



**LDC GROUP SUBMISSION ON  
ELEMENTS FOR WTO FISHERIES SUBSIDIES DISCIPLINES**

SUBMISSION BY BENIN ON BEHALF OF THE LDC GROUP

The following communication, dated 21 December 2016, is being circulated at the request of the Delegation of Benin on behalf of the LDC Group.

The present submission, circulated on behalf of the LDC Group, proposes elements of discussion on fisheries subsidies disciplines. It furnishes and builds upon the principles pronounced by the LDC Group in its earlier submission this year.<sup>1</sup>

**1 INTRODUCTION**

1.1 Fisheries are a crucial source of livelihood, rural development and economic growth in LDCs. The sector also represents a vital source of export earnings for many LDCs and contributes directly to food and nutrition security. According to the FAO, fish is one of the most important sources of animal protein, accounting for about 17 % of per capita intake at the global level, but exceeding 50 % in many least-developed countries. In Africa alone, the sector provides employment to nearly 13 million people.

1.2 Ineffective fisheries management and the incentives created by cost reducing subsidies – particularly those granted to large-scale industrial fishing - have led to overcapacity and overfishing, undermining LDCs food security and development prospects. The FAO estimates that 58 % of the commercial fish are fished at maximum levels and 31 % are already overfished. According to the World Bank the cost of overfishing is estimated at USD 80 billion a year.

1.3 With limited fishing capacity and largely under-developed fishing fleets, LDCs' share of global wild catches has remained small and the group has not been responsible for overfishing. Yet LDCs are directly affected by the depletion of global fish stocks and harmful subsidies provided to large industrial fleets fishing beyond their national jurisdiction in or close to LDCs' Exclusive Economic Zones.

1.4 The mandates for WTO fisheries subsidies negotiations are found in the Doha Declaration (paragraph 28) and the 2005 Hong Kong Ministerial Declaration, Annex D, paragraph 9. The Nairobi Declaration, paragraph 24 calls upon Members to prioritize issues of importance to LDCs and paragraph 31 states the strong commitment of all Members to advance negotiations on the remaining Doha issues including rules. In addition to the WTO mandates, Goal 14.6 of the 2030 Sustainable Development Agenda aims strengthen disciplines on fisheries subsidies by 2020.

**2 SCOPE OF THE DISCIPLINES**

2.1 Overall, negotiations should aim to discipline fisheries subsidies<sup>2</sup> which contribute to overcapacity and overfishing, and eliminate subsidies to illegal, unreported and unregulated (IUU) fishing.<sup>3</sup>

<sup>1</sup> Paragraphs 3.8 – 3.11 of WT/GC/W/717; TN/C/W/73; WT/COMTD/LDC/W/63 (24 June 2016).

<sup>2</sup> Negotiations should cover subsidies as defined in paragraph 1 and 2 of Article 1 of the ASCM. They should be confined to wild marine capture and should not apply to inland fisheries or aquaculture.

2.2 The scope of the disciplines should target primarily industrial fishing on a large scale. While recalling the importance for Members to establish effective and sustainable management schemes of fisheries resources, disciplines should not apply to subsidies supporting the following activities:

- a. Coastal fishing activities related exclusively to artisanal, traditional, or small scale fisheries within the Member's territorial waters;
- b. Fishing activities, which exclusively exploit domestic fish stocks whose ranges are confined to the Members' EEZ.
- c. Fishing activities, which exclusively exploit quotas or any other rights established by a regional fisheries management organization (RFMO) or a regional fisheries management arrangement.

### **3 PROHIBITED SUBSIDIES**

3.1 Disciplines should aim to prohibit, inter alia, the following types of subsidies:

- a. Subsidies to fishing vessels or fishing activity negatively impacting fish stocks that are overfished;
- b. Subsidies provided to vessels or operators engaged in illegal, unreported and unregulated fishing (the prohibition should also apply to illegal transshipment at sea); and
- c. Subsidies to capital and operating costs which contribute to overcapacity and overfishing.

### **4 TRANSPARENCY AND NOTIFICATION CONSIDERATIONS**

4.1 While recognising the advantages of enhanced transparency, the LDC Group considers that any additional requirements on transparency and notification should remain proportional to the global objective and should not be burdensome for LDCs.

### **5 SPECIAL AND DIFFERENTIAL TREATMENT FOR LDCS**

5.1 The prohibitions under 3.1 (a) and (b) should apply to all Members without exception. However, technical assistance and transition periods should be provided to address LDCs' institutional and financial constraints in implementing the disciplines including the fight against IUU fishing.

5.2 Prohibitions other than those outlined in 3.1 (a) and (b) above should not apply to LDCs.

5.3 Capacity building should be provided to help LDCs develop their fishing capacity in a sustainable manner, to assess and monitor stocks, and control fishing activities.

### **6 CONCLUSION**

6.1 The LDC Group urges Members to take this submission into account to achieve a concrete developmental and multilateral outcome on fisheries subsidies rules for the Eleventh Ministerial Conference.

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<sup>3</sup> The terms "illegal fishing", "unreported fishing" and "unregulated fishing" should have the same meaning as in paragraph 3 of the International Plan of Action to Prevent, Deter and Eliminate Illegal Unreported and Unregulated Fishing of the United Nations Food and Agricultural Organization (FAO).