



# 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



## **Illegal, 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**



# IUU fishing (Article 3)



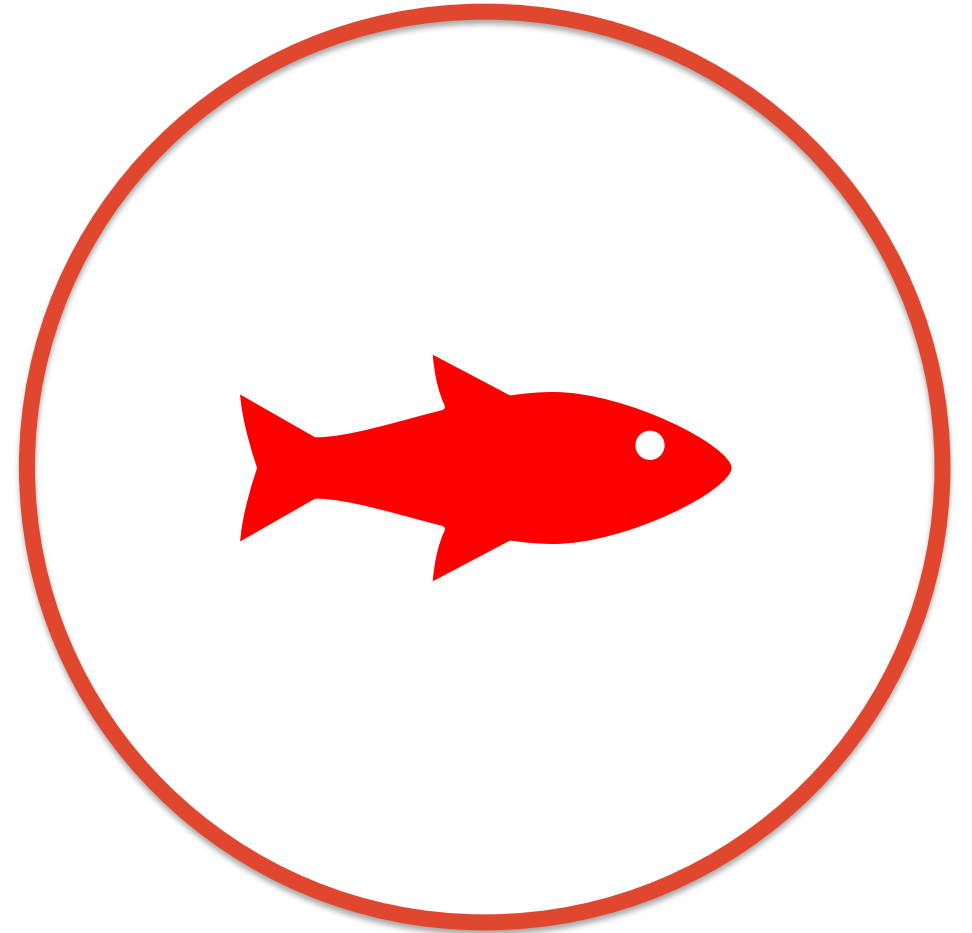
**Prohibition** to subsidize vessels or operator that are the subject of an **IUU fishing** “determination” (+ support activities). Determinations can be made by:

- 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)



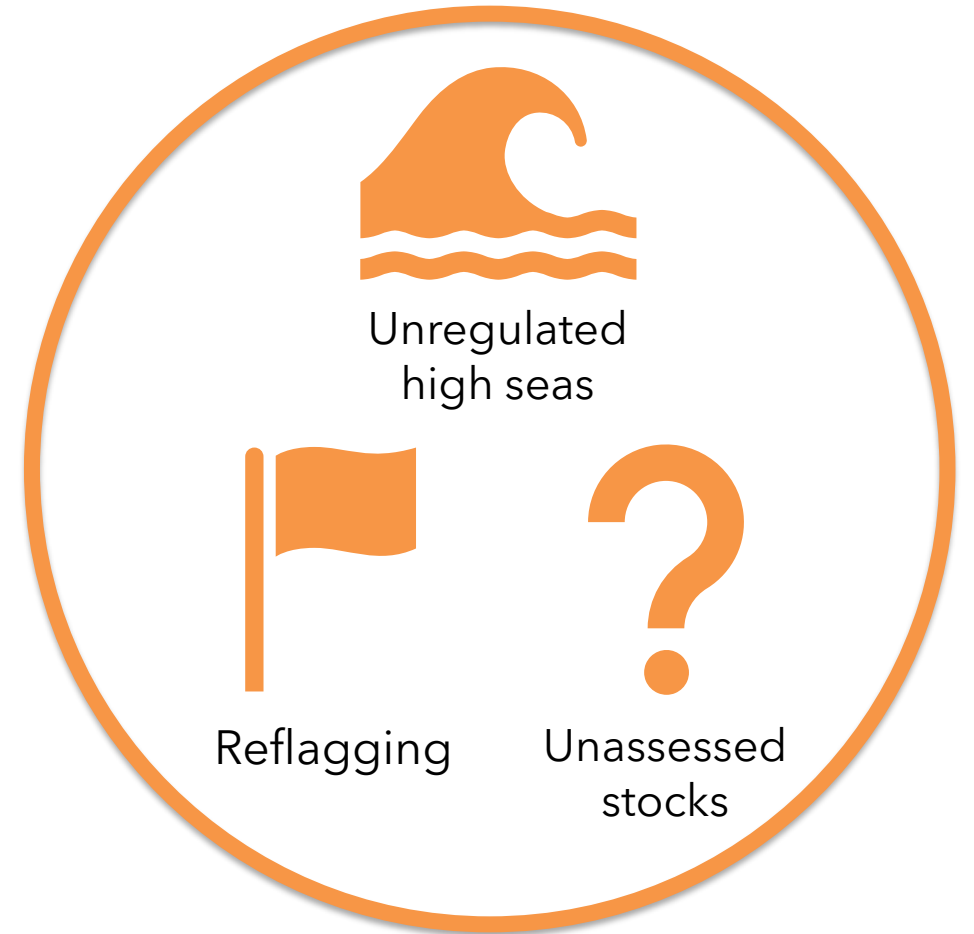
Flexibility: Subsidies are allowed if such subsidies or fisheries management measures are implemented to **rebuild stock(s)** to a biologically sustainable level



- 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



# 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**



# Transparency (Article 8)



**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 13<sup>th</sup> 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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