regional fisheries organizations or in collaboration with them, as appropriate) and at the global level (in collaboration with FAO) for transboundary, straddling, highly migratory and high seas fisheries, as well as in the identification of regional or global fisheries and fleets requiring urgent measures.

##### **3. Establishment of records of fishing vessels**

16. States should support FAO in the development of appropriate and compatible standards for records of fishing vessels.

17. States should develop and maintain appropriate and compatible national records of fishing vessels, further specifying conditions for access to information.

18. While awaiting the entry into force of the Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas (Compliance Agreement), States should support the establishment by FAO by the end of 2000 of an

international record of fishing vessels operating in the high seas, following the model indicated in the Compliance Agreement.

**B. SECTION II: PREPARATION AND IMPLEMENTATION OF NATIONAL PLANS**

**1. Development of national plans and policies**

19. States should develop, implement and monitor national plans of action for managing fishing capacity, taking into account, *inter alia*, the effect of different resource management systems on fishing capacity.

20. States should develop the means to monitor fishing capacity systematically and accurately, and to regularly assess any imbalance with available fishery resources and management objectives.

21. States should develop, adopt and make public, by the end of 2002, national plans for the management of fishing capacity and, if required, reduce fishing capacity in order to balance fishing capacity with available resources on a sustainable basis. These should be based on an assessment of fish stocks and giving particular attention to cases requiring urgent measures and taking immediate steps to address the management of fishing capacity for stocks recognized as significantly overfished.

22. States should give due consideration, in the development of national plans, to socio-economic requirements, including the consideration of alternative sources of employment and livelihood to fishing communities which must bear the burden of reductions in fishing capacity.

23. When it has been found that a national plan to manage capacity is not necessary, States should ensure that the matter of fishing capacity is addressed in an ongoing manner in fishery management.

24. At least every four years, States should review the implementation of their national plans to manage capacity for the purpose of identifying cost effective strategies for increasing effectiveness.

**2. Subsidies and economic incentives**

25. When developing their national plans for the management of fishing capacity, States should assess the possible impact of all factors, including subsidies, contributing to overcapacity on the sustainable management of their fisheries, distinguishing between factors, including subsidies, which contribute to overcapacity and unsustainability and those which produce a positive effect or are neutral.

26. States should reduce and progressively eliminate all factors, including subsidies and economic incentives and other factors which contribute, directly or indirectly, to the build-up of excessive fishing capacity thereby undermining the sustainability of marine living resources, giving due regard to the needs of artisanal fisheries.

**3. Regional considerations**

27. States should cooperate, where appropriate, through regional fisheries organizations or arrangements and other forms of co-operation, with a view to ensuring the effective management of fishing capacity.

28. States should strive to collaborate through FAO and through international arrangements in research, training and the production of information and educational material aiming to promote effective management of fishing capacity.

C. SECTION III: INTERNATIONAL CONSIDERATIONS

29. States should consider participating in international agreements which relate to the management of fishing capacity, and in particular, the Compliance Agreement and the Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks.

30. States should support co-operation and the exchange of information among all regional fisheries organizations in accordance with their procedures.

31. States should take steps to manage the fishing capacity of their vessels involved in high seas fisheries and cooperate, as appropriate with other States, in reducing the fishing capacity applied to overfished high seas stocks.

32. States should improve, through regional fisheries organizations where appropriate, and in collaboration with FAO, the collection of data on catches on the high seas as well as in the coastal area by their fleet.

33. States should recognize the need to deal with the problem of those States which do not fulfil their responsibilities under international law as flag States with respect to their fishing vessels, and in particular those which do not exercise effectively their jurisdiction and control over their vessels which may operate in a manner that contravenes or undermines the relevant rules of international law and international conservation and management measures. States should also support multilateral co-operation to ensure that such flag States contribute to regional efforts to manage fishing capacity.

34. States should be encouraged to become members of regional fisheries organizations or arrangements, or agree to apply the conservation and management measures established by such organizations or arrangements to their vessels.

35. States should promote, with the assistance of FAO, the exchange of information about the fishing activity of vessels which do not comply with conservation and management measures adopted by regional fisheries organizations and arrangements, consistent with Article VI of the Compliance Agreement.

36. Anticipating the entry into force of the Compliance Agreement, States should strive to apply the provisions of Article III of that Agreement.

37. States should ensure that no transfer of capacity to the jurisdiction of another State should be carried out without the express consent and formal authorization of that State.

38. States should, in compliance with their duties as flag States, avoid approving the transfer of vessels flying their flag to high seas areas where such transfers are inconsistent with responsible fishing under the Code of Conduct.

D. SECTION IV: IMMEDIATE ACTIONS FOR MAJOR INTERNATIONAL FISHERIES REQUIRING URGENT MEASURES

39. States should take immediate steps to address the management of fishing capacity for international fisheries requiring urgent attention, with priority being given to those harvesting transboundary, straddling, highly migratory and high seas stocks which are significantly overfished.

40. Within the framework of their respective competencies, States should act individually, bilaterally and multilaterally, as appropriate, to reduce substantially<sup>3</sup> the fleet capacity applied to these resources as part of management strategies to restore overfished stocks to sustainable levels considering, in addition to the other relevant provisions of the International Plan of Action:

- (i) The economic importance of the fleets catching overfished stocks and the need to limit these fleets to a level commensurate with stock sustainability and economic viability; and
- (ii) the use of appropriate measures to control the transfer of overcapacity to fully exploited or overexploited fisheries, taking into consideration the condition of the fish stocks.

#### **IV. PART IV: MECHANISMS TO PROMOTE IMPLEMENTATION**

##### **A. AWARENESS BUILDING AND EDUCATION**

41. States should develop information programmes at national, regional and global levels to increase awareness about the need for the management of fishing capacity, and the cost and benefits resulting from adjustments in fishing capacity.

##### **B. SCIENTIFIC AND TECHNICAL COOPERATION**

42. States should support the exchange of scientific and technical information on issues related to the management of fishing capacity and promote its world-wide availability using existing regional and global fora.

43. States should support training and institutional strengthening and consider providing financial, technical and other assistance to developing countries on issues related to the management of fishing capacity.

##### **C. REPORTING**

44. States should report to FAO on progress on assessment, development and implementation of their plans for the management of fishing capacity as part of their biennial reporting to FAO on the Code of Conduct.

##### **D. ROLE OF FAO**

45. FAO will, as and to the extent directed by its Conference, collect all relevant information and data which might serve as a basis for further analysis aimed at identifying factors contributing to overcapacity such as, *inter alia*, lack of input and output control, unsustainable fishery management methods and subsidies which contribute to overcapacity.

46. FAO will, as and to the extent directed by its Conference, and as part of its Regular Programme activities, support States in the implementation of their national plans for the management of fishing capacity.

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<sup>3</sup>The required reduction would vary from fishery to fishery; e.g. a 20 to 30 per cent reduction was mentioned for large-scale tuna long line fleet (Technical Working Group on the Management of Fishing Capacity, 15-18 April 1998, FAO Fisheries Report No. 586).

47. FAO will, as directed by its Conference, support development and implementation of national plans for the management of fishing capacity through specific, in-country technical assistance projects with Regular Programme funds and by use of extra-budgetary funds made available to the Organization for this purpose.

48. FAO will, through COFI, report biennially on the state of progress in the implementation of the International Plan of Action.

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