

# BIG IMPACTS FOR SMALL SCALE FISHERS

## *The World Trade Organization's negotiations on fisheries subsidies and the need for the voice of small-scale fishers*

This year the World Trade Organization (WTO) is pushing to reach an agreement on the use of subsidies for fishing, a deal that will have widespread impacts on small-scale and artisanal fisherfolk around the world.

While the negotiations on fisheries subsidies began over 18 years ago, they received a renewed boost with the Sustainable Development Goals (SDGs). The SDG14.6 aims for members to “by 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, and eliminate subsidies that contribute to Illegal, Unreported and Unregulated (IUU) fishing, and refrain from introducing new such subsidies, recognizing that appropriate and effective Special and Differential Treatment (SDT) for developing and least developed countries should be an integral part of the WTO fisheries subsidies negotiation.”

The last WTO Ministerial in 2017 resulted in Ministers deciding to conclude the talks by the next Ministerial scheduled for June 2020 however that has now been postponed due to the COVID19 pandemic. There is considerable pressure now to see the WTO decide on prohibitions for fisheries subsidies by the end of this year.

The negotiations are being conducted under three pillars and aim to eliminate or limit subsidies in each of these categories:

- a) Illegal, Unreported and Unregulated (IUU) Fishing;
- b) Overfished stocks; and
- c) Overfishing and Overcapacity.

This briefing paper is aimed to help fishing communities engage with what the proposed deal can mean for their lifelines and their livelihoods. Given the great diversity among fishing communities this brief contains some guiding questions to allow communities to link their specific circumstances to the impacts of the proposed WTO rules.

### **Definitions**

The ‘Scope’ and ‘Definitions’ of the agreement define exactly what the agreement will apply to in regards to fisheries subsidies. There is also a specific inclusion of prohibitions on ‘fuel’ subsidies which if not properly protected could see coastal communities that rely on them impacted.

Currently the ‘scope’ of the agreement is for subsidies to “marine wild capture fish and fishing-related activities at sea”. This means that inland fisheries and aquaculture are currently excluded from negotiations. The definition of fishing includes “searching for, attracting, locating, catching, taking or harvesting fish” or any activity that can be expected to result in those activities and isn’t seen as particularly controversial.



The definition of “fishing-related activities” however includes the “landing, packaging, processing, transshipping or transporting of fish” and the “provisioning of personnel, fuel, gear and other supplies at sea”. It is important to ensure that only such activities at sea are included in the negotiations, and it should be reiterated in the definitions, means that any government support for assisting communities that want to land, package or process fish harvested wouldn’t be allowed. Further the inclusion of any support for

fuel and personnel can impact key financial support for coastal communities.

### **Key Questions for Fisherfolk:**

- *Do you currently receive government support for fishing or fishing-related activities?*
- *How much support do you receive for activities at-sea?*
- *Is any of the support used for activities that aren't only at sea?*
- *What would happen if these subsidies were phased out or cut off?*

## ***Illegal, Unreported and Unregulated (IUU) Fishing***

Eliminating subsidies that contribute to IUU fishing is a key component in the SDG and WTO negotiations. The current proposals state that no member shall provide subsidies to a vessel or operator engaged in IUU fishing as determined by coastal states, Regional Fisheries Management Organisations (RFMOs) or flag states, among others. There is also a requirement that governments have laws, regulations and procedures in place to ensure that subsidies aren't given to IUU fishing.

For small-scale and artisanal fisherfolk this can pose a wide array of compliance and procedural issues which may result in unintentional breaches. It is also difficult to sometimes distinguish actual IUU fishing from small-scale, informal, traditional fishing that often takes place in developing countries. The impacts of this can result in the lifelines that fisherfolk and communities rely on being undermined.

Within these negotiations there are proposals for 'Special and Differential Treatment' as per the SDG yet these are currently failing small-scale fishers. The current proposed exclusion only applies for unreported and unregulated fishing in the territorial waters (20 nautical miles) of developing countries provided it is not for "large-scale industrial fishing vessels" (there is no set definition for this yet) and only for an as yet to be determined transitional period.

This is highly problematic for many coastal communities who rely on government support and who aren't always able to comply with the regulations despite best intentions. A proposed transition period for subsidies to still be allowed in territorial waters may be manageable for some developing countries to resolve and support communities in other ways but for the majority of developing countries this won't be possible resulting in communities having to deal with any decisions that result in the cutting off of government support. Subsistence communities shouldn't bear the brunt of these prohibitions and instead support should be given to them to encourage and ensure their compliance as opposed to punitive measures like cutting off support.

### *Key Questions for fisherfolk:*

- *Are there issues with compliance to regulations around fishing that could easily lead to fishers being ruled to be engaging in IUU fishing?*
- *What level of subsidies is given to fishers that would be jeopardised if compliance is not consistently met?*
- *How would fishers cope with the removal of any such subsidies within a short timeframe (2 years for example)?*

## ***Overfished stocks***

The proposals on over-fished stocks attempt to prohibit subsidies for fishing regarding stocks that have been declared over-fished.

There is a need for greater clarity on what it means for a subsidy for fishing to be "regarding" a stock. It is unclear whether or not the subsidy has to have been specifically for fishing that stock or whether it is received more generally and the recipient has fished an overfished stock. This is an issue that also applies below in regards to "Over-fishing & Overcapacity".

The proposals also allow for some subsidies provided that there are "appropriate measures" in place to ensure the rebuilding of the stock. This is problematic as it invites the WTO, a body with no expertise on fisheries management, to determine whether or not the national sustainable management of fisheries is appropriate. This can impact small-scale fishers as it will further remove the decision-making processes for how stocks are managed by national and local governments and management authorities. This will undermine the ability of communities to work with their governments to manage their resources.

Like the IUU prohibitions, the Special and Differential Treatment provisions in the text for overfished stocks are inadequate and raise many of the same concerning scenarios. This includes the limiting of the carve-out to the area of territorial waters as well as the temporary nature of that carve-out as it does not provide the flexibilities necessary for small-scale fishers.

### *Key Questions for fisherfolk:*

- *What level of up-to-date information is given about stock assessments and which stocks can and cannot be fished?*
- *How often are multiple species targeted when fishing?*
- *How often may small-fishers actually fish without knowing if stocks are over-fished?*



## Overfishing and Overcapacity

The proposals on Overfishing and Overcapacity relate to any subsidies that lower capital or operating costs for fishing regarding a stock that is being fished at a rate that doesn't allow stock recovery.

It is important to see what is included in these prohibited subsidies. According to the proposals:

- *capital costs* include construction, buying, modernising, renovating or upgrading of vessels, and the purchasing of machines and equipment for fishing vessels (including fishing gear and engine, fish-processing machinery, fish-finding technology, refrigerators, or machine for sorting or cleaning fish).
- *operating costs* include costs of fuel, ice, bait, personnel, social charges, insurance, and gear; subsidies that reduce operating costs include, inter alia, income support of vessels or operators or the workers they employ, payments based on the price of fish caught, subsidies for at-sea support, and subsidies to cover operating losses of vessels or fishing or fishing related activities.

Many, if not all, will apply to small-scale fishers and any potential loss of government support to fisher livelihoods and communities will have significant impacts. It also underscores the importance of ensuring that there is an effective carve-out for the entire exclusive economic zone for countries, something that is not agreed at the moment.

We are also seeing proposals in this section to allow subsidies provided that a country can demonstrate it has policies in place to ensure the stocks remain at a sustainable level. This again raises the issues around the WTO making decisions on the management measures of countries without any expertise. This will result in decisions about the management of fisheries being further removed from those whose livelihoods depend on them.

The current text contains the option to have a list of subsidies that are allowed under the agreement. This is problematic as it risks enshrining market dominance to

those developed countries who, after initially subsidising fleet capacity, have now phased out capacity enhancing subsidies but continue to subsidise their fleets in other ways. Such an outcome would repeat the mistakes of the WTO's Agreement on Agriculture, an agreement that still allows the wealthiest countries to continue to subsidise their farmers at greater levels than developing countries, undermining food security and farmer livelihoods.

The proposals for Special and Differential Treatment allow Least-Developed Countries to continue to subsidise in their exclusive economic zone. Developing Countries are allowed to subsidize within their territorial waters but this extends out to their full economic exclusion zone if they fall under a specific criterion. While many developing countries will have it extended out to the economic exclusion zone the proposal does not do enough to support the existing rights that countries already have to manage and fish this area.

It is important to remember these rules will dictate fishing subsidies now and into the future. For small-scale and artisanal fishers, it is important to ensure that there is a sufficient carve-out to allow them to be able to receive the capital and operating costs that are currently needed now or in the future as the needs of fishing communities change. Getting the protections wrong now will result in fisher communities losing the ability to undertake development options and further allow the fishing stocks to be fished by those vessels that have already received government support.

*Key Questions for fisherfolk:*

- *What are the current levels of support that fishers receive for capital or operating costs?*
- *What are the aspirations or development goals that fishers have and what is the role of government subsidies in achieving that?*



## **Where to next?**

There is a growing push to have the negotiations on fisheries subsidies concluded by the end of the year. The rush is putting concluding an outcome over and above ensuring that the content of any agreement will work to support fisheries as well as the development and livelihoods of millions of fisherfolk in developing countries.

There are ongoing issues about the WTO mandate on the global management of fisheries. Current proposals mean that it is infringing upon accepted and agreed international agreements on fisheries such as the United Nations Convention on the Law of the Sea and others with regard to the right of sovereign nations to manage their resources within the EEZ. Also, meeting the international standards that may be decided at the WTO will have spillover effects into RFMOs to ensure consistency. This will result in non-WTO members potentially complying with outcomes they have not negotiated. As pointed out earlier, the WTO is neither a fishery related organisation, nor does it have the expertise or the mandate to interfere in fisheries management issues, either at a national, regional or global level.

The schedule of negotiations going forward will see an ambitious attempt to try conclude the talks in December. The proposed dates for the next rounds of negotiations are: September 14, October 5, November 2 and November 30. The rush to conclude continues to ignore the ongoing COVID19 pandemic and the implications that it is having especially on under-resourced developing and least-developed countries.

Currently the voices of fisherfolk communities are largely absent in the conversations about what the deal could look like. There is still time to ensure that a deal supports the rights of developing countries and the communities who rely on fishing for their livelihoods and sustenance.

### *Key Questions for fisherfolk:*

- *What is your country's position on the negotiations, especially regarding 'special and differential treatment' for small-scale and artisanal fishers?*
- *How can you influence your country to ensure that fisherfolk are effectively protected from prohibitions both now and for future development?*

**This brief was compiled by the Pacific Network on Globalisation (PANG).  
PANG is a Pacific regional network promoting self-determination and ikonomik  
justice in the Pacific Islands.**

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