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Q & A:

Small Scale Fishers, the WTO Ministerial, and Subsidies for Fishing Capacity

What is coming up at the World Trade Organization Ministerial?
From February 26-29 Trade Ministers will meet to discuss a range of trade issues, one of which is fisheries subsidies that contribute to overfishing and overcapacity. This is following on from the previous Ministerial which, after being twice extended and negotiating through the night, resulted in the Agreement on Fisheries Subsidies (AFS). This meeting is discussing expanding the obligations in that agreement.

How are subsidies for overfishing and overcapacity being addressed?
Currently there is a proposed list of subsidies related to overfishing and overcapacity that aren't allowed. These include subsidies for:
- the construction, buying, modernising or upgrading of vessels;
- buying or maintaining machines or equipment for vessels like fishing gear and engines, fish processing machinery, refrigerators or fish finding technology;
- for fuel, ice or bait;
- personnel costs, income support for operators; - price support of fish caught; and
- support at sea or operating losses.

Such subsidies are critical to allowing the large-scale industrial fishing fleets, who are historically responsible for the overfishing of fish stocks, to stay on the water. They are are also critical to support small-scale fishers with their boats and other costs, yet these fishers are not responsible for the overfishing of global fish stocks.

So at least the big subsidisers won't be able fund their fleets anymore?
Sadly it's not that simple. Despite this list of banned subsidies, it says the countries can still use those subsidies provided that they can prove to the WTO that their stocks are sustainably managed. While this may sound ok it actually raises a number of problems.

Firstly, this will only be available to those countries who can measure, manage and notify to the WTO information about its fish stocks. Effecitvely this will only be the large fishing nations. This means that the big subsidisers, who have overfished for decades, will be able to get around the subsidy bans.

Secondly it will mean the WTO will become a space for challenging how countries manage their fisheries, something that is beyond the role of these negotiations and the WTO itself.

While there is a general sustainability flexibility, there is another version for those developing countries who are not within the top 10 annual subsidisers. It's basically the same threshold as mentioned above but they don't have to notify the WTO as often.

What if our country doesn't have the technical capacity to demonstrate the sustainability of fish stocks?
This is one of the big issues with the proposal mentioned above and places those countries who don't have the capacity to manage (or report) their fish stocks, or rely on external agencies to support them with data and modelling, at a disadvantage. Big fishing nations like the EU, US etc will be able to provide accurate information about the status of all their stocks to the WTO allowing them to be able to continue subsidising as well as challenge any country that is subsidising fleets that they believe aren't managing their stocks properly (or are seen as a commercial threat). For developing countries who rely on others to support them, this may only happen periodically and only on a number of targeted species, hampering their ability to provide support to fishers who want to expand.

Further there is a proposal that all of the flexibilities in the text are reliant upon a country having fulfilled all of the notification requirements. Those currently include a wide range of data and information about the fish stocks, conservation and management measures, fleets and vessels. Many developing countries already struggle to meet all the obligations for providing information to the WTO and making such things a requirement to

utilise any flexibilities will result in the agreement being unworkable for many countries. This will have flow on impacts to small-scale fishers and those communities who would rely on those flexibilities to continue to receive government support.

What if we have developmental aspirations and need government support?
For countries that want to develop greater domestic fishing capacity and small-scale fishers who are wanting to grow their industry, the provision of subsidies that enhance capacity are critical. There are some proposals on the table to try address this.

The first starts by stating that Least-Developed Countries are exempted from the prohibitions while they are LDCs. There is a transition period f for after an LDCs graduation that is still to be agreed upon. However some of the LDCs are big fishing nations and may face strict conditions once the transition ends, meaning that if it isn't long enough some small-scale fishing communities may bear the brunt of cuts to subsidies.

The next level of exemption applies to any Developing Country whose annual share of global marine wild capture is under 0.8% (but that's not an agreed level). These developing countries are allowed to subsidies within their exclusive economic zone while they remain under that threshold level. This threshold however may be variable depending on what other nations catch, meaning that some may end up being caught, or having to reduce their fishing aspirations if they are getting close to the level.

What about developing countries above this threshold?
For those who are above the 0.8% level, they can subsidise within their EEZ but only for an as yet determined transition period. This includes many nations who have considerable artisanal and small-scale fisher communities like India, Indonesia, and Malaysia. Following this period they may get some special consideration for an additional couple of years before only then having access to the sustainability flexibility.

This group of developing countries above 0.8% have a specific reference for small-scale fishers. It allows subsidies to small-scale or artisanal fishing that are primarily low income, resource-poor or livelihood fishing up to 12 or 200 nautical miles from the coastal baseline. The exact geographical limit is still being negotiated.

However if any of these countries qualifies with the WTO's definition of a distant water fishing nation than it is unable to access such flexibilities. The WTO's definition is a country that is significantly engaged, more than 2% of total fish catch, in fishing or fishing related activities in any area farther than one FAO Major Fishing Area beyond the one(s) adjacent to the Member's territorial sea. It's unclear how being a DWF nation means you shouldn't be able to support small-scale fishers given that they are not responsible for overfishing.

What does this mean for small-scale fishers in the future?
Fishers in many countries must fight to ensure their ability to receive government support is maintained, regardless of how they fit into the proposed outcome. Losing important subsidies that support and sustain livelihoods and incomes for small-scale fishers in developing and least developed countries will be challenging by itself.

How can we make sure that small-scale fishers don't lose critical government support?
Ratifying the existing AFS carries with it obligations without real benefits for developing countries and small-scale fishers. With the push to conclude comprehensive negotiations at this month's Ministerial, we are running out of time to ensure that the voices and concerns of small-scale fishers are reflected in any wider outcome.

Now is the time to raise your voice to ensure that your country takes a position in the talks that protects small-scale fishers lives and livelihoods. Organisations all over the world are trying to make a comprehensive outcome the best it can be and that means holding those most responsible for overfishing accountable while not making developing countries and their communities bear the burden of the deal. Sustainable fishing is possible and that starts with supporting small-scale fishers and conservation measures that aren't held to ransom in the WTO.

This briefing note is prepared by the Pacific Netowrk on Globalisation (PANG)

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