

CARIBBEAN REGIONAL FISHERIES MECHANISM



Overfishing in the Caribbean: Could global treaty talks make a difference?

Maren Headley
CRFM Secretariat

Earth Journalism Network Webinar

June 8, 2021

Introduction

- Overfishing is a major global challenge
- Sustainability of the world's fisheries, health of the world's oceans and the future of the world's "blue economy" are under threat as a result.
- Fisheries subsidies are an important part of the problem- they encourage fishing efforts that often lead to overfishing and overcapacity
- The WTO Subsidies and Countervailing Measures Agreement contains a definition of the term "subsidy" which contains three basic elements:
 - i. a financial contribution
 - ii. by a government or any public body within the territory of a Member
 - iii. which confers a benefit

Context & Background: WTO Negotiations on Fisheries Subsidies

- Initiated at the 2001 Ministerial in Doha and current mandate of the negotiations is shaped by the 2017 Ministerial Declaration which reflects SDG 14.6-in it Members aim for
 - *“an agreement on comprehensive and effective disciplines that prohibit certain forms of fisheries subsidies that contribute to overcapacity and overfishing, and eliminate subsidies that contribute to IUU-fishing recognizing the appropriate and effective special and differential treatment for developing country Members and least developed country Members should be an integral part of these negotiations.”*
- The ACP has submitted three full proposals for the three main disciplines on IUU, Overfished Stocks and **Overfishing and Overcapacity** (most relevant for the sustainability objective-to restore and maintain a healthy level of fishing of the world’s oceans)
- CARICOM Member States have been actively engaged through the ACP, throughout these processes.
- The fisheries subsidies negotiations, conducted through the Negotiating Group on Rules, are in a critical phase.

Subsidies that contribute to overcapacity or overfishing

- Subsidies to construction, acquisition, modernization, renovation or upgrading of vessels
- Subsidies to the purchase of machines and equipment for vessels (including fishing gear and engine, fish-processing machinery, fish-finding technology, refrigerators, or machinery for sorting or cleaning fish)
- Subsidies to the purchase/costs of fuel, ice, or bait
- Subsidies to costs of personnel, social charges, or insurance
- Income support of vessels or operators or the workers they employ
- Price support of fish caught
- Subsidies at-sea support
- Subsidies covering operating losses of vessels or fishing or fishing related activities

Subsidies at the global level (Schuhbauer et al. 2020)

- **\$35.4** billion USD of global fisheries subsidies provided in 2018
- 19% went to the small-scale fishing sub-sector, including artisanal, and subsistence fisheries
- > 80% went to the large-scale (industrial) fishing sub-sector
- Majority of subsidies received by the large-scale fishing sector are capacity-enhancing subsidies (**USD 18.3 billion**) with fuel subsidies being the highest overall subsidy type (**USD 7.2 billion**)
- Estimated that a fisher involved in large-scale fishing sector receives disproportionately (**3.5 times**) more subsidies than a fisher involved in small-scale fisheries
- In terms of subsidies per landed value the large-scale fishing sector receives twice as many subsidies per dollar landed than small-scale fisheries.

How are subsidies linked to overfishing in the Caribbean?

- Problem of subsidized excess capacity and subsidized excess fishing activity globally is caused , virtually exclusively by others in particular large scale, industrial and distant-water fishing industries and their subsidizers
- Information about the volumes of current fisheries subsidies provided by CARICOM countries is only available in the form of approximations
- For CARICOM countries, based on aggregates -capacity enhancing and ambiguous subsidies have been estimated to range from **\$1, 143,170** to **\$47, 258, 434** USD (Sumaila et al. 2019). Issues have been raised by Member States since values have been calculated using modelled values vs real values
- While no conclusive numbers appear to be available, the volume of fisheries subsidies in CARICOM Member States is overall very small.
- Moving forward, Member States may wish to endeavor to attempt a self-examination at a reasonable granular level

The Wider Caribbean region



- Bordered by over 35 States and territories
- Diverse marine resources
- Large EEZs
- 17 CRFM Member States-CARICOM-15 Member States

Overview of Fisheries in the Caribbean region (FAO, 2020a)

- FAO Area 31- Western Central Atlantic
- Accounts for 7% of total capture
 - Atlantic & Mediterranean

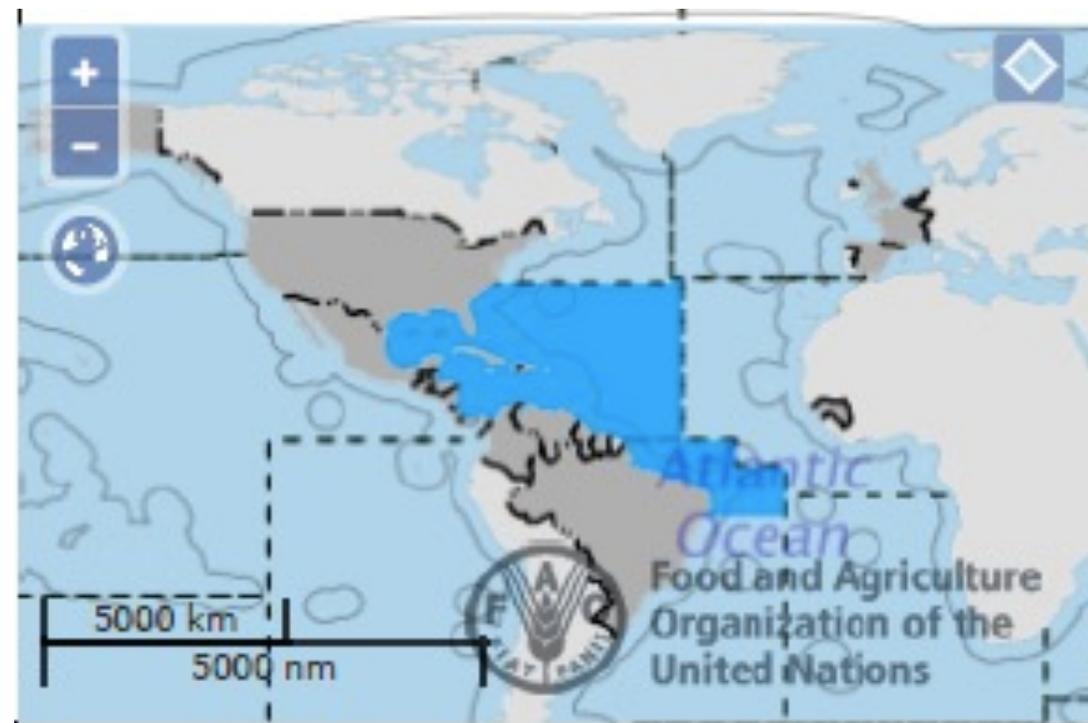
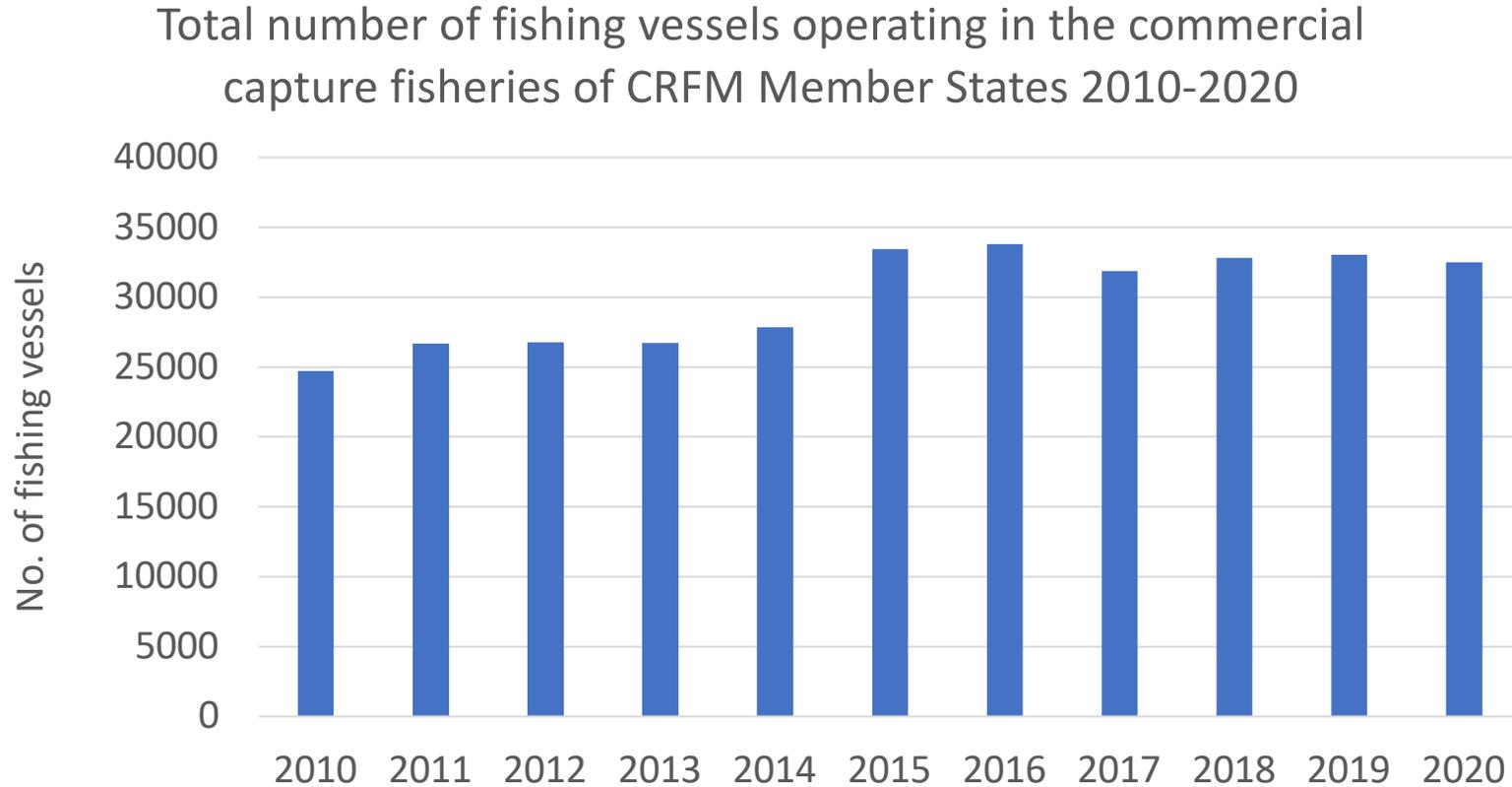


Table1: Production average per year (million tonnes, live weight)

1980s (average)	1990s (average)	2000s (average)	2015	2016	2017	2018
2.01	1.83	1.55	1.4	1.54	1.45	1.49

Overview of the Fisheries Sector in CRFM Member States (CRFM, 2020)



Overview of the Fisheries Sector in CRFM Member States (CRFM, 2020)

- Multi-species, multi-gear, transboundary resources
- Include small-scale and industrial operations
- Number of marine fishers estimated in 2019 at **112,262** in CRFM Member States
- Total number of persons employed in the fisheries sector was estimated at approximately **283,712** in 2018-approximately 3.3% of the workforce
- Total marine capture fish production in meat weight and value decreased respectively from **156, 691 t** and **\$534.6 million USD** in 2017 to **133, 487 t** and **\$508.7 million USD** (ex-vessel prices) in 2019.



Fisheries' Importance in the Caribbean

- 70% of the population in the Caribbean region lives along the coast (CCI, 2020)
- High dependence on income and food from fisheries in many coastal communities
- Important source of animal protein- annual fish consumption ranging between 10 and 35 kg/capita (FAO, 2014)



CARICOM's Interests in Fisheries Subsidies Negotiations and Potential Policy Reforms (Schloemann, 2019)

- Offensive interests
 - Long-term sustainability of the resource.
 - Increase in resource availability/reduction of over-exploitation of shared resource by others, resulting in stable or increased catch per unit effort for CARICOM operators
 - Subsidy disciplines on others (who subsidize more) will reduce overall catch and hence potentially increase markets and/or improve prices for Caribbean fish producers, levelling the playing fields
- Defensive interests
 - Avoiding/limiting administrative and financial burden
 - Avoiding unnecessary limitations on fisheries management
 - Maintaining space for growth and policy making, avoiding unnecessary limitations
 - Maintaining, ideally improving access and enjoyment of shared resources, including in the high sea
 - Preventing disciplines that are incompatible with existing frameworks
- Systemic Interests
 - Overall “success” is good for the WTO, and the WTO is good for the Caribbean
 - Upholding and nurturing principles, such as fair & effective Special & Differential Treatment accounting for here relevant differences
 - Ensuring the compatibility of fisheries subsidy disciplines, in law and practical fact, with international instruments relating to fisheries and fisheries management

CARICOM's Position on the WTO Fisheries Subsidies Negotiations

15th Meeting of the Ministerial Council

- The recently concluded 15th Meeting of the Ministerial Council of the CRFM took the following actions:
 - **Called upon** the HODs to continue to shore up CARICOM's positions on: (i) a possible exemption for subsidies to subsistence/artisanal/small-scale fishing; (ii) due process requirements for Illegal, Unreported and Unregulated (IUU) fishing determinations; and (iii) the approach to the Overcapacity and Overfishing prohibition
 - **Supported** the proposal put forward by CARICOM for the exemption of Members whose share of world capture fishing is less than [2]% from the disciplines on Overcapacity and Overfishing. This has been referred to as the *de minimis* proposal and the level of the threshold is negotiable;
 - **Emphasized** that, as small countries, whose footprint on global fishing activities is miniscule, it should not be required to eliminate the few subsidies that it does give, mainly for resource-poor fishing operators;
 - **Stressed** that the rationale for having the *de minimis* proposal as a standalone paragraph is not developmental but based on the fact that small countries such as ours have not contributed to the problem of global overfishing and overcapacity and do not have the wherewithal to do so;
 - **Agreed** that CARICOM, as part of the ACP, will continue to vigorously pursue its interests in the WTO negotiations by emphasizing the need for small and vulnerable economies, such as the CARICOM Member States, to be able to continue sustainable exploitation of their living marine resources while placing the onus on large industrial nations to prohibit harmful subsidies that contribute to unsustainable and damaging fishing practices.

References

- Caribbean Challenge Initiative (CCI) 2020. The Caribbean's Marine and Coastal Environment. <https://www.caribbeanchallengeinitiative.org/about/caribbean-s-marine-environment>
- CRFM. 2020. CRFM Statistics and Information Report - 2018. Belize City, Belize. 84pp.
- FAO. 2020a. The State of World Fisheries and Aquaculture 2020. Sustainability in action. Rome.
- FAO. 2020b. Regional Plan of Action to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated (IUU) Fishing in WECAFC Member Countries (2019-2029). Rome.
- Schloemann, H. 2019. Strategic Briefing Paper Fisheries Subsidies. Technical Assistance on WTO Issues for CARICOM- TAF2+ WTI advisors
- Schuhbauer, A. Skerritt, D.J., Ebrahim, N., Le Manach, F. and Sumaila, U.R. 2020. The Global Fisheries Subsidies Divide Between Small- and Large-Scale Fisheries. *Front. Mar. Sci.* 7:539214. doi: 10.3389/fmars.2020.539214
- Sumaila, U. R., Ebrahim, N., Schuhbauer, A., Skerritt, D., Li, Y., Kim, H. S., ... & Pauly, D. (2019). Updated estimates and analysis of global fisheries subsidies. *Marine Policy*, 109, 103695.