

# A HISTORIC FIRST STEP FOR THE OCEAN, A GIANT STEP FOR TRANSPARENCY



**A historic first step for the ocean, a giant step for transparency, [WTO fisheries subsidies deal](#).** After a marathon negotiation since Sunday, June 12, and two sleepless nights of tension and extensive inter-ministerial talks, the WTO overcame attempts by some States to block the negotiations and announced this morning at 6:30 am a historic step for the world's ocean: an agreement on public subsidies provided to the fishing sector.

After well over 20 years of negotiations, the World Trade Organisation has FINALLY reached a multilateral agreement on the major issue of financial support granted to the fishing sector worldwide.

The most recent global assessment of public aid to the fishing sector, co-authored by BLOOM (1), calculated that US\$ 35.4 billion of public money had been allocated to the fishing sector globally (reference year 2018). More than 80% of subsidies were granted to the industrial fishing sector, and only 19% to artisanal fishing.

Did the WTO succeed to put an end to all harmful subsidies encouraging overfishing? No. But the objective of WTO Director-General Ngozi Okonjo-Iweala was to bring the WTO out of the torpor it had fallen into for several years, an unproductivity which had transformed into paralysis after the election of Donald Trump. The challenge was to show that the WTO was still a functional and useful institution that could proceed "step by step" rather than wait for the improbable perfect multilateral agreement on a comprehensive package of disciplines. By setting the agreements in stone and leaving the disagreements to the ongoing work of the diplomatic delegations in Geneva, DG Okonjo-Iweala's pragmatic approach paid off. The agreement on fisheries subsidies is certainly imperfect and will have to be largely completed and improved as soon as possible, but at least it exists.

*"It is finally an international recognition by States that the majority of fisheries subsidies are harmful and encourage overfishing, environmental destruction and the accelerated disappearance of small-scale fishing worldwide" according to Claire Nouvian, founder of BLOOM. "This is a historic step forward. The text is flawed and imperfect but still marks a huge advancement. In 2008, we were already present with OCEANA at the WTO headquarters to plead for a ban on fisheries subsidies. In 2017 in Buenos Aires, with the Varda Group, we were close to having the agreement we have today. It took a huge campaign orchestrated by the Pew Charitable Trusts bringing together more than 180 NGOs including BLOOM, and the constant pressure of UN's Special Envoy for the Ocean, Ambassador Peter Thomson, for the 164 States to regain the motivation to reach a first agreement. We congratulate the States that were the crucial architects of the agreement, especially Colombia, New Zealand, and the Pacific Island nations, including Fiji, for their tireless work and the course they have maintained for years to reach this major agreement."*

#### **What does the agreement say?**

The agreement reached by the WTO at the dawn of June 17 addresses three issues: illegal fishing, overexploited fish stocks and transparency.

**Article 3 prohibits subsidies to illegal**, unreported and unregulated (IUU) fishing and gives a two-year exemption to the least developed countries (LDCs) to implement this measure in their exclusive economic zone (EEZ).

**Article 4 prohibits subsidies to fisheries targeting overexploited fish stocks.** With a caveat: a State *"may grant or maintain subsidies if such subsidies or other measures are implemented to rebuild the stock to a biologically sustainable level"*.

**BLOOM alerts on this exemption as it may open a chasm of complicity between industrial fishing lobbies and States to implement soft measures in order to maintain public subsidies.** It also opens endless scientific conversations about what one considers a *"biologically sustainable level"*. The same two-year deadline is given to the least developed countries to implement this article.

**Article 8 creates an international standard of transparency** by making it mandatory for States to notify subsidies granted to their fleets and fishing operators. **This measure is a major step forward according**

to BLOOM. As the WTO has the power to impose sanctions, these transparency requirements should completely change the situation and put an end to the opacity that surrounds financial flows between the fishing industry and States.

**Article 9 creates a "Committee on Fisheries Subsidies"**. This committee shall meet "not less than twice a year" and shall review the information submitted by States "not less than every two years".

The financial information provisions of the WTO deal are particularly dear to BLOOM, which knows that transparency and access to data are the cornerstone of any real progress towards social equity and marine conservation.

### **What the agreement does not say**

Fundamental measures to improve the state of ocean biodiversity, marine habitats and artisanal fisheries were removed from the negotiating text. Subsidies that encourage fishing capacity that leads to overexploitation of fish stocks have not been prohibited. Thus, all public aid covering capital costs (construction, modernisation, replacement of engines etc.) and variable costs (primarily fuel subsidies) have not been prohibited.

Harmful subsidies that encourage overcapacity represent the vast majority of the aid granted worldwide (>18 billion). These are the subsidies that directly lead to the overexploitation and destruction of the ocean. Historically, they are the subsidy categories that the industrial lobbies and therefore the States defend most ardently, despite their precise scientific knowledge of the perverse mechanisms induced by such financial arrangements. The consequences of the Russian aggression in Ukraine on diesel prices have not created a context that facilitates this aspect of the negotiations. Nor are included the unethical subsidies provided to fleets to access waters of foreign countries, often developing States, in the form of Fishing Access agreements.

This will be the major issues awaiting the negotiators in the coming months.

The States are committed to continuing their efforts and discussions. There is even talk of quickly convening a new Ministerial Conference (the date of March 2023 is circulating) to maintain the momentum and finally stop funding the destruction of the common good, the climate, biodiversity, small-scale fisheries and food security.

The European Commission would be well advised to follow the example of the WTO and have the inspiration to make ambitious proposals as promised in its "Biodiversity Strategy for 2030". However, the [Ocean Action plan](#), due to come out last March is still nowhere to be seen. BLOOM calls on the Commission President, Mrs Ursula Van der Leyen, to protect our future and citizens before industrial lobbies and to release an ambitious Ocean Action Plan with a target to protect 30% of EU waters from any industrial activities, in accordance with IUCN criteria for Marine Protected Areas, before the UN Ocean Conference in Lisbon starting on 27 June 2022.