



UN OCEAN CONFERENCE - PARTNERSHIP DIALOGUE #4 – MAKING FISHERIES SUSTAINABLE

WEDNESDAY, 7 JUNE 2017 – 10:00-13:00

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Good morning colleagues. It's a pleasure to be here at this historic Conference in support of healthy, vibrant oceans, which are critical for all life on earth, not least our own species. And it is a particular pleasure to speak in this partnership dialogue on sustainable fisheries, an issue that touches directly on the World Trade Organization's work to negotiate new disciplines on subsidies to the fisheries sector, with sustainable development explicitly at the core.

Indeed, the WTO's negotiations in this area are specifically referred to in SDG Target 14.6, on the elimination of certain harmful fisheries subsidies by 2020. And the draft Call for Action of this Conference exhorts countries to accelerate the WTO's work to complete these negotiations.

So how did the WTO get into this issue? In the late 1990s some WTO Member countries called attention to studies linking fishing subsidies to rapidly declining world fish stocks. They identified the issue as a potential triple-win for the WTO, on trade, development, and the environment, as more abundant stocks would mean more tradable products, healthier oceans and more income and employment, especially for poorer coastal states. The WTO, the only global organization with binding rules on subsidies, was the natural venue for multilateral fisheries subsidies reform.

Our Doha negotiating round mandate in this area was explicitly sustainability oriented, calling for prohibitions on subsidies contributing to overcapacity and overfishing, with appropriate special treatment for developing countries. The WTO spent many years working in pursuance of this mandate, on the basis of Members' proposals.

Most recently, the WTO's fisheries subsidies work has been re-energized by SDG Target 14.6, with new proposals from Member countries all seeking to fulfil the WTO's part of this target, through agreed outcomes at our 11th Ministerial Conference, six months from now. So the timing and substance of this Ocean Conference are really aligned with the WTO's fisheries subsidies activities.

Why have these negotiations had no results to date? Two reasons – technical complexity, and extreme political and economic sensitivity for a wide swath of Member countries. On the technical side, these are genuinely uncharted waters for the WTO, whose day-to-day business is about trade flows in products produced on land. By contrast, marine wild capture fishing is the world's last great hunter-gatherer activity, taking place under water, much of it involving



internationally shared resources and/or areas outside national jurisdiction, and based on the reproductive cycles of many different species of fish. For these reason, the direct effect of the subsidies is not on trade in fish products, but on access to the resource – catching the fish in the first place - with any effect on trade more indirect. Finding a satisfactory multilateral approach to these issues is technically difficult. Added to this are the political and economic importance of this sector in a wide range of developed and developing countries alike, with the fisheries sector representing a key, and sometimes one of the only, sources of livelihood and employment for many developing countries. This makes changing fisheries policies, in this case, foregoing the right to provide certain forms of government assistance, a major challenge for many countries.

Yet the stakes, and the risks of the status quo, are very high. With some 60% of the world's fish stocks fully exploited and another 30% overexploited, only 10% have any room for expansion. The scale of global fisheries subsidies also is considerable, with the total estimated at around \$35 billion per year, of which around \$20 billion are subsidies that tend to increase capacity or effort. And while not all subsidies have harmful effects on fish stocks, and while no one argues that subsidies are the only cause of overcapacity or overfishing, it is clear that all else being equal, subsidies can skew the economic incentives toward unsustainable fishing. As demonstrated by the poor and declining health of world fisheries, current fisheries management – against the backdrop of large-scale subsidization – is losing the sustainability battle. So the idea is that by disciplining subsidies, these two areas of government policy can become mutually reinforcing rather than continuing to work at cross purposes.

Where do things stand at the WTO? We are in a period of intensive activity, with a number of proposals for outcomes at our December Ministerial Conference, from a wide range of developed and developing countries: Least developed countries, the ACP Group, the European Union, a group of Latin American countries, and New Zealand and others. All are pushing hard for a binding decision by WTO Ministers. And there are important areas of emerging convergence, the main one being a prohibition of subsidies to Illegal, Unreported and Unregulated fishing, referred to in SDG Target 14.6, and a prohibition of subsidies harming already-overfished stocks. Even in these areas, many questions remain over how to inject the sustainability element – such as identifying IUU fishing and overfished stocks - without converting the WTO into a fisheries management organization. Some developing countries are particularly sensitive on this point, wanting no fisheries management references in the treaty. Others consider that without sustainability reference points, the subsidies disciplines will be inoperable. For still others, subsidies disciplines should only apply where there is inadequate management. Another challenge in the mix is how to provide special flexibilities for developing countries – to support poor fishers and to develop their own commercial fisheries - without undercutting the disciplines, especially because a number of major fishing nations are developing countries. On top of these big political challenges, even where conceptual convergence may emerge, the major technical challenge - capturing it with binding treaty text that all can accept – will remain.



Given all of this, how does the WTO fit into the bigger picture of global work toward sustainable fisheries? It is clear that in the first instance, SDG Target 14.6 represents a commitment by all governments, individually, to eliminate the identified harmful fisheries subsidies. As this commitment was made in 2015, we assume that all governments individually are working to fulfil it. In parallel, we have the ongoing WTO process aimed at a multilateral agreement to prohibit those same fisheries subsidies. Given our current level of activity on this issue, and the determination of the proponent Members inspired by the SDG Target, we do have the real possibility of such an outcome at the end of this year. This would represent the WTO's tangible contribution to meeting the SDG 2020 target date for eliminating the most harmful fisheries subsidies. The exact content and ambition level of, and indeed whether there will be, a multilateral agreement is in our Members' collective hands. And it is clear that what 164 governments can agree to as a multilateral rule binding all of them will not go as far as some individual governments can go at the national level. Thus, agreement at the WTO is not likely to be the end of the story, but can serve as the baseline to undergird and provide momentum for individual governments' fisheries subsidies reforms. By the same token, progress on subsidy reform at the national level should facilitate multilateral agreement.

The final question is how best to leverage these real and potential synergies between the national and multilateral efforts to eliminate harmful fisheries subsidies. Certainly, engagement by civil society has an important role to play. While many NGOs have advocated multilateral outcomes over the years, there has been little involvement by the private sector to date. So for those who wish to see national and multilateral progress on this issue, communicating that view to your government would be important. Also, where governments have made progress in reforming their own fisheries subsidies, sharing those experiences with other governments can inject a welcome note of reality that may both inspire the others and help to guide the discussions in Geneva to finally reach a successful conclusion.

Thank you very much for your attention.
