The WTO Agreement on Fisheries Subsidies:
An overview

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Scope
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Rules apply to “specific” subsidies provided to marine wild capture fishing and fishing related activities at sea (Article 1).

The agreement does not cover subsidies to:

- aquaculture,
- inland fishing,
- any onshore activity (incl. onshore processing).
The rules in a nutshell

Illega, unreported and unregulated (IUU) fishing (Article 3)

Prohibition of subsidies to vessels/operators engaged in IUU fishing

Overfished stocks (Article 4)

Prohibition of subsidies to the fishing of stocks that are assessed as overfished

Others (Article 5)

Prohibition of subsidies to fishing on the unregulated high seas

Particular caution for subsidies to:
- Reflagged vessels
- Fishing of unassessed stocks

Horizontal: Special and differential treatment (incl. technical assistance), transparency, institutional issues
Subsidies to illegal, unreported, and unregulated (IUU) fishing
**Prohibition** to subsidize vessels or operator that are the subject of an **IUU fishing** “determination” (+ support activities). Determinations can be made by:

- Coastal state
- Flag state
- Regional fisheries management organisation (RFMOs)

- Determinations must meet simple **criteria** (evidence, procedure) to trigger the subsidy prohibition
- Subsidizing member **modulates the duration** of the prohibition based on the nature of the infraction
- **Special & differential treatment:** 2-year grace period for developing countries’ fishing in their waters
- Additional obligation: Due regard and appropriate action in case of IUU notification from a port state
Subsidies to the fishing of overfished stocks
Overfished stocks (Article 4)

Prohibition to subsidize the fishing of fish stocks that are recognized as overfished by:

- Coastal state
- Regional fisheries management organisation (RFMOs)

Flexibility: Subsidies are allowed if such subsidies or fisheries management measures are implemented to rebuild stock(s) to a biologically sustainable level

- Assessment of stock status must be based on the “best scientific evidence available” to the coastal member or RFMO

- Special & differential treatment: 2-year grace period for developing countries’ fishing in their waters
Other subsidies

- Unregulated high seas
- Reflagging
- Unassessed stocks
Other subsidies (Article 5)

**Prohibition** to subsidize fishing on the *unregulated high seas* – where no fisheries management measure applies.

**Special care** must be given and **due restraint** must be exercised when providing subsidies to:

- Vessel that do not fly the subsidizing Member’s flag
- Fishing of stocks the **status** of which is **unknown**

**Exception**: These rules do not apply to subsidies for disaster relief.
Transparency
Obligation to provide some *fisheries-related information* in subsidy notifications:

- Type or kind of fishing activity to which a subsidy applies

- To the extent possible:
  - Status of fish stocks
  - Conservation and management measures
  - Fleet capacity
  - Name and identification number of vessels
  - Catch data

Obligation to notify list of IUU determinations and membership in RFMOs

Obligation to provide information on fisheries regime and implementation measures
Least developed countries (LDCs)

Technical assistance
Least developed countries (LDCs) (Article 6)

WTO Member must exercise due restraint in raising matters involving LDCs and explore solutions that take into consideration their specific situation.

Technical assistance and capacity building (Article 7)

Targeted technical assistance “shall be provided” to developing country members for implementation.

Establishment of a WTO Fisheries Funding Mechanism to provide such assistance, funded through voluntary contributions by WTO Members.
What was left out of the agreement?

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

- Vessel acquisition and modernization
- Purchase of engines, machinery and equipment
- Fuel costs and other variable costs (ice, bait, etc.)
- Fishing beyond the subsidizing members’ waters

**Flexibility:** No prohibition if measures are implemented to maintain the relevant stock(s) to a biologically sustainable level

**Special and differential treatment:** Transition period for developing countries (EEZ/RFMO) and series of permanent exemptions (artisanal fishing, small fishing nations, and least developed countries)
Future negotiations

- WTO Members committed to continue negotiations to achieve “a comprehensive agreement on fisheries subsidies”, including further disciplines on the subsidies that contribute to overfishing and overcapacity.

- They will aim to make recommendations to the 13th Ministerial Conference.

**Sunset clause:** If comprehensive disciplines are not adopted in the four years following its entry into force, the agreement shall stand immediately terminated, unless WTO Members decide otherwise.
Thank you!

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