



International Centre for Trade and Sustainable Development

Submission to the Open Working Group on Sustainable Development Goals

Fisheries, Trade and Sustainable Development

The health of the world's oceans and seas will be central to sustainable development in the coming decades. The Technical Support Team Issues Brief on Oceans and Seas explains the many roles oceans and seas play in meeting key sustainable development challenges, including poverty eradication, providing food security and nutrition, and addressing climate change. It also explains how the ability of the world's oceans to continue to play these roles is threatened by unsustainable resource use, pollution, acidification and habitat destruction.¹

International trade shapes our use of marine resources. Fish products are among the world's most highly traded commodities: around 38% of global fisheries production in 2010 was exported.² Fisheries also play a particularly important role in developing countries, providing food security, nutrition and employment. Net exports of fisheries products provide more revenue to developing countries than net exports of rice, sugar, meat or coffee.³ Aquaculture makes up around 47% of the fish production destined for human consumption, but many farms still rely on wild fisheries to supply juveniles for rearing.⁴ Well-managed fisheries can support adaptation to climate change, as healthy fish stocks are likely to be more resilient to the impacts of climate change.⁵

Enabling fisheries to continue to play all of these crucial roles in sustainable development will require careful and coherent policy frameworks, including resource management and trade policies. This paper sets out relevant ICTSD research on how aspects of trade policy can support sustainable marine resource management.

Reforming fisheries subsidies

Recent estimates suggest that governments spend around \$35 billion per year on subsidies to the fishing sector. Around \$20 billion of this is provided in the form of capacity-enhancing subsidies, including to boat construction and for fuel, which accounts for \$7.7 billion of spending per year.⁶ Capacity-enhancing subsidies that enable fishers to catch more fish than would otherwise be economic encourage over-fishing and undermine governments' efforts to manage fish stocks sustainably.⁷ Not all subsidies are harmful, however. Beneficial subsidies that cover the costs of assessing and monitoring the health of fish stocks can help to ensure the resource is being harvested sustainably. Ambiguous subsidies, like those provided to buy back old fishing vessels, may be helpful or harmful to the resource depending on the circumstances.⁸

¹ United Nations (2013) 'TST Issues Brief: Oceans and Seas'.

² FAO (2012) 'The State of World Fisheries and Aquaculture' Food and Agriculture Organisation, Rome.

³ Ibid.

⁴ Ibid.

⁵ Allison, Edward and Graeme Macfadyen (2009) 'Climate Change, Fisheries, Trade and Competitiveness: Understanding Impacts and Formulating Responses for Commonwealth Small States' Commonwealth Secretariat, London.

⁶ These figures on fisheries subsidies are drawn from Sumaila, Rashid, Vicky Lam, Frédéric Le Manach, Wilf Swartz and Daniel Pauly (2013) 'Global Fisheries Subsidies' Directorate General for Internal Policies - Policy Department B: Structural and Cohesion Policies – Fisheries, European Union, Brussels.

⁷ Milazzo, Matteo (1998) 'Subsidies in world fisheries: A re-examination' World Bank technical paper no. 406. Fisheries series. The World Bank, Washington D.C.

⁸ The classification of capacity-enhancing, beneficial and ambiguous subsidies is drawn from Sumaila, Rashid, Ahmed S. Khan, Andrew Dyck, Reg Watson, Gordon Munro, Peter Tyedmers and Daniel Pauly (2010) 'A Bottom-up Re-estimation of Global Fisheries Subsidies' *Journal of Bioeconomics* 12: 201-225.

Gradually reforming harmful fisheries subsidies and increasing investments in fisheries management could help fisheries stocks to re-build, enabling them to provide income, employment and nutrition for future generations. Reforms can disrupt the existing livelihoods of specific communities, however, so must be done carefully and within a coherent policy framework including adjustment mechanisms.⁹

In the Rio+20 outcome document, UN Members reiterated their commitment to conclude multilateral disciplines in the World Trade Organisation (WTO) on fisheries subsidies that contribute to overcapacity and overfishing. After 12 years of negotiation, however, WTO Members have not been able to agree on what these disciplines should be. The Rio+20 outcome document also encourages States, in light of the state of fisheries resources, to “eliminate subsidies that contribute to overcapacity and overfishing, and to refrain from introducing new such subsidies or extending or enhancing existing ones.”¹⁰ At the WTO’s Ministerial Conference in December 2013, Ministers and Ambassadors from Argentina, Australia, Chile, Colombia, Costa Rica, Ecuador, Iceland, New Zealand, Norway, Pakistan, Peru, Philippines and the United States pledged to “refrain from introducing new fishing subsidies that contribute to overfishing or overcapacity or extend or enhance existing such subsidies, and to work within the WTO and other fora to improve fisheries subsidies reform and transparency”.¹¹

Fisheries access agreements and sustainable development

Many developing countries sell the right to fish in the Exclusive Economic Zone (EEZ) around their coasts to other countries and fishing fleets. ICTSD research¹² has explored how the contribution of fisheries access agreements to sustainable development can be improved. The research identifies policies to maximise the ‘resource rent’ derived by the host country, policies to maximise the benefits it receives from value-added activities and labour, and how to maintain the sustainability of local fish stocks. The research suggests, among other things, that access agreements be made public once they are finalised, and that access to shared fish stocks, including migratory species, be negotiated amongst all of the countries whose EEZs the fish swim through.

Implementation of existing fisheries instruments

ICTSD research¹³ has also looked at trade-related measures within existing international fisheries instruments, including Regional Fisheries Management Organisation agreements, the UN Fish Stocks Agreement and the FAO International Plan of Action on Illegal, Unreported and Unregulated Fishing. The key challenge, as the TST Issues Brief on Oceans and Seas also points out, is to increase ratification and improve implementation and enforcement of these instruments.

ICTSD’s research programme and publications on environmental and natural resources issues can be accessed here: <http://ictsd.org/programmes/environment/>. For more information on our work and access to our research publications, please visit our website: www.ictsd.ch.

⁹ ICTSD (2012) ‘Tackling Perverse Subsidies in Agriculture, Fisheries and Energy’ International Centre for Trade and Sustainable Development, Geneva. Available at: <http://ictsd.org/i/publications/135518/?view=document>.

¹⁰ UN General Assembly Resolution 66/288 ‘The Future We Want’ para 173.

¹¹ ‘WTO 9th Ministerial Conference: Fisheries Subsidies Ministerial statement on behalf of Argentina, Australia, Chile, Colombia, Costa Rica, Ecuador, Iceland, New Zealand, Norway, Pakistan, Peru, Philippines and the United States’ Available at: <http://www.mfat.govt.nz/Trade-and-Economic-Relations/NZ-and-the-WTO/Strengthening-trade-rules/0-fishsubsidiesneg.php>.

¹² See for example Mbithi Mwikya, Stephen (2006) ‘Fisheries Access Agreements: Trade and Development Issues’ International Centre for Trade and Sustainable Development, Geneva. Available at: <http://ictsd.org/i/publications/3448/?view=document>.

¹³ Roheim, Cathy and Jon G. Sutinen (2006) ‘Trade and Marketplace Measures to Promote Sustainable Fishing Practices’ High Seas Task Force, Paris and International Centre for Trade and Sustainable Development, Geneva. Available at: <http://ictsd.org/i/environment/11838/?view=document>.