

UNEPs work on fisheries

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Economics and Trade Branch (ETB)
Division of Technology, Industry and Economics (DTIE)

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Fisheries Subsidies - Problem

World's marine resources in state of crisis:

- Over 60% of valuable species overfished
- Threat also to non-commercial sealife and marine biodiversity
- Economic and social pressures on the resource



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Fishery Subsidies

UNEP's objectives

- Analyze environmental, economic and social effects of subsidies under different management conditions
- Explore approaches to reform current policies to secure sustainable management of fisheries
- Provide open, multidisciplinary fora for discussion and analysis outside formal trade negotiations



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Fishery Subsidies

Context for UNEP's work

- Doha: first time formal WTO mandate "clarifying and improving disciplines, taking into account the importance of this sector to developing countries"
- Increasing work by International Organizations and NGOs (esp FAO, OECD, regional organizations).



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Fishery Subsidies

UNEP's work

- Workshops (1997, 1998, 2001, 2002)
- Past country studies: Bangladesh (Shrimp), Uganda, Argentina, Senegal
- Ongoing country studies Bangladesh and Mauritania
- Synthesising analysis on effects of subsidies
- Collaborating with WTO, OECD, FAO, NGOs



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UNEP Country Projects

A national team of experts supported by a national institution (government or NGO):

- 1 Conducts an integrated assessment of national trade liberalization policies and multilateral trade rules for a specific sector *ex-ante or ex-post*
- 2 Develops and implements integrated trade-environment policies at the national level to maximize the net development benefits of trade



Senegal: Overview

- Animal proteins for the domestic market
- National development priorities
- 1970-1980: domestic => international markets
- Increasing stock depletion



Senegal - Subsidies

1. Modernisation
2. Support to domestic and external markets
3. Assistance to small-scale processing



Modernisation

- Infrastructure (construction of wharves + central fishing market)
- Tax reductions (for motors and for purse seine)
- Fuel subsidies



Support to domestic and external markets

- Duty free export companies – full exemption
- Export subsidy - 25% for all marine products
- Lome Convention - duty free imports
- Fishing agreements – EU & Japan, no control



Support to small scale processing

Senegal - Conclusion

- Development efforts directed at exporting local sea products
- National goal of food security in question
- Most marketed species now in danger of biological collapse
- Differentiate between recipients (export-oriented fishing and domestic market fishing)



Conclusion

Direct impact of subsidies:

1. Drawing in more enterprises and capital
2. Impelling enterprises to increase/up-grade fishing technology to increase catch
3. Discourage exit from industry



Fisheries Subsidies

Summary of global effects

Government subsidies estimated at ca USD 15 bill worldwide

Significant cause of depleted fish stocks and overcapacity

Fleet size over 250% beyond sustainable fishing levels



Foreign government subsidies leads to higher costs than short term financial gains

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Fisheries Subsidies

UNEP work

Effect of subsidies varies according to:

- management regimes (effective management, catch control, and open access); and
- bio-economic conditions – the state of the stock and economic factors and policies influencing exploitation



UNEP paper examining this interaction

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Fisheries Subsidies

UNEP work

Identify:

- effect of subsidies – ‘good’ and ‘bad’
- extent to which they increase fishing capacity
- differing effects under different management regimes, namely: effective management, catch control and open access



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Fisheries Subsidies

Reforms must address realities

- Effectiveness of management systems in place
- Artisanal and small-scale fisheries
- Food security and poverty alleviation priorities
- Points to need for ‘special and differential’ treatment of developing countries



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Fisheries Subsidies

Address WTO realities

- How to integrate resource mgmt. considerations?
- Can ‘adverse effects’ include environmental ones?
- Can WTO dispute panels identify adverse environmental effects?
- What are the limits to the WTO mandate? Can it operationalise sustainable development?



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Fisheries Subsidies

Integrating in WTO rules

- Base on existing structure of SCM Agreement?
- Prohibited, actionable and protected subsidies?
- Criteria for prohibition – contribute to overcapacity?
- What criteria for exceptions – eg, not fully exploited, property rights established?



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Fisheries Subsidies

Other relevant bodies

- FAO, regional seas agreements, UN Fish Stocks Agreement, OECD, UNEP
- What interaction between these and the WTO?
- What interaction between the different legal regimes (EU-Chile Swordfish dispute)?
- Will WTO negotiations contribute to sustainable fisheries management?



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Contact Information

UNEP Economics and Trade Branch
15, Chemin des Anemones
CH - 1219 Geneva, Switzerland
Tel: (4122) 917 82 98/ 917 81 79
Fax: (4122) 917 80 76



E-mail etb@unep.ch
Website: www.unep.ch/etu

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