

UPDATE OF FAO ACTIVITIES RELATED TO FISHERIES

Communication from the Food and Agriculture Organization (FAO)

I. INTRODUCTION

1. In complying with the mandate given by the FAO Conference, the FAO Fisheries Department is promoting and coordinating the implementation of the Code of Conduct for Responsible Fisheries (CCRF). The mandate also extends to addressing related priority issues that concern implementation. Issues as such are considered in the implementation of the Plan of Action for the Management of Fishing Capacity and for the better understanding of the role of fishery subsidies in trade and fishery resources sustainability.

2. The 23rd Session of the Committee on Fisheries made explicit references to fishery subsidies and the role of FAO,¹ when considering the report of the Sixth Session of the Sub-Committee on Fish Trade. The Committee underscored similar considerations when adopting the International Plan of Action for the Management of Fishing Capacity (IPOA). The implementation of the IPOA has been assigned high priority by the FAO Ministerial Meeting on Fisheries in March 1999. The IPOA contains specific references and recommendations related to fishery subsidies² in the context of the management of fishing capacity.

¹"In the discussion of agenda item 5 on the basis of document COFI:FT/VI/98/4, the Sub-Committee noted that the issue of subsidies are discussed in various fora, and that FAO has a role to play in compiling and disseminating information on subsidies at a global level. Many delegations stressed that the use of subsidies could aggravate over-exploitation of resources and distort trade, while other delegations underlined that in some cases subsidies may be necessary, for example, to secure employment and food security. One delegation stressed that there was no direct link between the question of overcapacity and distortion of trade in the fisheries sector." (Paragraph 17 - Report of the Sixth Session of the COFI's Sub-Committee on Fish Trade). "Some delegations stated that FAO should carry out further work on collecting information on subsidies. Other delegations suggested that FAO should undertake further work on this issue beyond the compilation of information. The Committee was informed that the OECD Committee on Fisheries is also undertaking work on financial transfers to fisheries" (Paragraph 49 – Report of the 23rd Session of the Committee on Fisheries).

²"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". (Paragraph 25 – International Plan of Action for the Management of Fishing Capacity).

"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". (Paragraph 26 – International Plan of Action for the Management of Fishing Capacity).

"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

3. During the meeting of the WTO Committee on Trade and Environment (CTE), 29-30 June 1999, in which the IPOA was presented, it was recommended that FAO be invited to report to its subsequent meeting (October 1999) on the current activities to implement the IPOA and "at least on the main elements of an indicative work programme aimed at addressing the impact of subsidies and other factors which contribute to overcapacity and unsustainability in fisheries". This request was in principle fulfilled in October 1999. This note provides more detailed information on both subjects. A review of the recent work undertaken and the future activities to be undertaken by FAO in support of the management of fishing capacity is included in this summary presentation (Section II). The document also introduces (Section III) the related initiatives being undertaken by FAO to address the issue of subsidies in fisheries

II. ACTIVITIES RELATED TO THE IMPLEMENTATION OF THE IPOA

4. Steps are being taken by FAO to provide support to the implementation of the IPOA and to address related issues. Major initiatives are reviewed below.

5. Technical Guidelines for the management of fishing capacity are being prepared and will be published mid 2000. Together with existing CCRF Guidelines on Fishery Management, this document will assist the Member Countries in efficient implementation of the IPOA.

6. A Technical Consultation was organized from 29 November to 3 December 1999 in Mexico and addressed issues pertaining to the measurement of fishing capacity. Technical guidelines are being prepared on this basis specifying methods and main options for measurement and monitoring of fishing capacity.

7. FAO is collaborating closely with Australia in the collection and analysis of data on illegal, unregulated and unreported (IUU) fishing. An Expert Consultation will discuss these issues in Sidney, Australia, from 15 to 19 May 2000. This activity will lead to the preparation of a draft international plan of action on IUU to be discussed at an FAO Technical Consultation to be held in Rome from 2 to 6 October 2000. The issue is relevant to the implementation of the IPOA on the management of fishing capacity, as well as to the implementation of other international instruments regarding high sea fisheries.

8. The transition to responsible fisheries and the control of fishing capacity in particular may require adjustments in fleet size, the relocation of fishers and - in the case of small scale fisheries - the implementation of alternative livelihood programmes. Work on this issue is being initiated which will lead to the organization in 2001 of a FAO Expert Consultation on the Reduction of Fishing Capacity.

9. As requested in the IPOA, FAO is also initiating work on the identification of factors contributing to overcapacity and unsustainability, such as: lack of input and output control, unsustainable fishery management and subsidies which contribute to overcapacity. As a first step a study has been initiated which aims at the systematic identification of such factors and at reviewing their comparative theoretical impact on sustainability. On this basis and further considering the outcome of work undertaken on related issues (IUU, subsidies, fishery management, etc.) FAO will assess at a later stage the need to organize an international technical meeting on the identification and assessment of factors contributing to overcapacity and unsustainability of fisheries.

10. FAO is also aiming at providing increased direct support to developing member States for the promotion of sustainable fisheries in general and for the implementation of the IPOA in particular. A

contribute to overcapacity". (Paragraph 45 – International Plan of Action for the Management of Fishing Capacity).

programme is being developed towards this end which will require extra-budgetary funding. As a first step and with the financial assistance of Japan, FAO will organize in 2000-2001 a series of three regional workshops aimed at facilitating the implementation of the IPOA in selected developing countries.

III. ACTIVITIES RELATED TO SUBSIDIES IN FISHERIES

A. BACKGROUND INFORMATION

11. The role of fishery subsidies in relation to fish trade and resource sustainability issues is a familiar subject to the Fisheries Department. Several studies discussing and or trying to evaluate such impact have been published on the subject in the past, touching either one or the other, or both issues. Recently the Fisheries Department has been requested to devote additional efforts to this matter. Apart from FAO, several other international organisations have ongoing activities regarding fishery subsidies (OECD, WTO and APEC). Some major fishing nations are looking into the matter at a national level.

B. FAO PROGRAMMED ACTIVITIES

12. In order to fulfil the mandate of FAO member countries to address the fishery subsidy issue in relation to trade and fishery resource sustainability, a Task Force on Fishery Subsidies was established in the FAO Department of Fisheries. The purpose of this Task Force is to contribute to the assessment of the impact of subsidies on fishery resources, sustainability and subsequently on international trade in fish and fish products. This Task Force will perform its duties in accordance with the mandate provided to FAO by member countries, in a technical environment open to discussion of all positions on the subject, taking full advantage of the available inter-disciplinary technical resources inside the Fisheries Department and in close inter-relationship with other relevant organisations and individual specialists connected with the issue outside the Organisation.

13. The Task Force will:

- Act as Departmental focal point and advisory group in all matters related to fishery subsidies.
- Monitor and review the institutional and technical discussions and contributions on fishery subsidies taking place world-wide and report on findings.
- Collect and disseminate information on fishery subsidies.
- Maintain a close relationship and exchange of information with other relevant organisations.
- Provide information and eventually technical support for the related activities in the Sub-Committee on Fish Trade and toward the implementation of the IPOA on the Management of Fishing Capacity.

14. The workplan of the FAO Task Force will include, in principle, four steps:

Step 1: Review of fishery subsidies

Due to concerns about their possible undesirable effects, member countries are examining the role of subsidies and economic incentives in relation to international trade, environment and sustainable development issues, particularly their role with regard to trade of fish and fish products and to fishery resources sustainability. It seems that prior to assessing the economical and social implications of fishery subsidies, there is a need to conduct a technical review of subsidy concepts and modalities in fisheries. This would contribute to the technical feasibility for an effective measurement of the impact of subsidies in fisheries. To achieve this, the following activities are envisaged:

- Perform a thorough and exhaustive review of the forms of subsidies in fisheries, to establish a common technical baseline for discussion.
- Review on this basis the likely impact of subsidies on fishery resources sustainability.
- Review on the same basis their impact on international trade in fish and fishery products.

Step 2: Expert Consultation

A group of experts will be convoked to examine the studies prepared in Step 1 and all other relevant information. They will contribute technical inputs to the preparation of a report to be submitted to the 24th Session of COFI. Cooperation with other relevant IGOs, especially the WTO, will be sought. The Expert Consultation is scheduled to take place in Rome (FAO HQs) from 28 November to 1 December 2000.

Step 3: Dissemination

A report with findings, conclusions and recommendations will be submitted the 24th Session of COFI for review and discussion.

Step 4: Follow-up activities

The 24th Session of COFI will consider the matter and advise on follow-up activities.
