The World Bank contribution to fisheries subsidies reform

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June 1, 2022
The Sunken Billions Revisited

The World Bank, 2017
The starting point (WB Sunken Billions Report)

By reducing global fishing effort by 40% we can achieve:

- An increase in global fish biomass from 215 to 580 million tonnes
- Higher sustainable harvest levels achieved with far lower fishing effort (increase in maximum economic yield – MEY)
- Estimated average landing prices increasing by more than 24% (more of the larger fish, which fetch higher prices)
- An almost 30-fold increase in the net benefits that could be derived from sustainably managed global fisheries ($86.3 billion versus $3 billion in 2012) – due to combination of much lower fishing costs and higher harvest
Role of subsidies in recovering the Sunken Billions

- Reducing the fiscal cost of support to fisheries that is counterproductive in the long term; and

- Redressing the distortion they create, thus reducing the drive towards overcapacity and overfishing

- Does not necessarily mean governments need to disengage from sector investment

- But rather encourage them to redirect this support along a more productive path
What the World Bank can bring to the table

• Ongoing work on fisheries subsidies in a broader context

• Assistance with identifying and estimating subsidies: PERs

• Identifying better use (redirection) of public support:
  • Helping cover the cost of necessary reforms
  • Diverting support to measures that will strengthen fisheries sustainability

• Greatest comparative advantage: financing needed fisheries reform
What is a Public Expenditure Review (PER)?

A PER examines public expenditure patterns in a sector to determine their consistency with policy objectives, priorities, and their adequacy in terms of meeting sector targets.

A PER:

• provides an **audit and evaluation** of expenditure (and revenue), enabling comparisons to be made with other sectors and providing a basis for discussions between the Ministry of Finance and Fisheries.

• can be a useful **planning and decision-making tool**, to assess public expenditure in the fisheries sector against a range of goals.

• can **improve fiscal management** by strengthening analysis on its adequacy, sustainability, effectiveness, efficiency and equity.
Why a PER is useful for the fisheries sector?

Fisheries is confronting challenges that could be usefully informed by a PER

- Foregone resource rents
- Excess Fishing
- Disconnected from macro-economy
- Disconnected policy from harvest to post-harvest
- Trade in services ignored
- Disconnected small-scale fishers
- Complexity resulting from shared stocks
- Under-funded agencies
- Low capacity
- Inequity in distribution of benefits
Tackling the social cost of reform

- **Stakeholder Mapping: Net-Map**
  - Low-tech, low-cost, interview-based stakeholder mapping tool to capture linkages, levels of influence, and goals of multiple stakeholders.

- **Local Economy-Wide Impact Evaluation (LEWIE)**
  - Characterizing the structure of a local economy and simulating impacts of shocks and interventions.

- **Impact Evaluation (IE)**
  - Assessment of changes in the well-being of individuals, households, communities or firms that can be attributed to a particular project, program, or policy.

- **Household Survey and Data**
  - Information to better understand beneficiaries, including household fish production and consumption.
Roadmap to meaningful support of the sector

• Fisheries Performance Assessment Toolkit (FPAT)
  • Assessment of performance of target fisheries, including how their management can be improved.

• FAO Tool for Global Assessment of Fish Stock Status
  • Information on assessment result as well as how assessment can be improved.

• Statistical Capacity Assessment Tool
  • What information is collected and how it is used as well as how data collection management system and capacity can be improved.

• Monitoring, Control and Surveillance (MCS) Assessment Tool
  • Strengthening surveillance capacity to improve compliance to rules for effective fisheries management.