TRADE AND ENVIRONMENT WEEK 2022 17-21 OCTOBER

The WTO Fisheries Subsidies Agreement: From Words to Action

Perspectives on the Agreement and its implementation

Ernesto Fernandez Monge
The Pew Charitable Trusts
efernandezmonge@pewtrusts.org

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Perspectives on the Agreement and its implementation

Content

1. Significance of the agreement from a conservation perspective
2. Reflections on implementation (IUU, Overfished, Unregulated high seas
3. Reflection about potential impacts

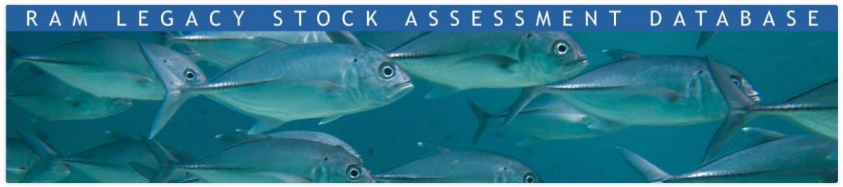
Environmental perspective

- Important step to address overfishing
- Contribution to improve ocean governance
- 1st binding WTO agreement trade & sustainability
- Improved standard from regional arrangements (USMCA)
- Contribute to make gov. accountable
- Contribute to better alignment between subsidy policies and sustainability objectives
- Catalyst for broader fisheries reform
- All subsidies including capacity enhancing covered by Art. 3, 4 & 5
- Transparency requirements (fisheries regime, conservation,etc)
- Commitment to add further overfishing and overcapacity rules

Reflections: IUU

- Low end of the spectrum: RFMO IUU vessel lists (150)
- High end of the spectrum: FAO 1 in 5 fish is caught illegally
- Implement unregulated and unreported. Example: South Pacific Albacore

Reflections: Overfished



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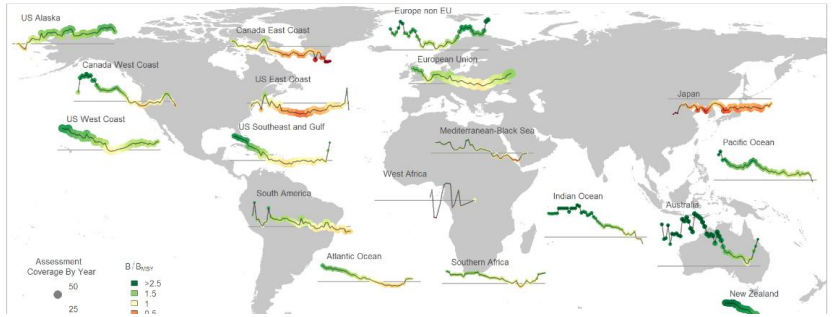

PNAS

Global fishery prospects under contrasting management regimes

Christopher Costello[a,1], Daniel Ovando[a], Tyler Clavelle[a], C. Kent Strauss[b], Ray Hilborn[c], Michael C. Melnychuk[c], Trevor A. Branch[c], Steven D. Gaines[a], Cody S. Szuwalski[a], Reniel B. Cabral[a], Douglas N. Rader[b], and Amanda Leland[b]

[a]Bren School of Environmental Science and Management, University of California, Santa Barbara, CA 93106; [b]Environmental Defense Fund, New York, NY 10010; and [c]School of Aquatic and Fishery Sciences, University of Washington, Seattle, WA 98195

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Data from 4,713 fisheries worldwide, representing 78% of global reported fish catch, are analyzed to estimate the status, trends, and benefits of alternative approaches to recovering depleted fisheries. For each fishery, we estimate current biological status and forecast the impacts of contrasting management regimes on catch, profit, and biomass of fish in the sea. We estimate unique recovery targets and trajectories for each fishery, calculate the year-by-year effects of alternative recovery approaches, and model how alternative institutional reforms affect recovery outcomes. Current status is highly heterogeneous—the median fishery is in poor health (overfished, with further overfishing occurring), although 32% of fish-

vs. catch vs. biomass conservation? (*iii*) In a world with limited resources to devote to fishery recovery, which countries provide the most compelling and urgent cases for fishery reform? In addition, (*iv*) how long will benefits of reform take to arrive?

We examined three approaches to future fishery management: (1) business-as-usual management (BAU) (for which status quo management is used for projections) (*SI Appendix*), (2) fishing to maximize long-term catch (F_{MSY}), and (3) rights-based fishery management (RBFM), where economic value is optimized. The latter approach, in which catches are specifically chosen to maximize the long-term sustainable economic value of the fish-

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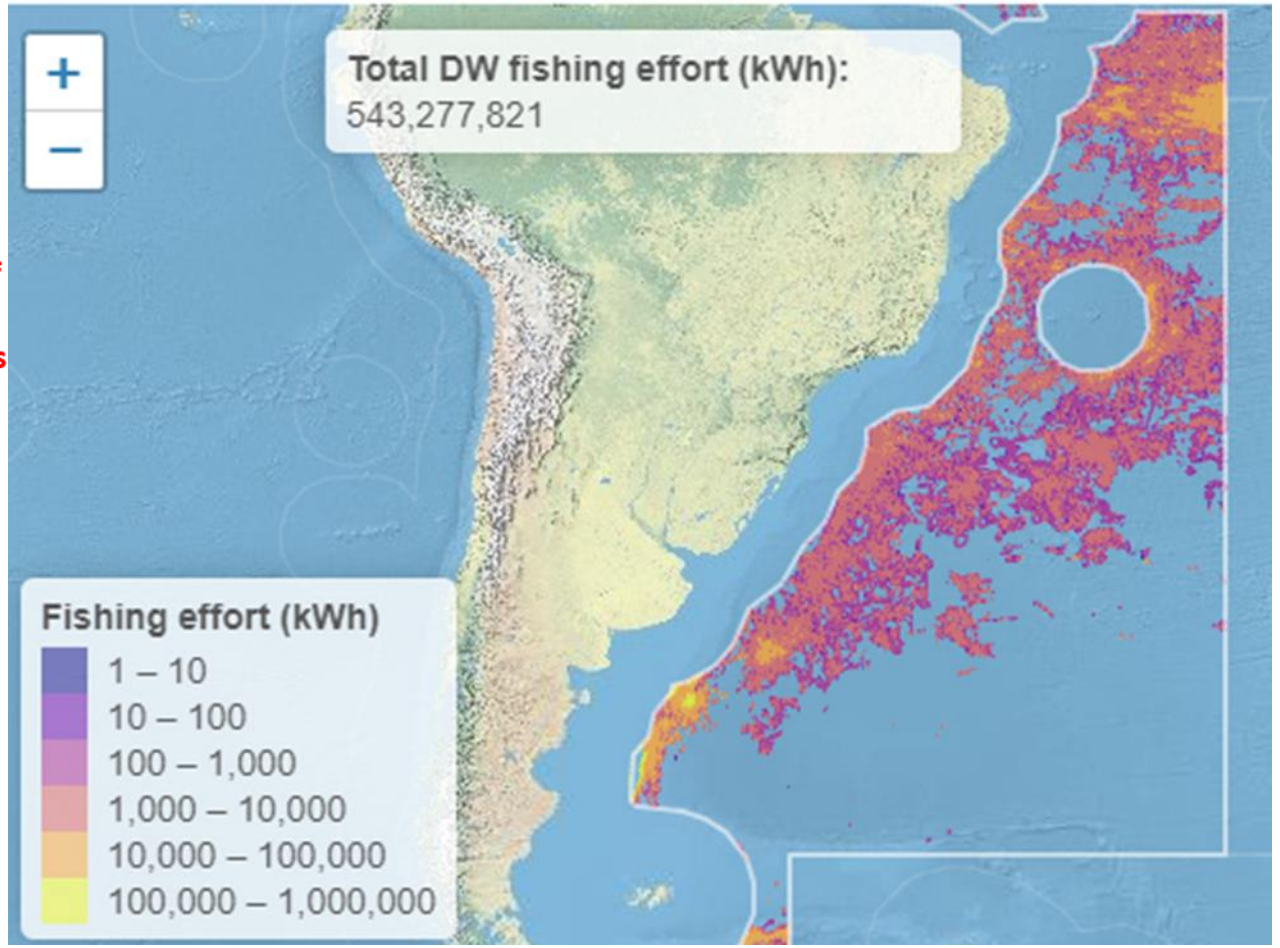
- How loose or strict members want to implementing the flexibility?
  - ➢ "*subsidies or other measures are implemented to rebuild the stock*"
- Biological Sustainable Level - *maximum sustainable yield (MSY) or other reference points is now the standard*

Reflection: Unregulated High Seas

Flag state	# DW vessels	Effort (hours)	Effort (kW hours)	Subsidies (2018 $US)	%
China	283	215,736	294,854,529	320,129,751	62.1
South Korea	33	37,687	51,786,360	71,409,642	13.8
Spain	55	73,080	58,226,378	54,805,678	10.6
Chinese Taipei	111	87,094	83,970,816	24,927,574	4.8
Brazil	12	11,736	4,912,553	15,739,552	3.1
Chile	4	3,055	5,226,690	7,497,516	1.5
Argentina	26	513	813,003	375,344	0.1
Others	53	36,361	43,487,489	20,893,914	4.1
Total	577	465,262	543,277,818	515,778,971	100

91.3% of all DWF subsidies



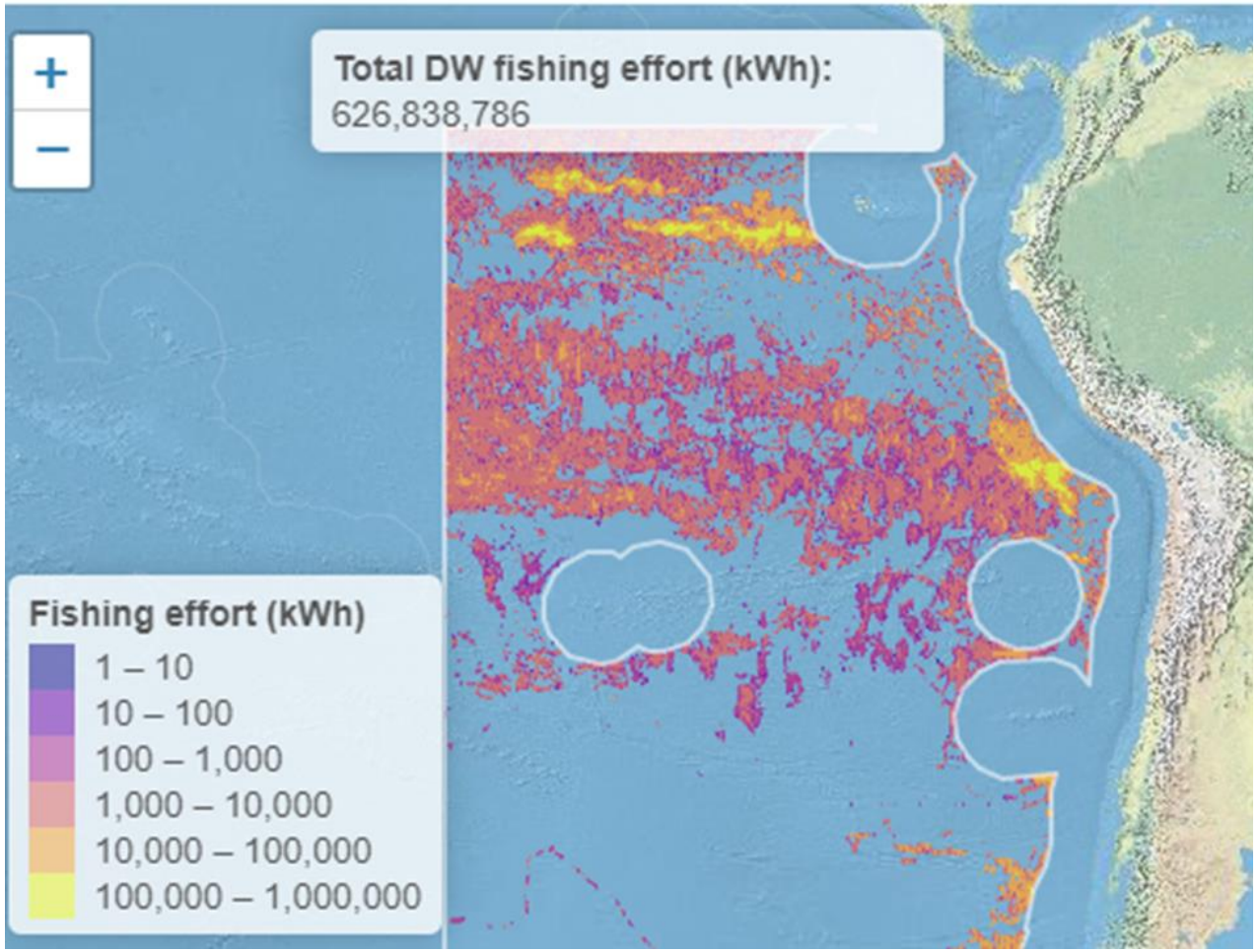
FAO High Seas Area 41: Southwestern Atlantic Ocean

http://www.dwfsubsidyatlas.org/

Reflections: Unregulated High seas

Flag State	# DW Vessels	Effort (hours)	Effort (kW hours)	Subsidies (2018 $US)	%
China	399	523,768	471,041,706	511,419,866	81.1
Japan	26	41,731	31,073,276	43,074,573	6.8
Spain	18	37,690	19,849,819	18,683,676	3.0
South Korea	17	7,324	11,893,272	16,399,962	2.6
Lithuania	1	2,515	24,865,332	8,453,278	1.3
Mexico	12	1,396	4,013,249	7,537,979	1.2
Chinese Taipei	23	20,437	17,402,645	5,166,149	0.8
Venezuela	7	806	1,714,346	4,811,185	0.8
Ecuador	19	6,778	10,216,988	4,378,768	0.7
Colombia	10	10,793	25,782,721	3,584,535	0.6
Panama	8	758	1,625,345	2,759,452	0.4
Costa Rica	1	132	265,723	2,131,620	0.3
Peru	3	156	210,597	767,182	0.1
Others	26	8,622	6,883,769	1,379,884	0.2
Total	570	662,906	626,838,788	630,548,109	100.0

93.5% of all DWF subsidies



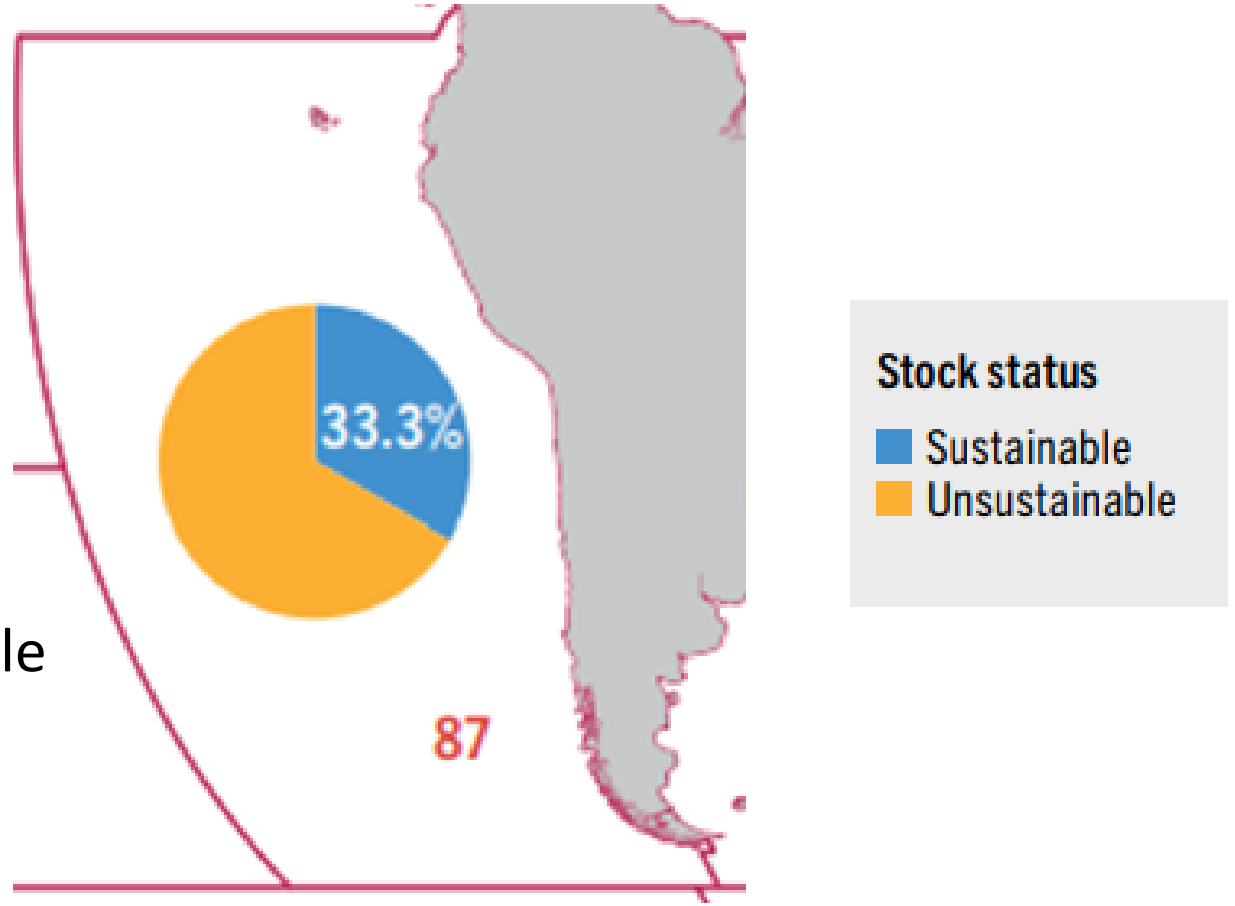
FAO High Seas Area 87: Southeastern Pacific Ocean

http://www.dwfsubsidyatlas.org/

Reflections: Unregulated High Seas

FAO SOFIA 2022

- 66.7% unsustainable



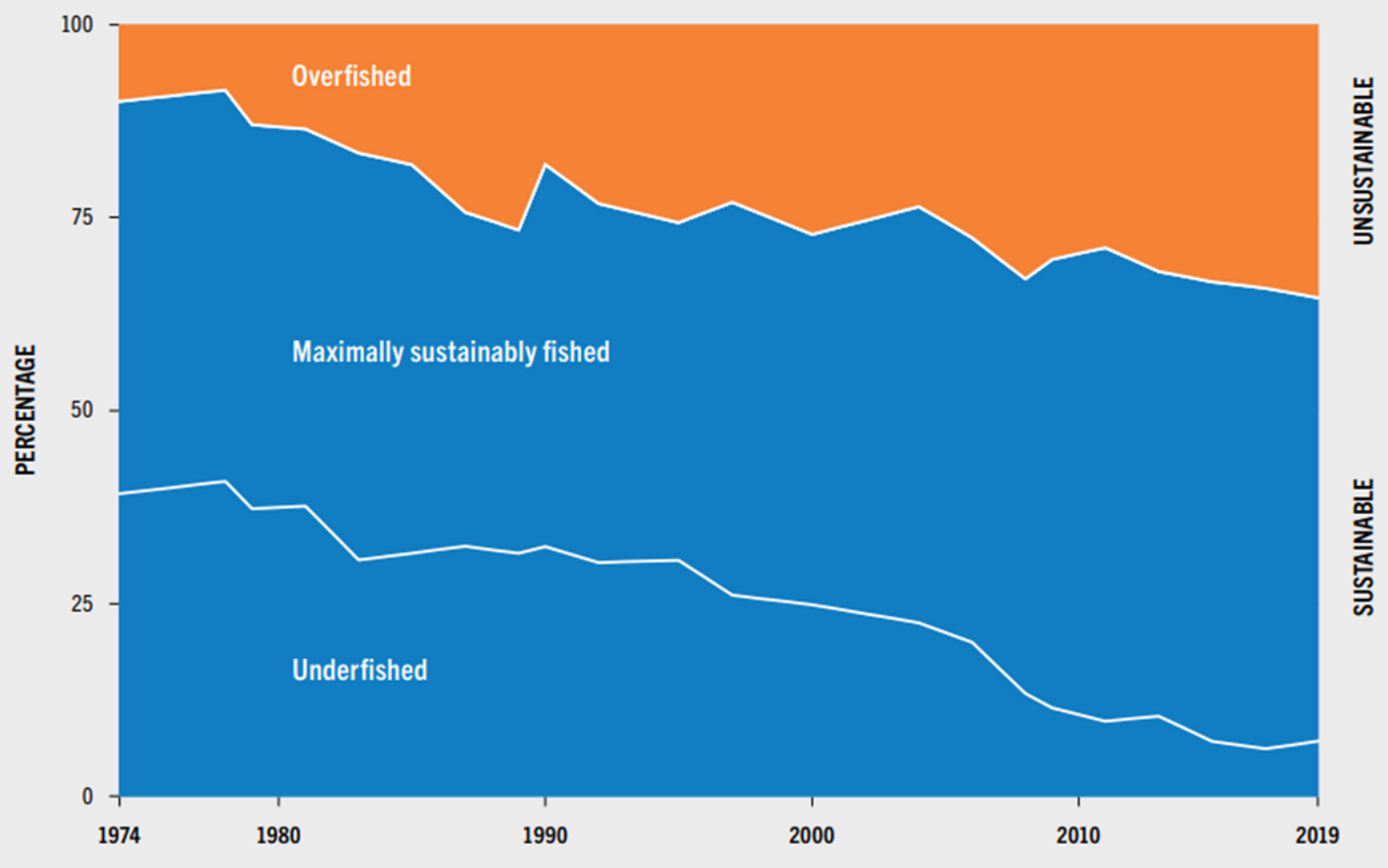
Reflections: Potential impacts

- Global Harmful Subsidy Estimates US$ 22 Billion annually (Sumaila et al 2019)

- Effectiveness of the FSA will depend on Member's management, monitoring and enforcement

- Preliminary assessment of the impact of the FSA:
  - ➢ Range of subsidies subject to the AFS
    - ✓ Low estimate US$1.3 billion
    - ✓ High estimate US$7.9 billion

Reflections: Final thought



- Members need to act so the AFS enter into force as soon as possible

State of Fish Stocks:

35.4% overfished

57.3% maximally sustainably fished

7.3% underfished

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Source: FAO SOFIA Report (2022)

THANK YOU

pewtrusts.org/reducing-harmful-fisheries-subsidies

efernandezmonge@pewtrusts.org

Any questions?

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