

## **International Collective in Support of Fishworkers (ICSF)**

### **A REVIEW OF THE DRAFT AGREEMENT ON FISHERIES SUBSIDIES (WT/MIN (22)/W/20)**

**13 June 2022**

1. The International Collective in Support of Fishworkers (ICSF) has reviewed the draft WTO Agreement on Fisheries Subsidies from the Chair of the Negotiating Group on Rules, submitted in document WT/MIN (22)/W/20, dated 10 June 2022, for the attention of Ministers attending the Twelfth Ministerial Conference (MC12) in Geneva from 12 to 15 June 2022 towards building a consensus for a final outcome.

2. The draft Agreement essentially attempts to provide a fillip to multilateral environmental agreements by strengthening the duties of coastal States towards their conservation obligations, especially under the United Nations Convention on the Law of the Sea. Upholding these obligations are long overdue, considering that marine fish stocks, across the world, are faced with burgeoning overfishing pressures due to a laxity of governance. The fisheries resources are believed to be renewable; the situation can be reversed to benefit all humanity, if marine biodiversity and ecosystems are well managed by improving governance. There are exceptions proposed to a subsidy for disaster relief, with necessary caveats.

3. Of the three pillars of subsidies for prohibition in the draft Agreement, subsidies to illegal, unreported and unregulated (IUU) fishing and to overfished stocks—pillars 1 and 2—are proposed to be firmly dealt with. Subsidies to the third pillar, namely, overcapacity and overfishing, are to be less strictly regulated in relation to the other two, especially if a subsidizing Member demonstrates effective fisheries-management measures to maintain fish stocks at a healthy level in areas under its jurisdiction.

4. Under special and differential treatment (SDT) of developing countries, a period of two years in areas up to 12 nautical miles from the baselines is proposed for “low income, resource-poor and livelihood fishing”—a proxy for artisanal or small-scale fishing—to phase out subsidies to IUU fishing, and subsidies to overfished stocks. While not denying the fact that the subsidies to overfished stocks are to be sternly dealt with, the complexity and lack of coherence of IUU fishing, particularly in developing countries with long coastlines and multiple jurisdictions, demand more time than a biennium to phase out subsidies to this pillar.

5. The SDT provisions proposed for subsidies to overcapacity and overfishing pillar are more flexible than those for the other two pillars. They include a seven-year exemption period from action to grant or maintain these subsidies to all vessels and operators within the exclusive economic zone (EEZ). Most significantly, they include a provision to make a permanent exemption to artisanal or small-scale fishing operating from the marine internal waters to the territorial sea (or up to the contiguous zone, if 24 nautical miles from the baselines are to be accepted as the limit).

6. To be effective, and to protect the marginalized sections of artisanal or small-scale fishers, a permanent exemption should not be made to environmentally harmful and inequitable towed fishing gear operations such as bottom trawl, or to the operations of incompatible purse-seines or ring-seines. The geographic limit up to the territorial sea, or to the contiguous zone, appears reasonable and may be extended to the entire EEZ to assist selective and sustainable artisanal hand-line, pole-and-line and long-line fishing operations targeting underexploited tuna stocks.

7. The WTO Members are proposed to provide robust information on fishing vessels and operators engaged in IUU fishing, and on fisheries access agreements in force. Data on fishing activity, the conservation and management measures for relevant fish stocks, and fleet capacity in different fisheries are proposed to be maintained, along with an effective fisheries-management regime. The notification regime, including for non-specific fuel subsidies, needs to be the driving force of this Agreement, once concluded.

8. Under a voluntary WTO funding mechanism, targeted assistance for the purpose of implementation of the disciplines under the draft Agreement, is to be provided to developing country Members in collaboration with the Food and Agriculture Organization of the United Nations (FAO) and the International Fund for Agricultural Development (IFAD).

9. The negotiations this week—a fortnight before the United Nations Ocean Conference in Lisbon, Portugal—may lead to a decisive outcome, consistent with the pending mandate of WTO to clarify and improve existing WTO disciplines on fisheries subsidies, to prohibit certain forms of fisheries subsidies that contribute to overcapacity and overfishing, and to meet SDG target 14.6 under the United Nations 2030 Agenda for Sustainable Development.

10. It is a significant moment for a trade body to stand by multilateral environmental agreements to help reverse overfishing pressures, to achieve sustainable marine fisheries and to benefit present and future generations. A final outcome in Geneva would raise the profile of sustainable marine fisheries at the highest level, and can serve as an impetus to improve marine fisheries governance in the coastal States.