

Fisheries, Trade and Sustainable Development

Post-2015 Development Agenda Briefing Series

The health of the world's oceans and seas will be central to sustainable development in the coming decades, and has been an important element of negotiations around the Post-2015 Development Agenda. The 'zero draft' of Sustainable Development Goals (SDGs) and targets released on 2 June 2014 by the Co-Chairs of the United Nations General Assembly's Open Working Group on SDGs reflected the importance attached to oceans, seas and marine resources in a stand-alone goal.¹ The goal was supported by several proposed targets, which included eliminating subsidies that contribute to overcapacity and overfishing, and improving access of artisanal fishers to fishery resources and markets. This policy brief sets out relevant research, including by ICTSD, on how aspects of trade policy, such as subsidies reform and fisheries access agreements, can support sustainable use of marine resources.

International trade and the sustainable use of marine resources

International trade shapes our use of marine resources. Fish products are among the world's most highly traded commodities: about 38 per cent 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 about 47 per cent 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.

1 UN (2014) 'Introduction and Proposed Goals and Targets on Sustainable Development for the Post2015 Development Agenda'. Available at: <http://sustainabledevelopment.un.org/content/documents/4044140602workingdocument.pdf>.

2 FAO (2012) *The State of World Fisheries and Aquaculture 2012*. Food and Agriculture Organization of the United Nations, 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.



Reforming fisheries subsidies

Recent estimates suggest that governments spend about USD35 billion per year on subsidies to the fishing sector. About USD20 billion of this is provided in the form of capacity-enhancing subsidies, including to boat construction and for fuel, which accounts for USD7.7 billion of spending per year.⁶ Subsidies that enable fishers to catch more fish than would otherwise be economic can encourage overfishing 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

Gradually reforming harmful fisheries subsidies and increasing investments in fisheries management could help fisheries stocks to rebuild, 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, often including adjustment mechanisms.⁹

The target related to fisheries subsidies in the zero draft of 2 June 2014 follows several previous international statements on the issue. In the Rio+20 outcome document, United Nations members reiterated their commitment to conclude multilateral disciplines in the World Trade Organization (WTO) on fisheries subsidies. 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 from 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 zones (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 highly migratory species be negotiated regionally among all the countries participating in the fishery.

6 These figures on fisheries subsidies are drawn from Sumaila, U. Rashid, Vicky Lam, Frédéric Le Manach, Wilf Swartz and Daniel Pauly (2013) *Global Fisheries Subsidies*. Note. 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 Fisheries Series No. 406. World Bank, Washington DC.

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

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 Ninth 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>.

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 United Nations (UN) Fish Stocks Agreement and the Food and Agriculture Organization of the United

Nations (FAO) International Plan of Action on Illegal, Unreported and Unregulated Fishing. A key challenge 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 at <http://ictsd.org/programmes/environment/>.

An earlier version of this Policy Brief was submitted online to the Open Working Group on Sustainable Development Goals.

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>.

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