

**EVENT**

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**SESSION II**

# **IISD Analysis of the Draft Fisheries Subsidies Text**

**Wednesday, June 12 | 2-3 p.m. CEST**

Zoom



**Why additional  
rules?**



# Fisheries subsidies at the WTO: Where are we?

- The June 2022 Agreement prohibits fisheries subsidies in the **most alarming situations**:



Identified cases of IUU fishing



Stocks assessed as overfished (and no management measure in place)



Fishing on high seas outside the competence of any management arrangement

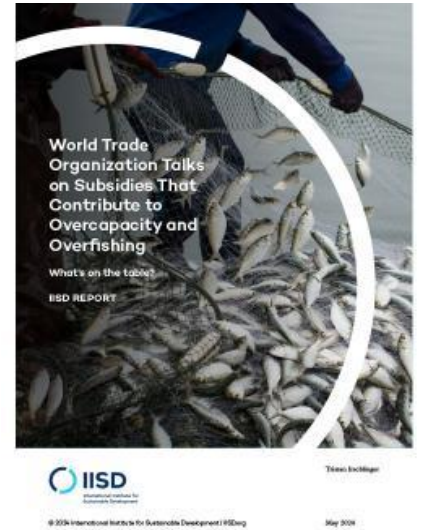
- But subsidies can have **harmful impacts** in many **other situations**, in particular :
  - IUU fishing or overfished stocks, but no IUU determination or stock assessment is made
  - No IUU fishing or overfished stocks (yet), but subsidies still lead to excessive fishing levels
- Additional, broader rules are essential to better address the **underlying role** of subsidies as a driver of overcapacity and overfishing, and protect the environment and people's livelihoods

**What rules are  
on the table?**



# Preliminary points

- IISD published an analysis of the text, available here: <https://www.iisd.org/publications/report/world-trade-organization-fisheries-subsidies-update>
- Based on the draft text for additional provisions on fisheries subsidies circulated on 12 April 2024 ([TN/RL/W/278](#)) and its addendum ([TN/RL/W/278/Add.1](#)): some of the member-led work to find a landing zone at the end of MC13 is reflected → **Indicated in blue boxes**
- Caveats:
  - > Written analysis and presentation reflect IISD's reading of the text, but other readings are possible
  - > High level of convergence among WTO members, but nothing is agreed yet
- The suggested additional provisions should be read and interpreted in the context of the existing framework established by the 2022 Agreement on Fisheries Subsidies



# Main prohibition and management exemption (Art. A.1)



## Article A.1

**Prohibition** to provide subsidies that contribute to **overcapacity and overfishing**, including a specific list of subsidies:

- Vessel acquisition and modernization
- Purchase of engines, machinery and equipment
- Fuel costs and other variable costs (ice, bait, etc.)
- Other (personnel, income, price support)



## Article A.1.1

**Exemption:** Subsidies are not prohibited if **measures** are implemented to **maintain the relevant stock(s)** at a biologically sustainable level

Demonstration through notification (info on measures, stock status, catch, fleet capacity) and follow-up

Members can ask **clarifications** regarding notifications and others have an obligation to respond



## Article A.1.2

**Tier 1:** Developed, distant water fishing members, top 10 subsidizers, members opting out of SDT

- More extensive demonstration
- Within 6 months for any new subsidy

**Tier 2:** Other developing members that are not completely exempted

- Less detailed demonstration
- More time to notify

# SDT: Exemptions from the main prohibition (Art. B)



## Article B.1 – Article B.4

**Special and differential treatment:** a series of exemptions from the main prohibition

- Complete and permanent exemption for **LDC members'** subsidies (+ **X**-year transition after graduation)
- Complete and permanent exemption for **small developing fishing nations'** subsidies (< 0.8% of global catch)
- Transitional exemption for developing members' subsidies, including **large-scale fishing** ( **X** years)
- A permanent exemption for **small-scale and artisanal** fishing or fishing-related activities (that are primarily low-income, resource-poor, or livelihood in nature)  
“significantly commercial” fishing excluded



## Article B.5

Developing members with “competent fisheries management capabilities” are encouraged to commit not to use SDT exemptions



# SDT: Exemptions from the main prohibition (Art. B)



## Article B.1 – Article B.4

**Special and differential treatment:** a series of exemptions from the main prohibition

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- Complete and permanent exemption for **small developing fishing nations'** subsidies (< 0.8% of global catch)
- Transitional exemption for developing members' subsidies, including **large-scale fishing** ( 8 years )
- A permanent exemption for **small-scale and artisanal** fishing or fishing-related activities (that are primarily low-income, resource-poor, or livelihood in nature)  
“industrialised” fishing excluded



## Article B.5

Subsidizing developing members “with competent fisheries management capabilities” encouraged to commit not to use SDT exemptions



# Obligation on subsidies targeted at DWF (Art. A.2)



## Article A.2(a)

Members must **refrain**, to the greatest extent possible, from providing subsidies that are **targeted** at fishing and fishing-related activities **beyond their EEZ**, unless particular criteria are met (see below)



## Article A.2(b)

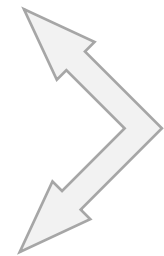
Such subsidies are **prohibited** when the same criteria are not met

Criteria: a quick and detailed demonstration that measures are implemented to maintain relevant fish stocks at a sustainable level, including notified information on subsidy amount, fleet capacity, and catch data



## Article A.2(c)

A dedicated **process for monitoring** subsidies targeted at distant water fishing and the application of this rule.



Clarify link?

# Notification and transparency (Art. C)



## Article C

Members have obligations to **notify**, each year:

- vessels and operators for which there is information that reasonably indicates the use of **forced labour**
- a list of fisheries **access agreements** or arrangements, including their title and parties and, if possible, their full text
- to the extent possible, **non-specific fuel subsidies**

Members only **invoke** the management-based exemption and the exemption related to artisanal fishing in respect of subsidies which they have **notified**

Members need to notify information that is necessary for the determination of its annual **aggregate level** of fisheries subsidies (120 days from entry into force, then with regular notifications)

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# Other provisions (Art. D and E)



## Article D.1

The **additional provisions'** operation will be **reviewed** within 5 years from their entry into force:

- Review to consider: overall impact of the rules, DWF and global level of DWF-targeted subsidies, global level of subsidies, and economic benefits to SIDS and LDCs
- Identification of possible changes needed to make rules more effective; if subsidy levels have increased, the Committee “shall recommend” quantitative **limits or reductions**, unless other changes are more appropriate
- Results to be considered at the first **Ministerial Conference** following the review



## Article D.2

Before granting any subsidy, members must consider its consequence on overcapacity or overfishing.



## Article E

The additional provisions and the existing 2022 Agreement together constitute a **complete agreement** (the “comprehensive disciplines” referred to in the MC12 decision).

The framework established by the 2022 Agreement applies to these additional provisions.

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# A sustainable development perspective



# Not the best, but the best possible outcome?

- Concluding these additional rules is **crucial** from a sustainable development perspective, as they have the potential for broader impact than the more targeted rules included the 2022 Agreement
- The draft text reflects members' attempt to find **compromises** and to strike **balances** at many levels
- It is not anybody's ideal set of rules, and it is **not perfect either** from a sustainability perspective
  - Example of the management-related exemption, and SDT
- After years of hard negotiating work, the draft text reflects the **best** set of disciplines on which members have managed to find convergence



# There is significant value on the table

- The text represents **a lot of value** in sustainable development terms
  - Most risky types of subsidies are **prohibited** if no **credible** management measure is not place
  - The widest SDT exemption is only temporary; others are smaller in scale
  - The rules would subject fisheries subsidies and their sustainability to **scrutiny** that currently does not exist, placing the issue explicitly on the ongoing international agenda at the WTO
  - A **normative** change: Beyond their legal nature, the disciplines would also change the public's **expectations** of policy makers; subsidies would be expected to align with sustainability.
- Finding ways to close the last remaining gaps and **securing this value** would be a wise approach

# Thank you!

And please tell us what you think:



<https://www.surveymonkey.com/r/PRSYNFK>

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