

UNEP FISHERIES SUBSIDIES WORKSHOP

Chairman's Summary

Communication from UNEP

I. INTRODUCTION

1. This summary sets out key elements of presentations made, and the discussions and diversity of views held at the UNEP workshop on 12 February 2001, which was attended by representatives of more than 60 governments, five intergovernmental organizations (FAO, WTO, UNCTAD, ILO and the OECD), the European Commission and a number of NGOs and fisheries experts. The presentations and discussions explored in detail the relationship between fisheries subsidies, overcapacity and overfishing, and also the effects of fisheries subsidies within the overall context of fisheries management regimes.

2. Opinions differed as to the relative importance of fisheries subsidies as a factor affecting the state of fisheries resources, and to defining effective approaches to their sustainable management. Fisheries subsidies were not seen as the sole or the main cause of unsustainable management of fisheries resources. However, evidence indicates that subsidies do contribute to overcapacity and depletion of fish stocks, particularly in the absence of appropriate management regimes. Accordingly, steps to address the negative impacts of fishing subsidies, where they exist, should be complemented by stronger action for sustainable management of fisheries.

3. Formal presentations were made by the WTO, the FAO, the OECD, Japan, New Zealand, and the Chair of the WTO's Committee on Trade and Environment (CTE). Two NGOs, the World Wide Fund for Nature (WWF) and the International Collective in Support of Fishworkers (ICSF), also made formal presentations, as did the project leaders of two UNEP country studies on the fishery sector (ENDA of Senegal and CEDEA of Argentina) and a UNEP fisheries expert. Representatives of number of governments, intergovernmental organizations, and NGOs expressed appreciation for the organization of the workshop and for the studies presented.

4. Some participants expressed concerns over the accuracy of some of the data presented in the case studies. Those concerns about factual accuracy were addressed both by noting comments made in the meeting, and by making provision to receive further written comments after the meeting. Towards the end of the meeting there was some convergence on elements of further analysis required to better understand the interaction between subsidies and fisheries management. Progress was also made on defining some collaborative actions that could be taken to promote more sustainable management of fisheries resources.

5. This Chairman's Summary groups key points arising in the workshop under analytical challenges, key concerns which must be addressed, existing tools for addressing the issue and options for moving forward. It was pointed out in the meeting that one's approach to the fisheries subsidy issue will depend on what is defined as the primary concern – whether it is their effects on trade, on fishing capacity or on the natural resource itself. In setting out this summary it is assumed that the overarching objective of UNEP's work in this area should be to secure sustainable management of fisheries resources, so as to support sustainable development, including through the removal of harmful market distortions.

II. ANALYTICAL CHALLENGES

6. The relationship between fisheries subsidies, overcapacity and overfishing is a complex one, that has to be understood in the overall context of fisheries management and the factors that affect it. It was also recognized that fisheries subsidies should engage the attention of a range of international bodies with relevant trade, environment and development expertise, all of whom had different but complementary mandates that could contribute to further analysis in this area. Opinions differed on the relative importance of fisheries subsidies as a cause of overcapacity and overfishing, and some participants identified a range of analytical and research needs as requirements for further improving this understanding.

- (a) There is a need to gain a better understanding of the range of subsidies and financial transfers provided by governments in the fisheries sector. This would enable attention to be focussed on identifying transfers that needed to be addressed as a priority through appropriate national and international action.
- (b) It is also important to categorize their economic, social and environmental effects, and in particular to distinguish between those that support and undermine sustainable management of fisheries.
- (c) In particular, it would be useful to better understand the effects on resource sustainability of subsidies provided for fisheries infrastructure, such as ports, processing and distribution facilities.
- (d) More country-level, factual studies, such as those presented by the Argentinian and Senegalese institutions, are required to help with definition and categorization of subsidies and their effects.
- (e) Governments should cooperate more effectively with appropriate international fora to provide more transparent information on the financial transfers they provide to the fisheries sector. While some useful information has been brought forward in recent years in studies carried out, *inter alia*, by OECD and APEC, much information about fisheries subsidies remains obscure.

III. KEY CONCERNS

7. The following issues were raised by some participants as requiring consideration when assessing the effects of fisheries subsidies, and during the formulation of any policy response.

- (a) The social dimensions of subsidies and their implications for sustainable development must be considered in the categorization of subsidies and their effects.
- (b) The particular conditions, needs and priorities of developing countries, and small-scale fisheries within them, must be taken into account in this policy analysis.
- (c) Subsidies oriented towards health, safety, food security and environmental objectives, especially for local communities in developing countries, can make important contributions to attaining these social objectives, and to sustainable development more generally.
- (d) The state of a particular fish stock should be an important factor in determining what actions are necessary on fisheries subsidies, or other factors affecting fisheries management.

- (e) Further analysis is also needed to assess the effect of trade liberalization on the fisheries sector, as some forms of liberalization could negatively impact the sustainable management of fisheries resources.
- (f) There is a need to address the problem of excess or retired fishing capacity being exported from the Exclusive Economic Zones of some countries to those of others, thereby contributing to overcapacity in the latter.
- (g) There is a need to further assess the link between subsidies, overcapacity and overfishing, and the link between subsidization and fisheries management more generally.
- (h) Technical assistance is required to provide developing countries and those with economies in transition with the technology, skills and other resources necessary to achieve sustainable management of fisheries resources.

IV. EXISTING TOOLS FOR ADDRESSING FISHERIES SUBSIDIES

8. Some participants felt that it should be possible to address the issue of subsidies directly and immediately, as a contribution to enhancing the sustainable management of the resource, reducing market distortions and improving the trade and development prospects for developing and least-developed countries. Others felt that no action should be taken until a clearer understanding of the influence of fisheries subsidies within overall management regimes was developed. A range of tools and measures were suggested both for more accurately identifying and quantifying fisheries subsidies, and for gaining a clearer understanding of their effects. These included the following:

- (a) More workshops such as this one, involving governments, intergovernmental organizations, fisheries experts, NGOs and the private sector would be helpful to better define the problem, and build partnerships to develop sustainable fisheries policies.
- (b) More provision of data by governments and more transparency generally on the subsidies they provide to this sector is needed in the process of definition and categorization, as well as in supporting the implementation of current or future international commitments affecting the use of fishing.
- (c) Notification of fisheries subsidies under the WTO Subsidies and Countervailing Measures Agreement can be an important source of data on fisheries subsidies, and will generally enhance transparency and government accountability on the provision subsidies.
- (d) A better understanding of existing disciplines on fisheries subsidies, or an elaboration of new ones, for example under regional fisheries agreements, specialized international organizations such as the FAO, or the WTO's Subsidies and Countervailing Measures Agreement, could make an important contribution to sustainable management of fishery resources.
- (e) More international cooperation generally, and coordinated action by relevant intergovernmental organizations, was welcomed and believed necessary to address unsustainable fisheries management.

V. OPTIONS FOR MOVING FORWARD

9. Some new approaches to the issue of understanding and addressing the trade, environmental and developmental effects of fisheries subsidies were proposed by some participants, based on discussions and analysis in the meeting, as well as new institutional insights.

- (a) Prioritization of studies on subsidies that are applied to open-access, unregulated and/or over-exploited fish stocks, which were generally considered to be more susceptible to negative effects from fisheries subsidies.
- (b) Defining a list of sustainability criteria, applicable to fisheries subsidy programmes, so as to create a “red list ” of subsidies that should be prohibited and further elaborated in the UNEP background paper.
- (c) Applying a matrix approach to categorizing subsidies and their effects, as suggested in the UNEP background paper prepared for the meeting. Some participants cautioned that because of the complexity of the issues, the matrix approach might be difficult to translate into clear and enforceable rules and obligations.
- (d) Explicitly aiming to combine the objectives of minimizing trade distortions, protecting the environment and natural resources, and enhancing development opportunities for developing countries, was considered a critical element of fishery subsidy reform (so-called “win-win-win” solutions).
- (e) Placing the issue of fisheries subsidies on the agenda of the Qatar Ministerial Conference of the WTO, with the aim of negotiating stronger disciplines on fisheries subsidies.
- (f) Enhanced collaboration between the FAO, OECD, WTO, UNEP and the regional fisheries management organizations was encouraged, so as to build an institutional framework encompassing the relevant mandates and expertise necessary to eliminate trade distortions and to secure sustainable development objectives in the fisheries sector. Past studies and analysis produced by these institutions should contribute to this objective.

10. The meeting concluded with an expression of appreciation to all participants, and by acknowledging the financial support of the New Zealand government, which enabled broader developing country participation in the meeting. The Chairman stated UNEP’s intention to follow up this meeting with further collaborative activities on this issue.
