

26 September 2017 | Geneva, Switzerland

The Low Hanging Fish: From the New York UN Ocean Conference to Buenos Aires MC-11 - Will the WTO deliver on SDG Target 14.6?

Rémi Parmentier, Director, The Varda Group - Session Facilitator

The low Hanging Fish: Will the WTO deliver on SDG Target 14.6?"



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SDG 14.6: By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminate subsidies that contribute to illegal, unreported and unregulated fishing and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the World Trade Organization fisheries subsidies negotiation.



UNSG Special Envoy for the Ocean – H.E. Peter Thomson

The planetary ecosystem is being severely stressed by the effects of accumulated human activity.

The great task of our times is to undertake the remedial action required on a global scale.

Protecting fish stocks is critical to the health of the Ocean, which in turn is critical to the health of the planetary ecosystem.

Eliminating harmful fisheries subsidies is key to our remedial efforts and to meeting the universally agreed targets of SDG14.



Agenda

15:30- 15:35 Introduction by the Facilitator: The Low Hanging Fish

Rémi PARMENTIER, Director, The Varda Group

15:35 – 15:45 Why are fisheries subsidies the corner stone for a healthy ocean?

Claire NOUVIAN, CEO, BLOOM, France

15:45 – 15:55 How Low is the hanging fish?

Christophe BELLMANN, Senior Resident Research Associate, ICTSD

15:55 - 16:25 Comments from Respondents

Ambassador Juan Carlos GONZALEZ, Colombia

Ambassador David WALKER, New Zealand

Councillor Mustaqeem DE GAMA, South Africa

16:25 - 16:55 Questions & Answers

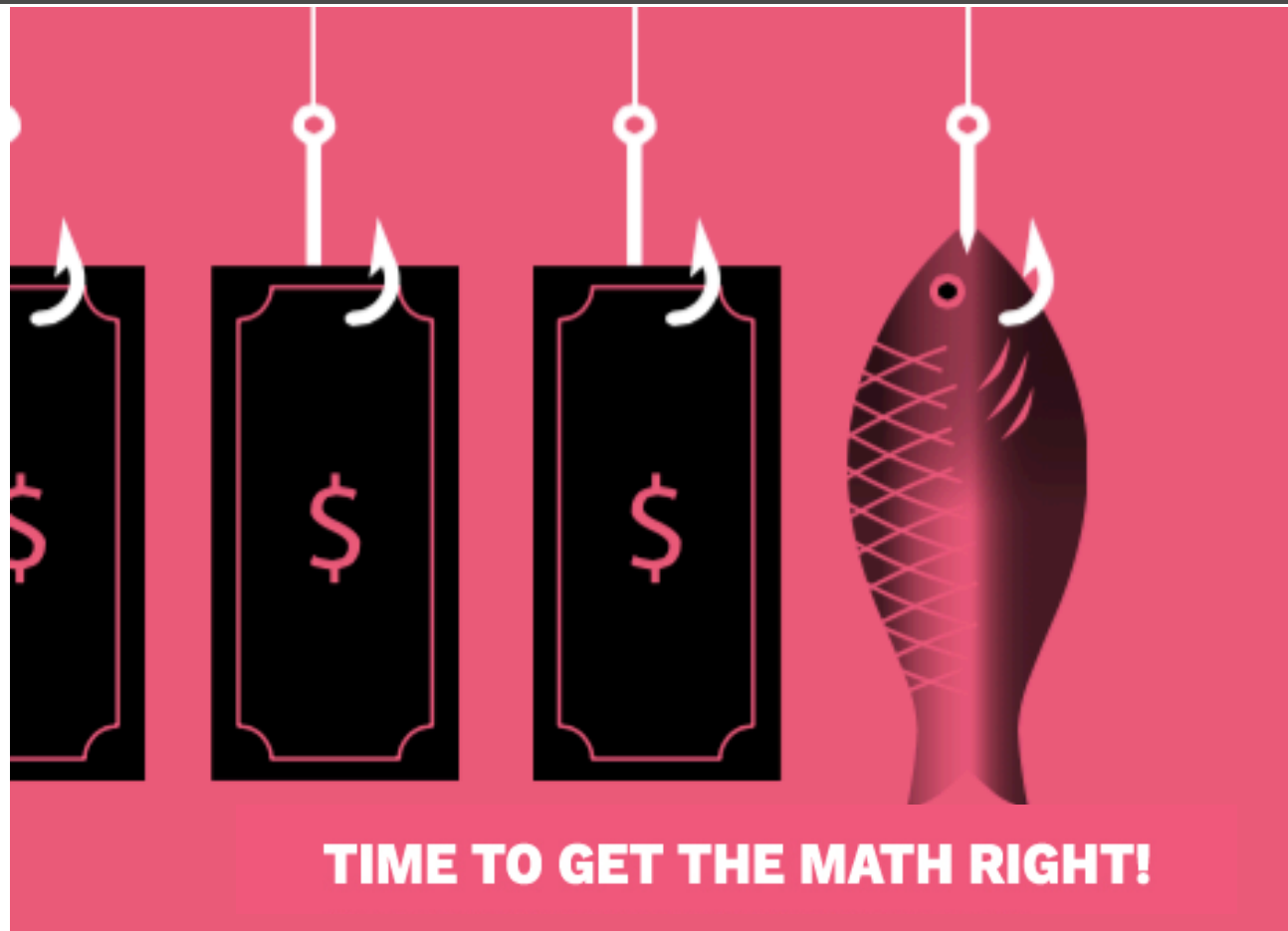
16:55 - 17:00 Concluding remarks Rémi PARMENTIER

CLAIRE NOUVIAN

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Eliminating subsidies: the cornerstone for a healthy ocean

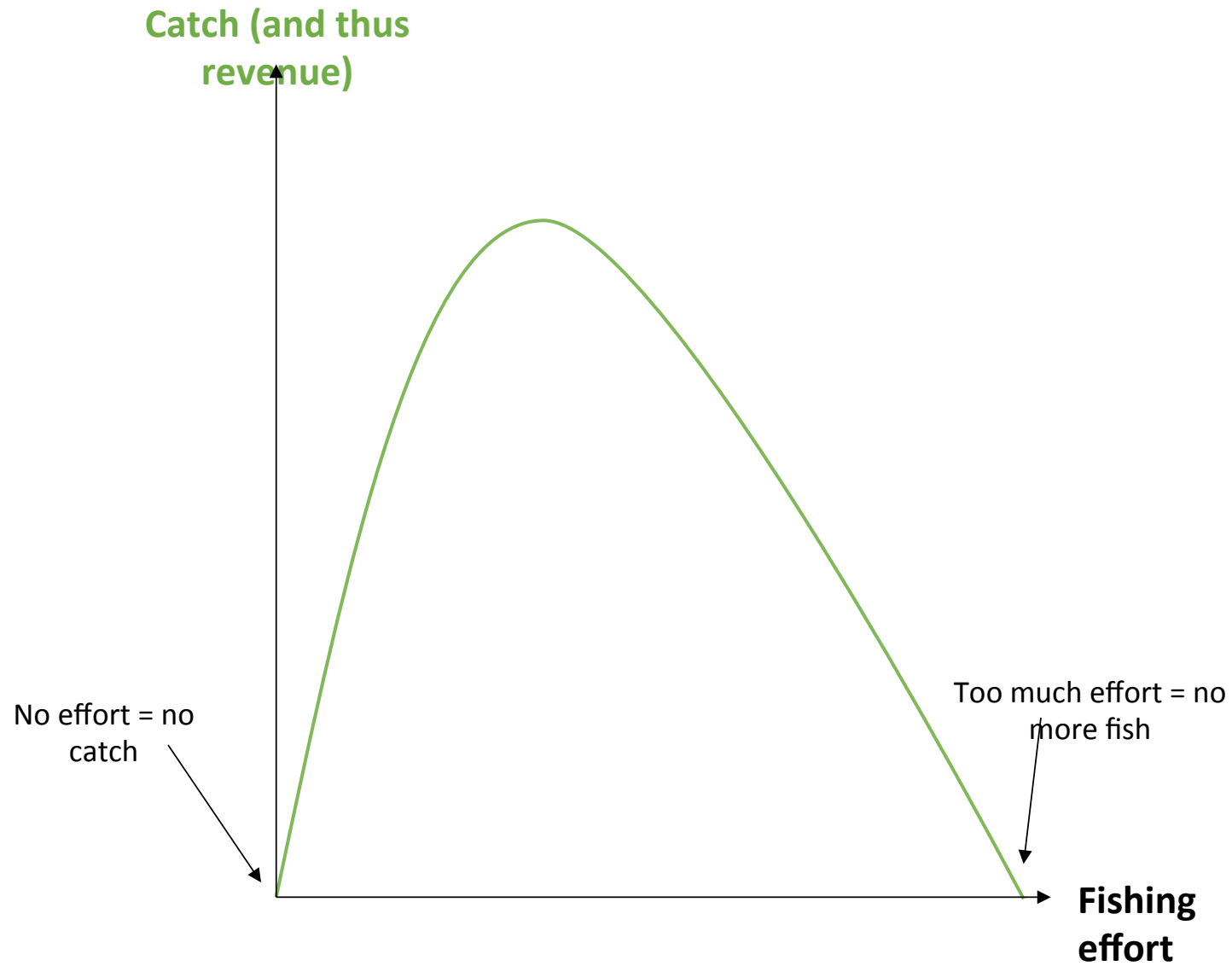
WTO Public Forum, Geneva, 26 September 2017

Claire Nouvian, BLOOM

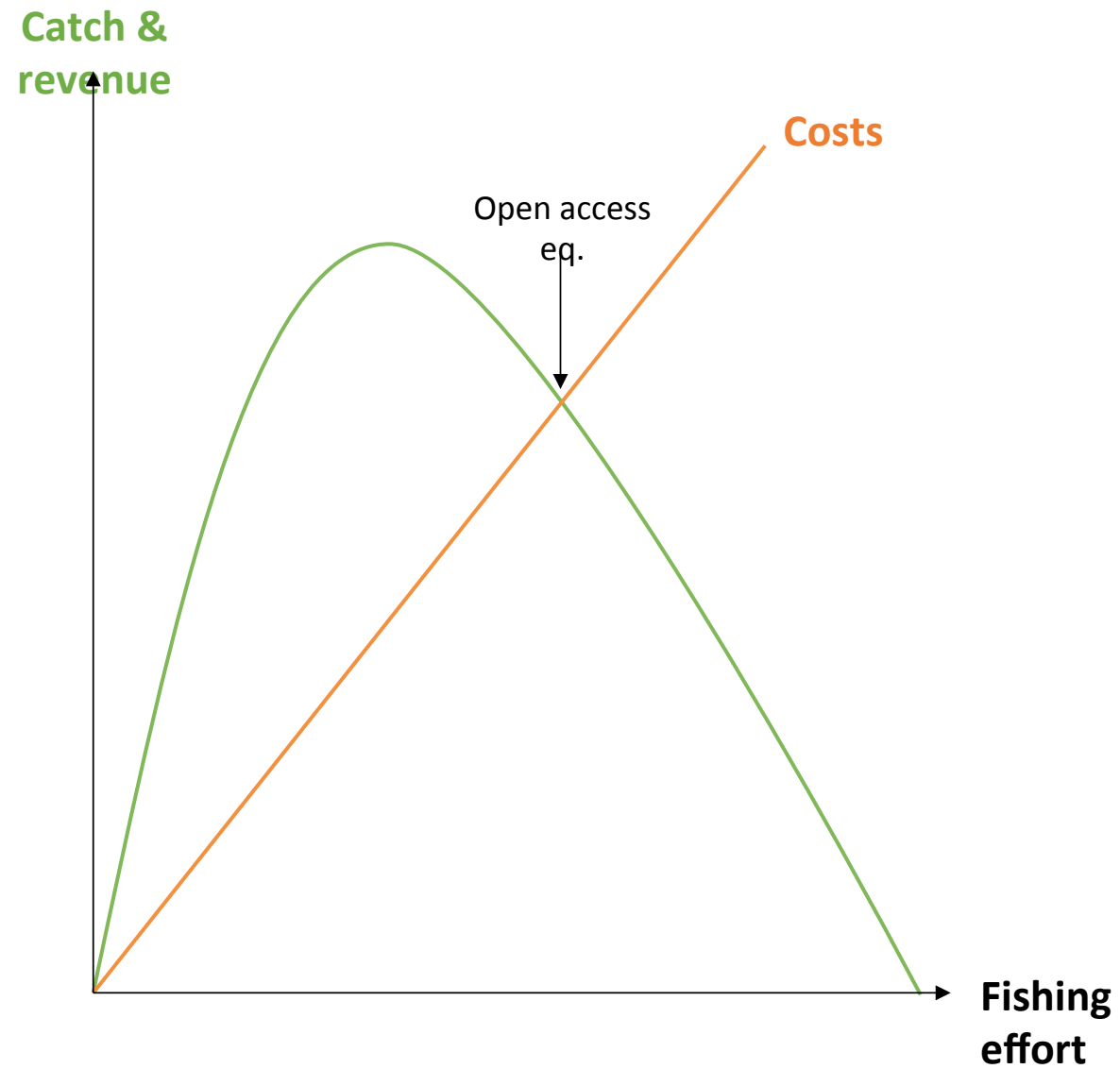
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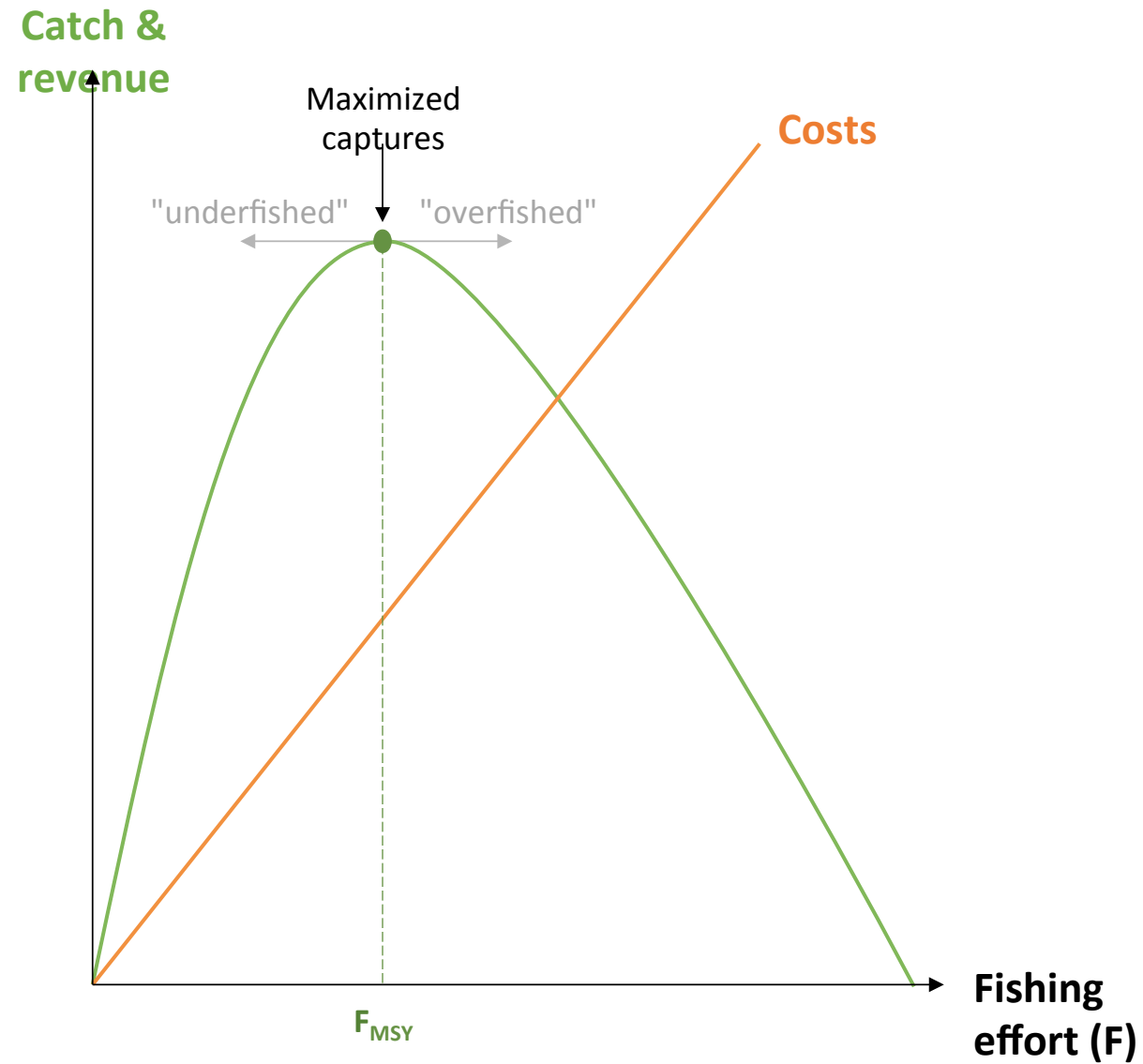
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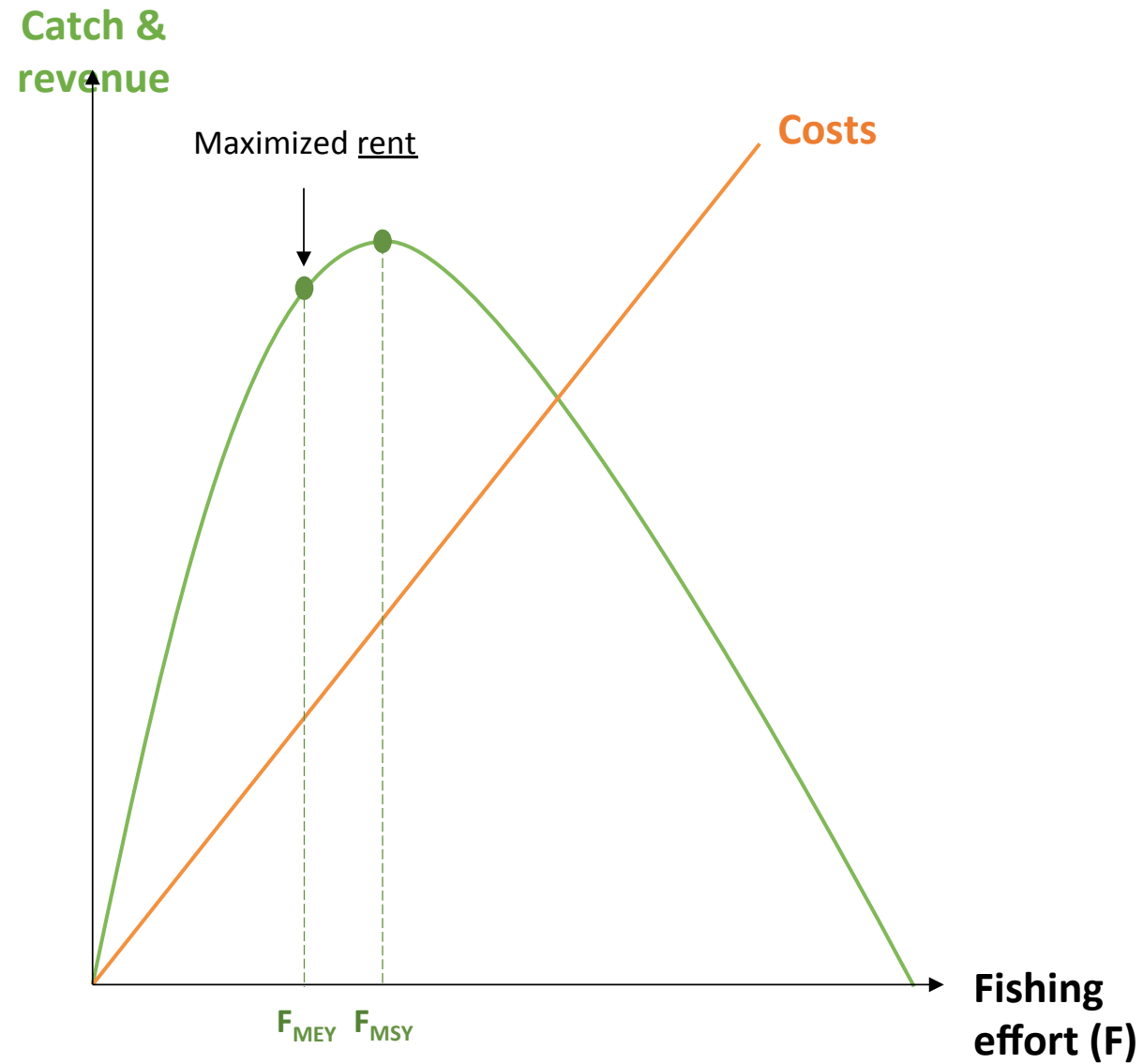
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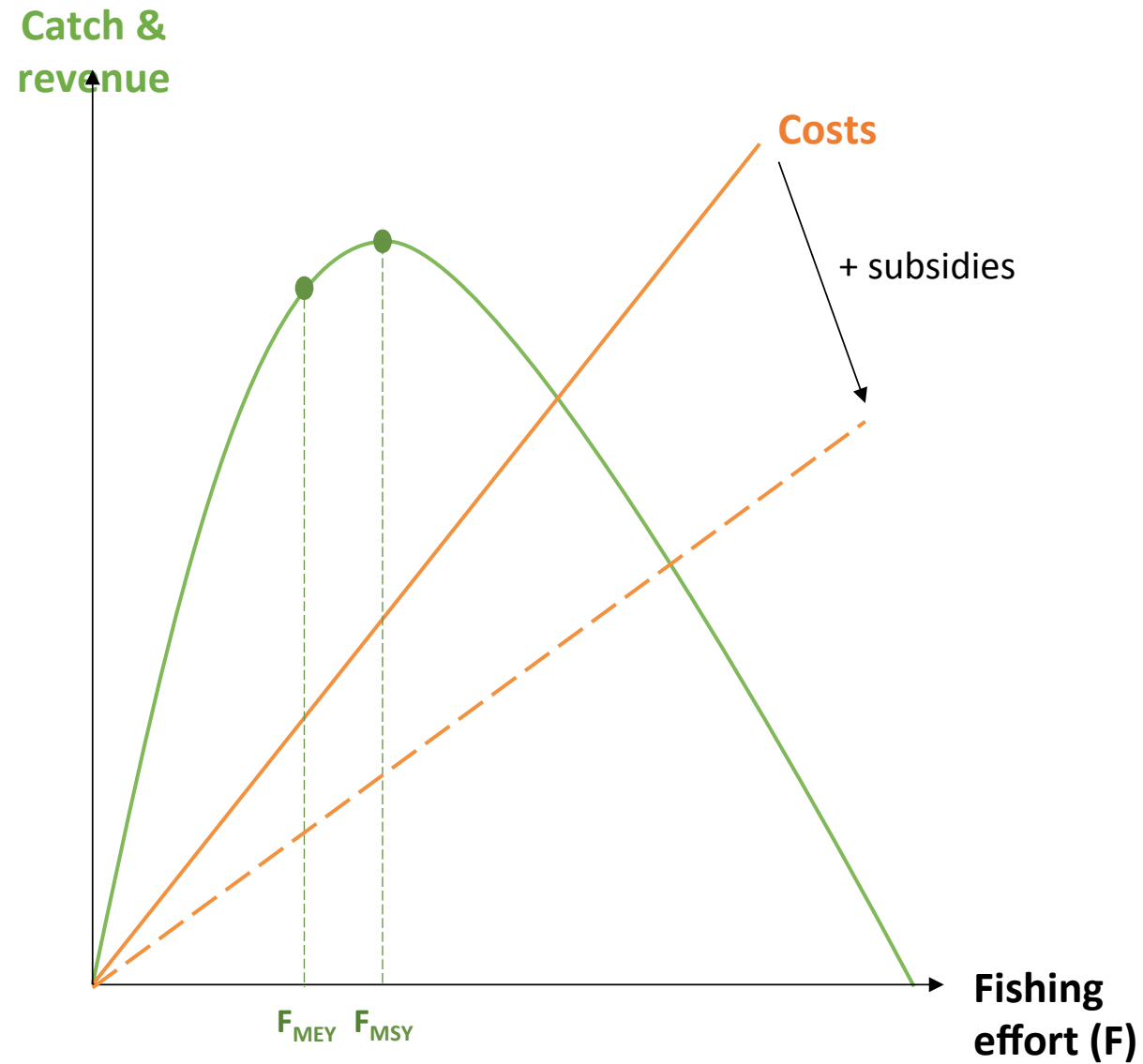
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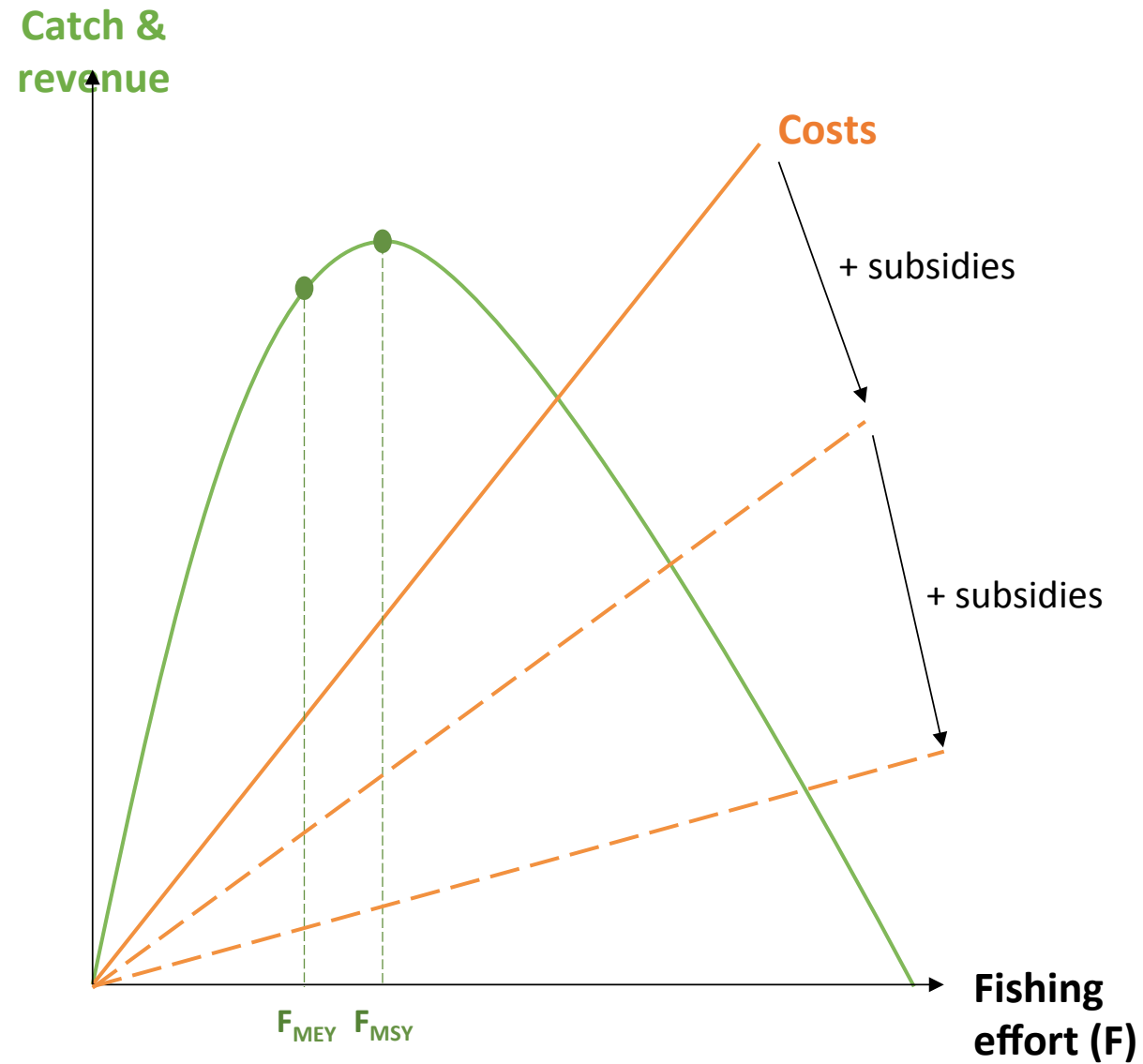
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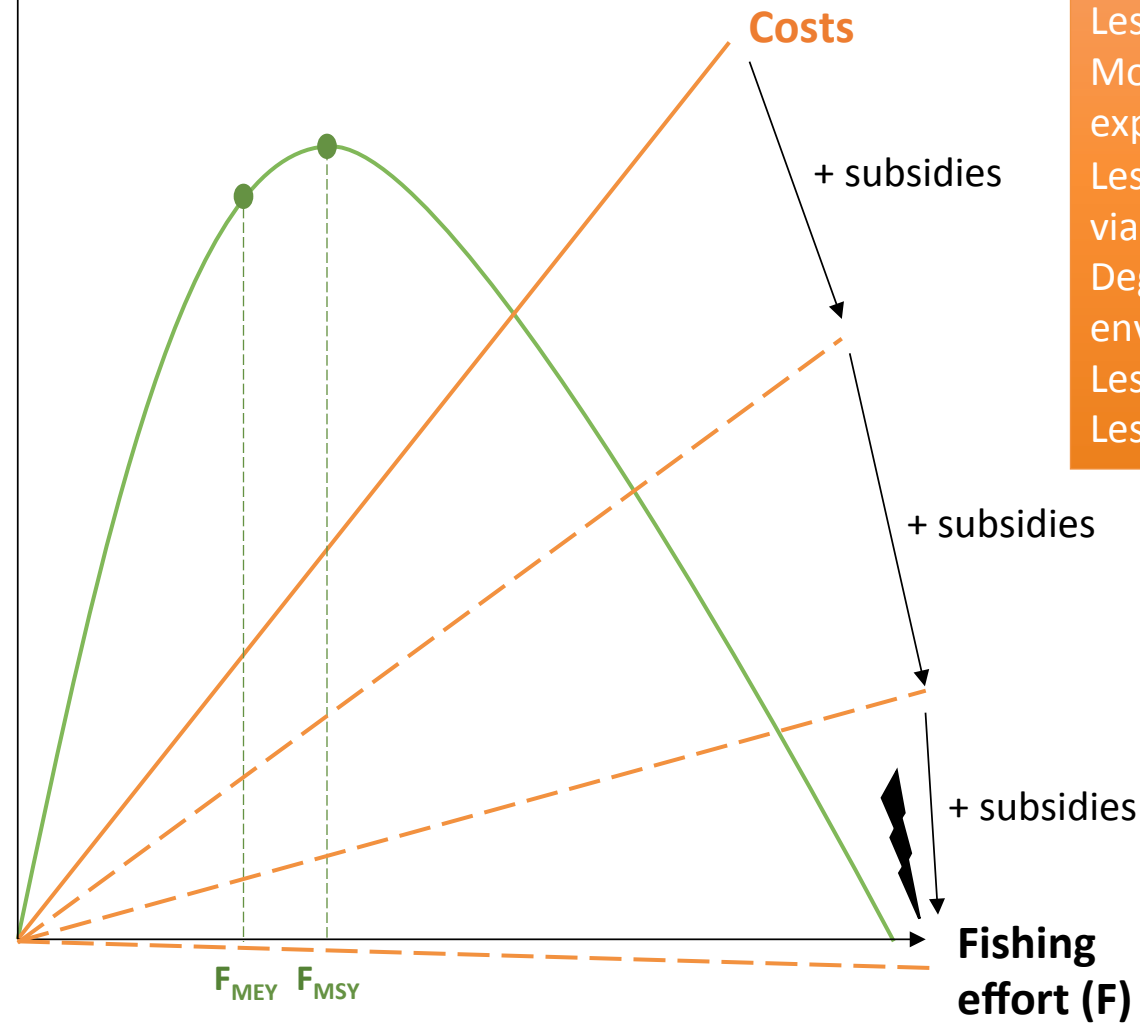


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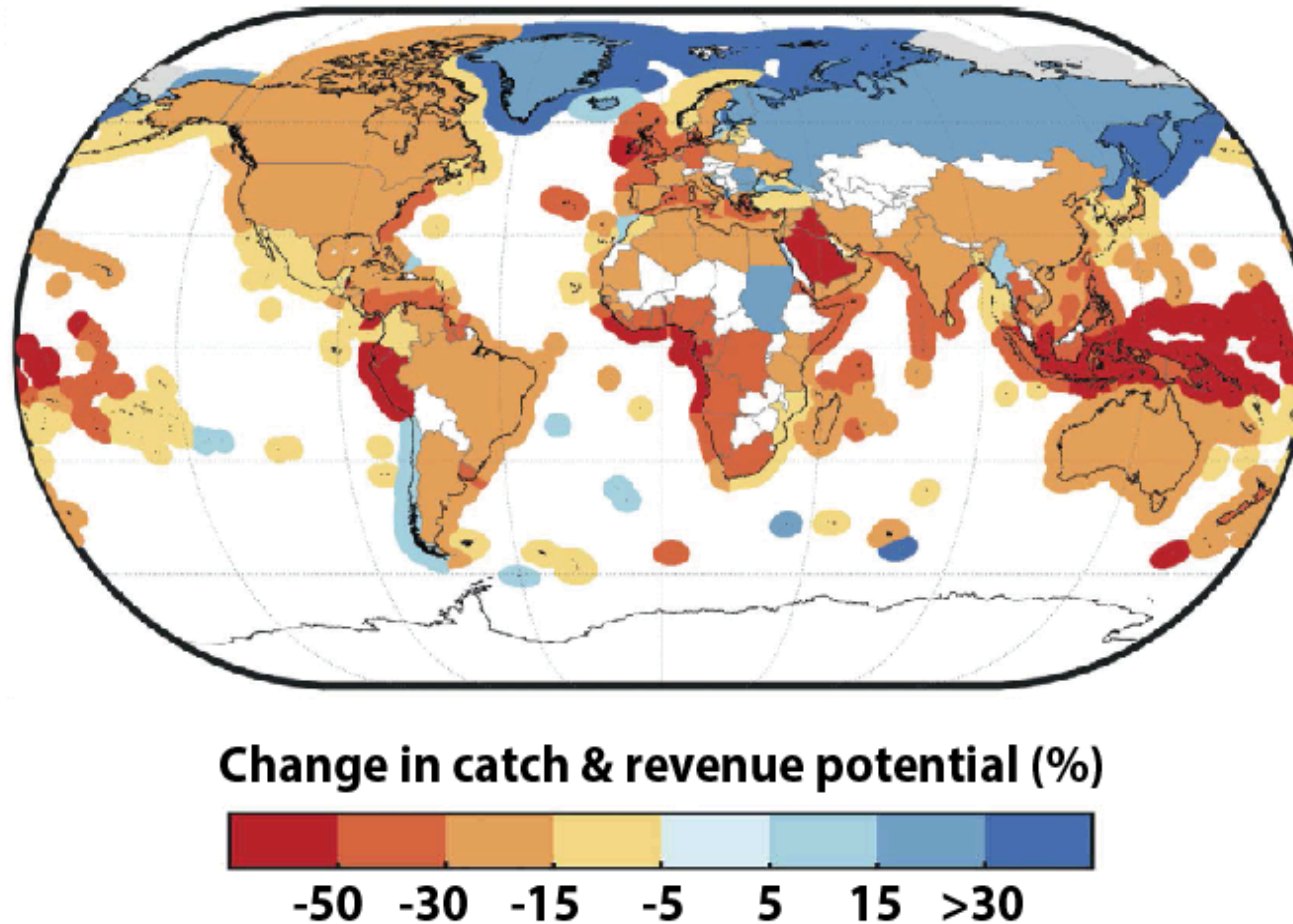
Catch & revenue



Less fish
Less food security
Less jobs
More public expenditures
Less economic viability.
Degradation of the environment
Less productivity
Less resilience (CC)

TIME TO GET THE MATH RIGHT!

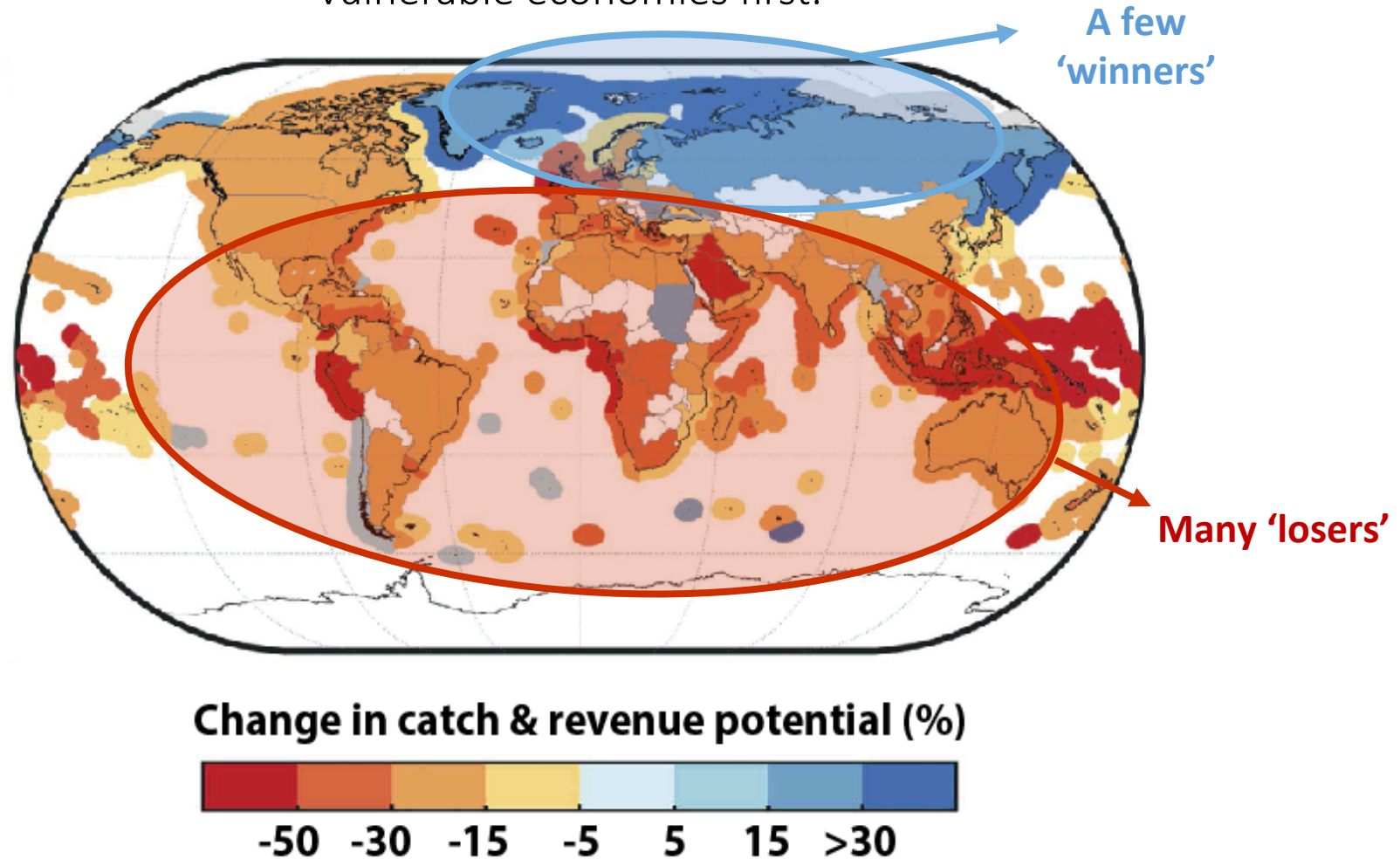
Change in catch and revenue under business-as-usual
(IPCC scenario RCP 8.5)



Adapted from: Lam *et al.* (2016) Projected change in global fisheries revenues under climate change. *Scientific Reports*, 6: 32607

TIME TO GET THE MATH RIGHT!

Climate change is conducive to global change that will impact the most vulnerable economies first.



Adapted from: Lam *et al.* (2016) Projected change in global fisheries revenues under climate change. *Scientific Reports*, 6: 32607

TIME TO GET THE MATH RIGHT!



Subsidies favour large-scale fleets over small-scale



the **VARDO** GROUP

TIME TO GET THE MATH RIGHT!

OTHER IMPORTANT ADDITIONAL FACTS

1. **ALL subsidies can lead to overcapacity and overfishing**

OECD recommendation to avoid negative effects:

Direct aid should go to fishers based on income

2. Once started to be allocated, **subsidies policies are difficult to reform.**

A global discipline would therefore be a great reason for governments to reform counterproductive policies and **reap the domestic fruit** from what will also turn into a global gain

3. **Fisheries management is *not* in your negotiating mandate**

Requires a specific, technical competence which is irrelevant to the WTO and fluctuates according to domestic situations. Confusion would not allow reaching a working, fair agreement for all.

4. Adopt broad-ranging disciplines that have **robust rational economic grounds** and will accomplish much to drive global fish stocks and fishing activities to sustainability and **benefit ALL.**



LESSONS FOR THE WTO

- Maintaining the **financial incentive for fishers to fish beyond economic reason** does not benefit anyone
 - Whether you want to encourage small or large-scale fishing vessels remains **the prerogative of each nation** under fisheries management regimes (fishing licenses, quotas etc.)
 - Prohibiting subsidies that encourage overcapacity and overfishing will:
 - * Help fix a **situation that got out of hands**
 - ** **Create the conditions for sustainable fishing**
 - *** In no way step on toes of fisheries managers & sovereign decisions

A NET WIN FOR ALL (1)

ELIMINATE

- Construction subsidies & other support to “**fixed inputs**” (e.g. gear subsidies & fishing technology) =
 - * create **excess fishing capacity**
 - ** lead to increased fishing effort
 - *** income benefits are usually not shared by new fishers (OECD)
- Fuel subsidies & other support to “**variable inputs**” (e.g. bait):
increase overfishing + unviable operations, least benefit fishers' income

A NET WIN FOR ALL (2)

ADOPT

Transparency rules

Having data and understanding of what is given to whom will allow rational, sound and long-term management of wild resources (See The Low Hanging Fish for details)

RELEASE FUNDS

Subsidies burden your national economies.

Increase POSITIVE support that leads to viable economic activities:

- (1) data collection, (2) monitoring and surveillance (fight against IUU),
- (3) management, (4) infrastructure, (5) R&D,
- (6) Support based on fishers' income (greatest benefit to fishers) etc.

MC11: A tipping point...

- Adopting new rules is the most immediate way that WTO can contribute to the UN 2030 Agenda
 - Status-quo is a *lose-lose scenario* for all
 - What do you risk in *trying*? Nothing
 - What do you risk in *not* changing?... To lose everything

Reach for the sky, for your only risk is to land in stars

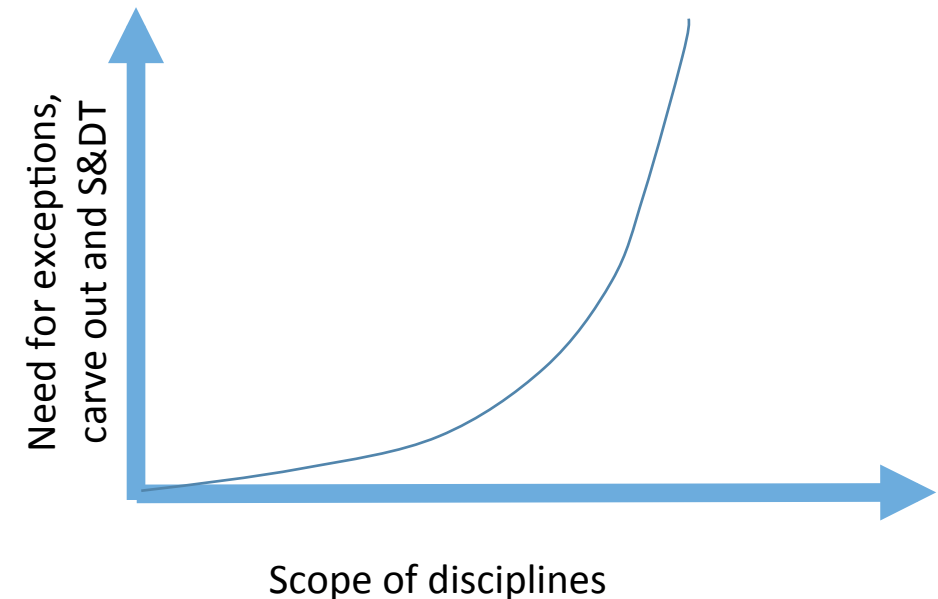
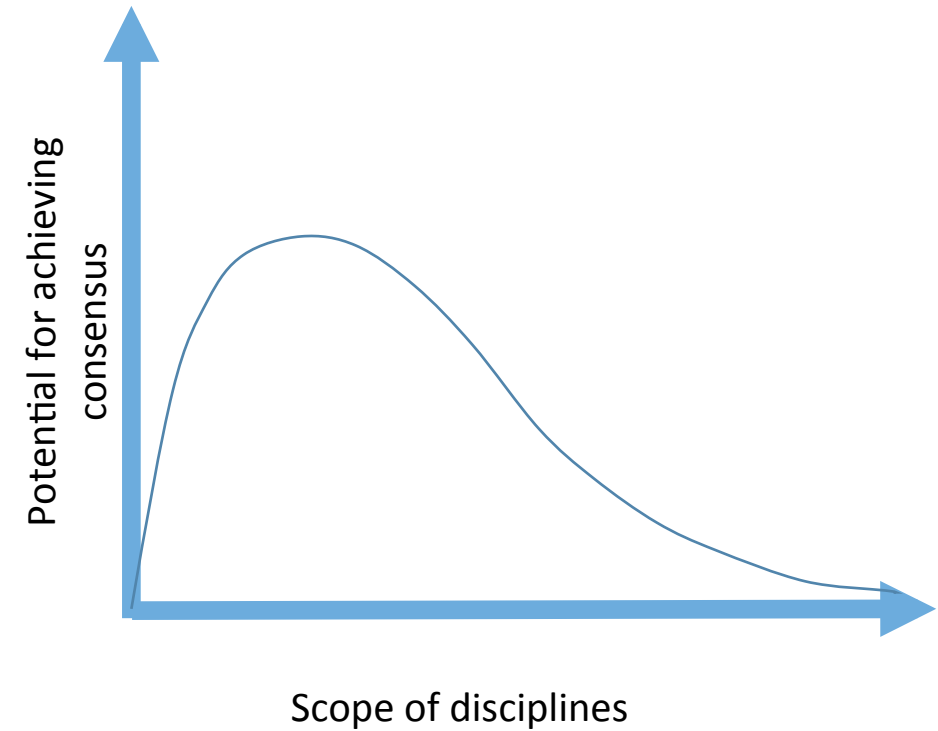
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Catching the Low Hanging Fish: Some General Considerations

- Calibrating scope of the disciplines and potential for reaching consensus at MC 11;
- The need to address the different elements of the mandate and SDG 14.6 (IUU alone does not meet this requirement);
- Recognition that S&DT (broadly defined) will have to be an integral part of the outcome;
- The need for exceptions and carve out (including but not limited to S&DT) likely to be proportional to the scope of the disciplines;
- A review of the main elements of disciplines put on the table highlighting the areas where consensus is still elusive.



Subsidies to IUU

Relatively high level of convergence but the devil is in the detail.

Definition:

- FAO IPOA: a non exhaustive description, not a definition;
- National and RFMO definitions (usually based on IPOA but differ between countries);
- U and U less straightforward than the I (e.g. discard reporting);
- Unregulated: should fishermen be held accountable for lack of action by gvt.?

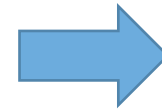
Identifying IUU fishing activities: who and how?

- Flag state, Subsidizing state, coastal state;
- RFMOs: List usually small and limited to non parties: concerns around due process;
- PSMA?

Disputed water.

Overfished stocks:

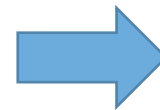
- Defining overfished stocks: who and how?
 - Objective definition vs reference to national authorities and RFMOs;
 - Biomass and mortality (BMSY and FMSY) as central concepts but methodology to declare a stock overfished vary from country to country.
- What about unassessed stocks?:
 - Currently stocks assessed represent 70% of global catches including most commercial species;
 - Unassessed stocks often from artisanal, low value.
- What should be considered as proper stock assessment?
 - Lack of resources (scientific, vs. qualitative / biomass vs catch levels vs survey);
 - What about multi-species fisheries?



Different approaches in defining/describing stocks in overfished conditions

- EU: GES based on SSB and F_M
- US: flexible -level of MSY, min SSB, F_M
- South Africa: Comparing Biomass with BMSY
- Some RFMOs – MSY
- IOTC/ICCAT/WCPFC: SSB_{MSY} (low)
- ICES/NEACF: Biomass and how Biomass and F_M relate to pre-agreed precautionary limits
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Source: FAO



Different approaches to stock assessments

- Scientific surveys : direct calculation of biomass;
- Analytical methods (e.g. size, age, composition: indirect estimates;
- Economic analysis (revenue, costs, prices): qualitative estimates of trends in stock;
- Informal rapid assessment (e.g. local surveys): informed expert opinion.

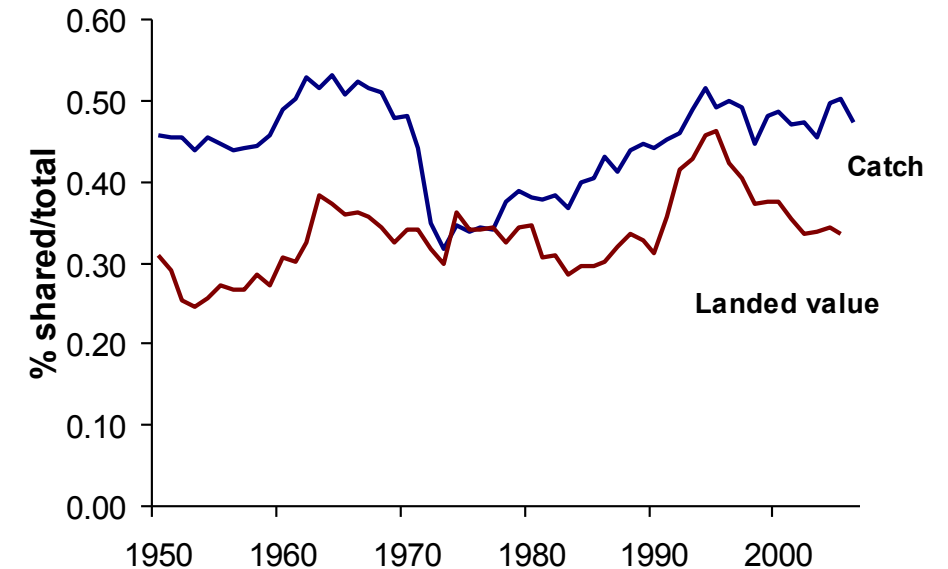
Source: WWF

Overfishing and Overcapacity

- Ex ante description of certain forms of subsidies:
 - Based on geographical areas i.e. where fishing is taking place (e.g. distant water fishing vs. EEZ or territorial waters);
 - Based on type of fishing (large scale industrial / small scale artisanal);
 - Based on what is subsidized (capital costs vs operating costs, construction and repair, equipment, inputs, etc.).
- Need for defining the boundaries and exceptions (e.g. subsidies to improve hygiene, health, safety and working conditions, management of resources)
- Need to define effective S&DT to address concerns of:
 - Small scale, artisanal fisheries;
 - Equity concerns around under-developed fishing fleet / transformation.
- Management conditionalities.



Shard stocks vs domestic stocks
Percentage of shared stocks in total catches/landed value



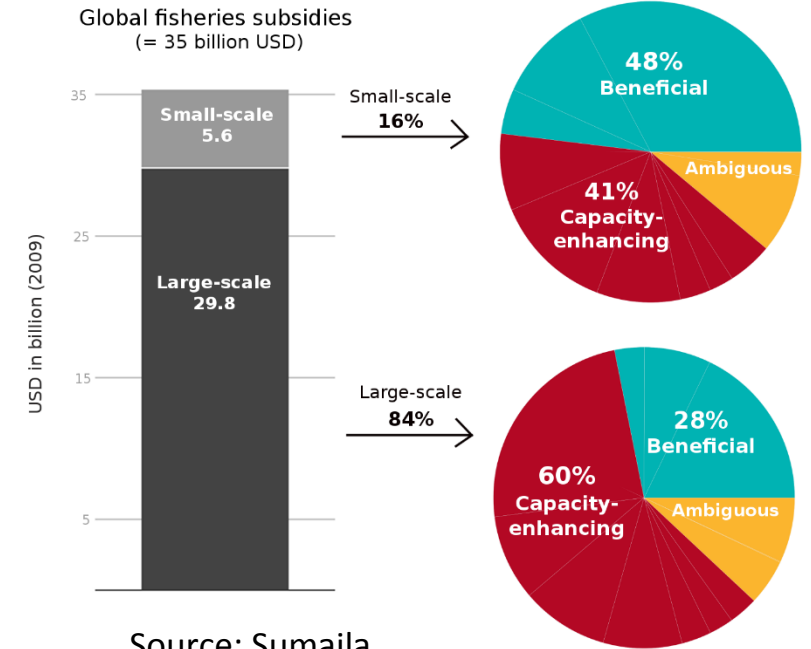
Annual shared fish catch and landed value % across all countries 1950-2006 (Teh & Sumaila, 2015).

The case of small scale artisanal fisheries


- A small proportion of total subsidies (84% going to large scale);
- A higher proportion of “beneficial” subsidies (48% for small-scale vs. 28 % for large scale);
- Definition as the main challenge:
 - No internationally agreed definition;
 - At most, set of common features that could be used as reference points:
 - Vessel feature (FAO 24 m);
 - Economic features;
 - Social features;
 - Geographical (e.g. territorial sea, 12 nautical miles?).

Source: Sumaila

Vessel features	Economic features	Social features
<ul style="list-style-type: none"> • Vessel under 12m (FAO 24 m) • Non-motorized vessel • Passive gear • Multi-gear • Multi-species • Dated or low levels of technology, labour intensive • Inshore, limited range to fish, fishing pressure adjacent to community 	<ul style="list-style-type: none"> • Low fuel consumption (e.g., < \$10,000) • Relatively little capital and energy input (e.g. < \$250,000) • Relatively low yield and income • Part-time, seasonal, multi-occupational • Sold in local markets • Sustain local or regional economies • Individual or community ownership 	<ul style="list-style-type: none"> • Fish for food and community use • Support social and cultural values • Regulated through customary rules with some government involvement



Conclusion

- A unique opportunity to contribute to advancement of SDG 14.6;
- Not (only) an environmental issue. Need to recognize the food security, livelihood, employment and development dimensions (e.g. value addition) and reflect it in the disciplines;
- A multilateral outcome as first best solution; 
- If not all element son the table can gather consensus, focus on a core set of disciplines as a first step.

The challenge of a plurilateral approach:

As subsidy reforms applies by definition on an MFN basis the key to any pruliraterla is to reach a critical mass:

Today, proponents of a plurilateral represent:

- 21 percent of total amount of fisheries subsidies provided in 2009 (14 percent of capacity enhancing subsidies);
- 20 percent of world catches (avg. 2011-13);
- 24 percent of world exports (avg. 2011 – 15).

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Juan Carlos GONZALEZ, Ambassador, *Permanent Representative of Colombia to the WTO*

DAVID WALKER

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Mustaqeem DE GAMA, *Councillor, Mission of South Africa to the WTO*



[UN HQ – UNGA, September 2015]