

Report of the

**SECOND AD HOC MEETING OF INTERGOVERNMENTAL
ORGANIZATIONS ON WORK PROGRAMMES RELATED
TO SUBSIDIES IN FISHERIES**

Rome, 4–5 July 2002



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ISBN 92-5-104824-X

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PREPARATION OF THIS DOCUMENT

This is the final report of the Second Ad Hoc Meeting of Intergovernmental Organizations on Work Programmes Related to Subsidies in Fisheries, held in Rome, Italy, on 4 and 5 July 2002.

Distribution:

Participants at the meeting
All FAO Members
FAO Fisheries Department
FAO Regional Fishery Officers

FAO.

Report of the second Ad Hoc Meeting of Intergovernmental Organizations on Work Programmes Related to Subsidies in Fisheries. Rome, 4-5 July 2002.

FAO Fisheries Report. No. 688. Rome, FAO. 2002. 17p.

ABSTRACT

The Second Ad Hoc Meeting of Intergovernmental Organizations on Work Programmes Related to Subsidies in Fisheries took place at FAO headquarters on 4 and 5 July 2002 as a follow-up to a recommendation made at the twenty-fourth session of the FAO Committee on Fisheries. Representatives from the Asia-Pacific Economic Cooperation Council, the Association of Southeast-Asian Nations, the Caribbean Community Secretariat, FAO, the Organisation for Economic Co-operation and Development, the Southern Africa Development Community, the United Nations Environment Programme and the World Trade Organization attended the meeting. Mr Ulf Wijkström, FAO Fisheries Department, was elected chairperson of the meeting and an agenda was adopted that included two main items: (i) presentation and discussion of current work programmes on subsidies in fisheries, and (ii) future work and opportunities for collaboration. The meeting noted a number of opportunities for collaboration in the preparation, execution and finalization of reports and meetings. It agreed to work towards expanding the membership of the group and to establish an informal e-mail-based system for sharing relevant information.

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INTRODUCTION

1. The Second Ad Hoc Meeting of Intergovernmental Organizations on Programmes of Work Related to Subsidies in Fisheries took place at FAO Headquarters in Rome on 4 and 5 July 2002.

2. Representatives from the following Intergovernmental Organizations (IGO) participated in the meeting: the Asia-Pacific Economic Cooperation (APEC), the Association of South-East Asian Nations (ASEAN); the Caribbean Community and Common Market (CARICOM); the Food and Agriculture Organization of the United Nations (FAO), the Organization for Economic Cooperation and Development (OECD), the Southern Africa Development Community (SADC), the United Nations Environment Programme (UNEP) and, the World Trade Organisation (WTO). The names of the participants are listed in Appendix B.

OPENING OF THE MEETING

3. The Second Ad Hoc Meeting was opened by Mr Ichiro Nomura, the Assistant Director-General of the FAO Fisheries Department. In welcoming the participants Mr Nomura noted that in many IGOs work related to fisheries subsidies had taken on an increased urgency following the decision of the WTO Ministerial Conference in Doha to consider fishery subsidies in the course of forthcoming trade negotiations. He welcomed participants to share information on present and future work related to fisheries subsidies and invited them to make concrete suggestions for future collaboration in this field.

ELECTION OF CHAIRMAN

4. The Second Ad Hoc Meeting elected Mr Ulf Wijkström, Chief of the Fishery Development Planning Service, FAO Fisheries Department, as its Chairperson.

ADOPTION OF THE AGENDA

5. The Second Ad Hoc Meeting adopted the Agenda as contained in Appendix A to this report.

PRESENTATION AND DISCUSSION OF WORK PROGRAMMES ON SUBSIDIES IN FISHERIES BY PARTICIPATING ORGANIZATIONS

Asia-Pacific Economic Cooperation (APEC)

6. The 21 APEC member economies collaborate for trade facilitation and liberalization around the Pacific Rim. As part of this work, APEC working groups consider economic and trade policies in various economic sectors. The APEC Fisheries Working Group (FWG) strives to facilitate and liberalize trade in fish and fish products. At the same time, the FWG seeks to assist APEC Economies in implementing sustainable fishery practices. APEC held the “First APEC Ocean-related Ministerial Meeting” in Seoul in April 2002. Ministers agreed on the text of the Seoul Declaration (attached as Appendix C).

7. In mid-2002, the APEC FWG is not conducting any work aiming specifically at understanding the prevalence or effects of subsidies on fisheries and/or aquaculture in member economies. There are no plans to initiate projects in this area until the World Trade Organization (WTO) Doha process has progressed.

8. Within the APEC region, fisheries and aquaculture make important contributions to food security, economic activity and culture. While FAO has the expertise, the membership and the mandate to frame solutions to global sustainable fisheries problems, the APEC FWG can help build capacity of its members to implement those solutions. The FWG has demonstrated its strength at building capacity through exchanges of ideas and concepts among its members. APEC calls this type of exchange, or technology transfer, “ecotech.” Through projects dealing with improved techniques for grouper culture, the FWG has shown the way to sustainable grouper production to meet rising demands for these reef fish without placing increased fishing pressure on the fragile coral reef ecosystems where wild groupers are found. A shrimp virus risk assessment project is teaching shrimp farmers in the Americas lessons learned by their counterparts in Southeast Asia. Sharing solutions in this manner helps the fisheries sector avoid the types of financial crises that lead to calls for subsidies.

9. At the same time, APEC has several useful mechanisms that might be used to gain needed funding for building capacity for sustainable fisheries. APEC Finance Ministers meet regularly, for example; they meet annually with the World Bank Board of Directors. Perhaps this existing network could be used for future discussion of subsidy issues and for further discussions of Bank funding for sustainable fisheries infrastructure.

10. APEC’s “APEC Business Advisory Council (ABAC)” is a mechanism through which private sector business input can influence the direction of APEC programmes. One result of the dialogue between APEC and the business community has been a review of the guidance with respect to trade liberalization APEC has received from the annual meetings of the leaders of APEC economies. ABAC has recommended, for example, that the APEC region should be declared a “food export subsidy-free area.” APEC will decide on how to follow up on this and other ABAC recommendations as it awaits the results of the WTO Doha process.

11. The Fisheries Working Group will explore the opportunities for assisting the fisheries sector in implementing the outcomes of the global Doha process in the APEC region, just as the FWG seeks to implement FAO global sustainable fishery initiatives.

Association of Southeast Asian Nations (ASEAN)

12. The Association of Southeast Asian Nations (ASEAN) was established on 8 August 1967 in Bangkok. ASEAN has been recognizing the importance of fisheries as one of the main contributors to socio-economic development for more than three decades. Currently fisheries is an important pillar for ASEAN Cooperation in Food, Agriculture and Forestry, which progresses under the guidelines set by the ASEAN Summits and the ASEAN Ministers on Agriculture and Forestry (AMAF).

13. In strengthening the fisheries cooperation programme, ASEAN has also established strong collaboration with Southeast Asian Fisheries Development Center (SEAFDEC) since 1994, to promote sustainable management and utilization of fisheries resources in the Southeast Asia Region. The close collaboration has also enabled ASEAN and SEAFDEC Member Countries to address issues of common interest collectively, including food security and trade related issues in the fisheries regionally and internationally. In the ASEAN mechanism, the cooperation programmes and activities concerning fisheries are under the purview of the ASEAN Sectoral Working Group on Fisheries (ASWGF), which is a subsidiary body under the AMAF.

14. The issue of subsidies in fisheries is one of the significant trade-related issue which is being addressed by the ASEAN Sectoral Working Group on Fisheries. It has been discussed as a regular agenda item in the programme on "Fish Trade and Environment" in the collaborative efforts between ASEAN and SEAFDEC under the ASEAN-SEAFDEC Fisheries Consultative Group (FCG) meetings.

15. Recently, the issue of subsidies in fisheries is placed as a priority to be addressed under the *Plan of Action on Sustainable Fisheries for Food Security for the ASEAN Region*, which was adopted during the ASEAN-SEAFDEC Conference on Sustainable Fisheries for Food Security in the New Millennium: "Fish for the People" by ASEAN-SEAFDEC Senior Officials on 24 November 2001. In the Plan of Action, it was stated that (ASEAN and SEAFDEC) "in collaboration with international technical organizations such as the Food and Agriculture Organization of the United Nations (FAO) and the World Trade Organization (WTO), assess the impact of government subsidies on fisheries, particularly on the needs of small-scale fisheries in the ASEAN region and sustainable fisheries".

16. The issue concerning subsidies in fisheries in ASEAN countries was first discussed in the SEAFDEC Preparatory Meeting on Issues of International Fish Trade and Environment, which was held in November 1999, in Bangkok.

17. As a follow-up, the Regional Technical Consultation (RTC) on Fish Trade in ASEAN region was held in Bangkok, Thailand from 9 to 11 April 2001.

18. The outcome of the RTC was also presented and deliberated further at the Technical Session of the "Millennium Conference" in Bangkok. As a result, the Technical Report, an outcome of the Technical Session, made the following recommendations, which would also be used as the basis for policy consideration on fish trade by the ASEAN-SEAFDEC countries:

- i. Remove subsidies which are clearly shown to contribute to unsustainable fisheries practices, especially those encouraging expansion of fishing capacity for fully exploited resources;
- ii. Review, in collaboration with international technical organizations such as FAO, the empirical effect of fishery subsidies on essential social and developmental issues, particularly in support of the poor and disadvantaged of the ASEAN region, and effective fisheries management;

- iii. Develop a regional policy on fisheries subsidies, considering the regional specific requirements, and produce regional guidelines for fisheries subsidies;
- iv. On the basis of the regional guidelines, promote a harmonized regional position on fisheries subsidies, at both national and international fora;
- v. Carry-out in-depth empirical studies of effect of fisheries subsidies on resource sustainability and trade in fish and fisheries products, whenever information on these effects is missing or doubtful, and before deciding on removal of fisheries subsidies;
- vi. Assemble and review available experience on how to phase out subsidies, including an evaluation of any lessons that can be learned from the experience obtained in removing agricultural subsidies;
- vii. Conduct a census of fishery subsidies throughout all sub-sectors of the fishery sector at suitable intervals; and
- viii. Develop an ASEAN consensus on what would constitute a suitable categorization of fisheries subsidies to be used in the forthcoming WTO negotiations on fishery subsidies.

19. In the ASEAN Member Countries, most fisheries activities are on small-scale and non-industrial levels. ASEAN governments hold the view that public support is a vital incentive to change unsustainable fishing practices, does not promote over-fishing and is not considered to cause significant trade distortions. The level of subsidies in ASEAN is low compared to other regions/countries. However, further study on the extent and impact of subsidies is required. A large proportion of government transfers to the fisheries sector in ASEAN Member Countries is necessary for basic infrastructure development, to keep pace with emerging global product standards, to promote change toward sustainable practices, for poverty alleviation, or for other social reasons. A harmonized ASEAN position on fisheries subsidies will be of value in the ongoing international debate.

Caribbean Community and Common Market (CARICOM)

20. The 15 member nations of CARICOM collaborate to stimulate economic growth and development in their respective economies. Capture fisheries and aquaculture is one of the themes for collaboration. Until quite recently the work in this field was co-ordinated by the “CARICOM Fisheries Unit”, located in Belize City, Belize. However, in February this year CARICOM members agreed to establish a “CARICOM Regional Fisheries Mechanism”. This mechanism will take over fisheries and aquaculture work from the CARICOM Fisheries Unit.

21. Fisheries is important in the Caribbean as a source of food, jobs and foreign exchange¹. The CARICOM countries are committed to a policy of sustainable utilization and conservation of their fisheries and aquaculture resources for the benefit of the people of the region. However, fisheries administrations are small and so far relatively little attention has been paid to fisheries subsidies both by CARICOM as well as by the national administrations. There is a general lack of data, information and documentation regarding the nature, extent and impact of subsidies on the fisheries of the region. This is in part a reflection of the fact that few countries have the resources needed to provide direct subsidies. So CARICOM has not undertaken any studies or investigations about fisheries subsidies, and none are ongoing or planned in its current nine-point work programme. Nevertheless increased attention is going to be placed on studies of the social and economic importance of fisheries in the region.

22. CARICOM prefers to consider this issue of subsidies within a holistic framework, taking into consideration the trends in the biological and ecological resource systems, the socio-economic importance of the fisheries, the trends in economic performance, profitability, cost structure, trade liberalization policies and technological innovations in the fisheries.

23. It is believed that recent reduction of trade barriers (a general lowering of import duties on inputs into the fisheries sector) has contributed to an expansion of fish trade in the region.

Food and Agriculture Organization of the United Nations (FAO)

24. Based on its first expert consultation on fisheries subsidies, the FAO Committee of Fisheries (COFI) recommended that the Fisheries Department continue its normative work related to subsidies in fisheries and on that foundation organize a Second Expert Consultation on Fisheries Subsidies, possibly to be followed by a meeting of government representatives on the subject.

25. The Fisheries Department (FI) is preparing a “Guide for identifying, assessing and reporting on subsidies in the fisheries sector”. A draft version of the guide is now being tested in four Member countries. The guide takes a holistic approach to the subject inasmuch as it is being developed to encompass all possible types of subsidies and all sectors (capture fisheries, aquaculture and processing).

26. This guide will be submitted for review and approval by the Second Expert Consultation on fisheries subsidies. That consultation will take place in Rome at FAO Headquarters from 3 to 6 December 2002. The experts will also be asked to identify, analyse and make recommendations for procedures to be followed to permit meaningful international comparisons of subsidy assessments that are national in character.

27. FI has commissioned the writing of a “layman’s guide to the fishery subsidy issue”. It should be available as a first draft by the end of 2002. FI has made only a

¹ For the year 1999 some 102 000 fishermen in the region landed about 125 000 metric tonnes, for an estimated first hand sales value of about US\$ 500 million. Exports – including intraregional trade – amounted to a total of about US\$ 150 million.

slow start on developing a web site or data base system intended to hold information on fishery subsidies.

28. FI continues its work on monitoring the economic viability of fishing fleets. The latest publication to come out on this work is “Techno-economic performances of marine capture fisheries” FAO Fisheries Technical Paper No. 421. The report contains, for the first time, some systematic information on the influence of certain subsidies – mainly financial transfers – on the profitability of fishing fleets. This work will be continued – exactly how is not yet decided.

29. In the COFI Sub-Committee on Fish Trade, for which the Fish Utilization and Marketing Service (FIU) assumes the Secretariat, trade and trade policies affecting fisheries are discussed by FAO members. Its recent session highlighted FAO’s role in capacity building in developing countries to strengthen their negotiating capabilities and to enable them to meet current and future obligations under WTO agreements.

30. In order to help developing countries prepare for WTO trade negotiations, FAO has been executing an Umbrella technical assistance programme on relevant issues in agriculture, forestry and fisheries. Umbrella Programme II is now being developed in which technical assistance in fisheries will be a stand-alone component including case studies of the impact of subsidies on fish trade and the organization of training activities. The first activity under the revised programme will be a workshop on fisheries and trade that will take place in Cairo in September this year.

Organisation for Economic Co-operation and Development (OECD)

31. The OECD’s Fisheries Committee meets twice a year to review OECD’s ongoing work programme on fisheries and to consider future activities. In addition to the Review of Fisheries, two major studies with a bearing on subsidies are underway as part of the 2000-2002 Programme of Work.

32. The work on market liberalization and fisheries that was started in 2000 is now coming to an end. In addition to surveying policies related to markets and trade, this work includes a review of OECD countries’ government financial transfers programmes according to three broad categories i.e. general services, direct payments and cost reducing transfers. The latest information on OECD countries’ government financial transfers relates to the year 1999. The study also includes an assessment of the likely outcomes of market liberalization and discusses effects on trade and resources.

33. Another study by the OECD’s Committee for Fisheries considers costs of fisheries management. Its principal objective is to survey Member countries’ management cost structure including the various elements that makes up fisheries management (e.g. surveillance, research, administration). The study also seeks to identify the drivers behind the cost, by category of cost as well as their relative amounts between countries. As a basis for the study, OECD countries have reported on the costs of national fisheries management regimes.

34. The OECD Committee for Fisheries will consider drafts of the final reports on both market liberalization and fisheries management costs at its October 2002 session.

35. Proposals have been made for expanding the work on transfers during the 2003-2005 Programme of Work period. While no details have yet been agreed, it is likely that the prevalence and effects of subsidies will be investigated against the background of the sustainable development paradigm i.e. to assess transfers for their broader economic, social and environmental effects. This may include analysing transfers in the context not only of their effects on trade and resources, but also their outcomes with respect to social issues, fishing capacity development, coastal zone, etc. Furthermore, specific situations under which transfers are provided may require more in-depth analysis.

36. In its forthcoming Review of Fisheries in OECD, which is scheduled to be released at the end of 2002, an update of the estimate of financial transfers will be provided.

37. As a follow up to its work on sustainable development, the OECD will host a Workshop on Environmental Harmful Subsidies on 7-8 November 2002. The Workshop which also will consider transfers to fisheries, will attempt, on the basis of technical material prepared by invited experts and the OECD Secretariat, to:

- review relevant work concerning the definition of the term "subsidy" and "environmentally harmful subsidies" so as to highlight the methodological issues at stake;
- survey what is being done to classify and measure environmentally harmful subsidies;
- identify some of the information and analysis gaps for ongoing work on subsidies in the OECD;
- develop a framework to undertake the measurement of environmentally harmful subsidies in the OECD; and
- contribute to strengthening the dialogue between the OECD and other IGOs and NGOs and, in the long term perspective, improve co-ordination and communication.

Furthermore, also within the context of the OECD's work on sustainable development, stocktaking of subsidy levels across sectors (including fisheries) and an identification of those that are considered environmentally harmful will take place. Of a longer-term nature, this project will first report in 2003 and will continue to monitor subsidy levels at least until 2004.

Southern Africa Development Community (SADC)

38. The organizational set-up of SADC is being modified. This means that the functions of the SADC Marine Fisheries Unit, which has been located in the Ministry of Fisheries in Namibia for several years, is being transferred to Gaborone, Botswana, where it will become part of a unit that also will handle agriculture and forestry matters.

39. The Fisheries Protocol has now been adopted by SADC governments. It sets out the principles that will guide policy development and implementation for fisheries in SADC Member states. Emphasis is given to the harmonization of policies amongst Members.

40. SADC Ministers responsible for fisheries are weary of subsidies for the sector. Realizing that SADC Member countries do not have the resources available to provide significant subsidies to those sections of their industries that are in direct or indirect competition with the fisheries of other countries, they fear that subsidies provided to non-SADC fisheries do harm to their own industries.

41. Nevertheless SADC believes that for humanitarian reasons fishermen that fish to satisfy the needs of immediate families, making use of gear fabricated from local materials, may, through no fault of their own, suddenly face hunger and/or starvation and governments should in these situations be allowed to come their aid, without this being considered equivalent to providing a subsidy.

United Nations Environment Programme (UNEP)

42. The Governing Council of UNEP has provided the Economics and Trade Branch (ETB) with the mandate to enhance capacities of countries, especially developing countries and countries with economies in transition, to integrate environmental considerations in development planning and macroeconomic policies, including trade policies. The work on fisheries is based especially on the following mandates:

- to make trade and environment policies mutually supportive,
- to assess impacts of trade and trade-related policies,
- to study the effectiveness of market-based instruments, and
- to build capacity and promote partnerships.

43. UNEP's work on fisheries has gained importance with the Doha Ministerial Declaration which explicitly includes fishery subsidies as part of the WTO negotiating agenda. UNEP sees strong potential for realizing win-win scenarios addressing fisheries subsidies in the context of the WTO. UNEP aims to create a better understanding, quantification and classification of economic, environmental and related social effects of subsidies to the fisheries sector and to explore a variety of approaches to develop policy reform for the sustainable management of fisheries.

44. Analytical work focusing on the interaction between subsidies, overcapacity and overfishing is underpinned by country studies. They are undertaken by institutes in the respective countries and involve a broad range of stakeholders, including representatives of the relevant government ministries. To date, UNEP has undertaken six country studies on fisheries (Argentina, Bangladesh (aquaculture and fisheries), Mauritania, Senegal, Uganda). Focusing mainly on structural adjustment programmes and government subsidies, these studies demonstrate that the short-term financial gains derived from trade-enhancing policies can be substantially offset by long-term costs in the form of loss of income and employment for local fishermen, the depletion of local fish stocks as well as other negative impacts on the environment, biodiversity, food security and livelihoods. All country studies have illustrated the need for careful

responses to trade liberalization, including targeted subsidy reform and effective fisheries management regimes.

45. UNEP also regularly holds broadly attended workshops organized in consultation with FAO, WTO, OECD and others. These workshops are open to all stakeholders and provide a forum for exchanging ideas and views. They have lately been held back-to-back with meetings of the WTO Committee on Trade and Environment in order to allow environment officials from developing countries whose travel costs are covered by UNEP, to attend also the WTO meetings. The last workshop in March 2002 particularly addressed definitional difficulties of subsidies, the linkages between types of subsidies, conditions of management and the state of fish stocks as well as possibilities of special treatment for developing countries. It was recommended that UNEP conducts further country or regional studies, with a focus on open-access, unregulated and over-exploited fish stocks which are more susceptible to negative effects from fisheries subsidies, and addresses specifically artisanal fisheries. The need for best practice documents for impact assessments and policy development in the fisheries sector was also highlighted. UNEP's work programme for the coming year will, however, depend on extra-budgetary resources.

World Trade Organization (WTO)

46. The paragraph of main interest in the Doha Declaration was paragraph 28, under the heading "WTO Rules": "... we agree to negotiations aimed at clarifying and improving disciplines under the Agreements on Implementation of Article VI of the GATT 1994 and on Subsidies and Countervailing Measures, while preserving the basic concepts, principles and effectiveness of these Agreements and their instruments and objectives, and taking into account the needs of developing and least-developed participants. In the initial phase of the negotiations, participants will indicate the provisions, including disciplines on trade distorting practices that they seek to clarify and improve in the subsequent phase. In the context of these negotiations, participants shall also aim to clarify and improve WTO disciplines on fisheries subsidies, taking into account the importance of this sector to developing countries. We note that fisheries subsidies are also referred to in paragraph 31."

47. Paragraph 31, under the heading "Trade and Environment", listed negotiations on, *inter alia*, "the reduction or, as appropriate, elimination of tariff and non-tariff barriers to environmental goods and services". It then goes on to say that "we note that fisheries subsidies form part of the negotiations provided for in paragraph 28". In other words, fisheries subsidies were dealt with in the Negotiating Group on Rules. This group had held one meeting so far, on 11 March 2002. It had received submissions concerning fishing subsidies in TN/RL/W/3, TN/RL/W/9, TN/RL/W/11 and TN/RL/W/12. These papers were unrestricted and available on the WTO web site.

48. Paragraph 32 of the Doha Declaration stated, *inter alia*, that:

"We instruct the Committee on Trade and Environment, in pursuing work on all items on its agenda within its current terms of reference, to give particular attention to:

(i) the effect of environmental measures on market access, especially in relation to developing countries, in particular the least-developed among them, and those situations in which the elimination or reduction of trade restrictions and distortions would benefit trade, the environment and development; ...

... Work on these issues should include the identification of any need to clarify relevant WTO rules. The Committee shall report to the Fifth Session of the Ministerial Conference, and make recommendations, where appropriate, with respect to future action, including the desirability of negotiations." The Fifth Session was scheduled for Cancun, Mexico, in early September 2003.

49. The CTE was also referred to in paragraph 51 of the Doha Declaration:

"The Committee on Trade and Development and the Committee on Trade and Environment shall, within their respective mandates, each act as a forum to identify and debate developmental and environmental aspects of the negotiations, in order to help achieve the objective of having sustainable development appropriately reflected."

CHALLENGES AND POSSIBLE WAY FORWARD/ISSUES FOR THE FUTURE

50. The Meeting participants agreed that the main purpose of exchanging information on respective work programmes on subsidies in fisheries and of identifying opportunities for future collaboration was fully achieved. The meeting participants also stressed the value of a meeting of this kind, not only for the immediate opportunities for collaboration that it provides, but also for the long-run possibilities offered to avoid duplication of routine information gathering and distribution activities.

51. The meeting participants agreed to form an e-mail-based network for exchange of information. The network would serve to alert members to new initiatives and new information related to subsidies. The network was thought to have the potential to become a mechanism which would also permit organizations that so desired to draw more benefit from work done by Non-governmental Organizations.

52. Meeting participants also considered that it would be appropriate to try to enlarge the group of Intergovernmental Organizations to include all those known to work on subsidies in fisheries or related issues. Depending on their current work on the issue invitations could be issued *inter alia* to: EFTA, ITC, UNCLOS and UNCTAD.

53. Participants saw potential for improved co-operation in studies, meetings and technical assistance (capacity building) activities. These included for example the FAO-led technical assistance programme on fisheries and WTO negotiations. In the course of these discussions the idea of preparing a "best practices document" on fishery subsidies reform was raised. Several organizations present expressed an interest in participating in an effort to collect case studies on successful subsidy reform. Also, organizations offered to review and comment on FI documents on subsidies now in the process of preparation.

54. Participants agreed that for future meetings it would be appropriate that the word “subsidies” be considered in a broader interpretation and closer to market/trade policies that could have effects similar to subsidies.

55. Participants agreed that it would be useful to meet again in a year’s time. At that time one more item should be included on the agenda: a review of results obtained by the participating organizations through their various activities related to subsidies in fisheries.

ADOPTION OF THE REPORT

56. After a review of the draft report via e-mail, the report obtained the endorsement of all participants.

APPENDIX A

AGENDA

1. Opening of the meeting
2. Administrative arrangements for the meeting
3. Adoption of the Agenda
4. Presentation and discussion of current work programmes on subsidies in fisheries by participating organizations
5. Challenges and possible way forward/issues for the future
6. Adoption of the report

APPENDIX B**LIST OF PARTICIPANTS**

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APPENDIX C**THE FIRST APEC OCEAN-RELATED MINISTERIAL MEETING
SEOUL, KOREA
22-26 APRIL 2002****Seoul Oceans Declaration**

We, the APEC Ocean-related Ministers, representing 21 economies bordering the world's largest ocean;

- I. Recognizing the importance of oceans for food security, sustainable economic development, and social and environmental values within the APEC region;
- II. Recognizing the importance of the APEC region in achieving the conservation and management of living marine resources since APEC economies constitute over 75% of the world's capture fisheries and over 90% of world aquaculture production, and that they consume 70% of the world's global fish products;
- III. Acknowledging the current efforts of APEC economies to address the challenges of ocean-related issues, and to make use of shared experiences, lessons learned and a range of management tools;
- IV. Determined to add further momentum to the implementation of the Bogor Declaration, the Osaka Action Agenda, the 1997 Action Plan for the Sustainability of the Marine Environment, the 1998 Hawaii Declaration at the APEC Oceans Conference, the 2001 Montreal Declaration, and the 2001 Leaders' Statement on Counter-Terrorism;
- V. Welcoming the adoption of the Doha Development Agenda, noting the launch of new negotiations and committed to supporting its successful conclusion;
- VI. Aware of the need for leadership and improved regional coordination and cooperation for the responsible care of the oceans;
- VII. Understanding the value of an ecosystem-based approach to coastal and marine management and the importance of implementing such an approach in an integrated and cross-sectoral manner;
- VIII. Recognizing the economic, social and environmental benefits to APEC economies of improved forecasts derived from oceans and atmospheric observations;
- IX. Recognizing the value and guidance provided by existing measures, frameworks and programs, and of ongoing international efforts that may assist regional and domestic efforts to address sustainable oceans management;

- X. Mindful of the need to ensure that efforts of member economies are in accordance with relevant international instruments;
- XI. Noting the importance of engaging relevant sectoral and stakeholder interests in decision making processes, including NGOs and the private sector; and
- XII. Recalling the APEC Leaders' commitment in Shanghai in 2001 to contribute to the success of the World Summit on Sustainable Development and asserting the value that APEC can contribute from a regional perspective to the oceans theme at the Summit in August 2002;

Resolve to...

Domestic Action

1. Develop and promote, in an integrated manner, better coastal and oceans management using an ecosystem-based approach, including for sub-regional seas, river basins and watersheds adjacent to coastal areas;
2. Improve and strengthen market-based instruments, regulations and enforcement mechanisms for the sustainable management of marine resources;
3. Develop and promote, in accordance with applicable international law, the use of a range of tools for sustainable management, including marine protected areas within member economies' jurisdictions, environmental impact assessment and oceans and integrated coastal zone management policy and frameworks;
4. Facilitate the adoption and implementation of international instruments relating to maritime safety, marine pollution, compensation and liability for environmental damage from ships, and the use of harmful anti-fouling paints;
5. Contribute to further international efforts for the control and management of ship's ballast water and sediments;

Domestic and Regional Action

6. Improve the conservation and sustainable management of important and critical coastal and marine habitats and related ecosystems;
7. Facilitate, through exchange of information, effective regional implementation of global fisheries instruments in achieving responsible fisheries and sustainable aquaculture;
8. Eliminate IUU fishing activities from the APEC region;
9. Support the development of scientific research in fisheries and sustainable aquaculture that will strengthen our knowledge and improve decision-making, and to advance the scientific basis for incorporating ecosystem considerations toward,

inter alia, developing a shared understanding of the concepts and practice underpinning the ecosystem-based approach to management;

10. Accelerate efforts to address the threats posed by introduced marine pests, destructive fishing practices, and sea-based and land-based sources of marine pollution;
11. Increase efforts to sustainably manage tourism activities that affect or potentially affect marine and coastal environments;
12. Take further steps to involve all relevant stakeholders, including the private sector, NGOs and academia as partners in pursuit of sustainable development;

Regional Action

13. Strengthen cooperation for building capacity, sharing information and expertise, including for marine science and technology, responsible fisheries and sustainable aquaculture, and coastal and marine management in an integrated manner;
14. Strengthen cooperation to promote responsible trade in fishery products through, *inter alia*, APEC's TILF initiatives;
15. Encourage capacity building for food safety through such measures as the development of equivalent standards for capture fisheries and aquaculture products and on the use of HACCP (Hazard Analysis and Critical Control Points);
16. Promote improved regional science collaboration and coordination to develop and facilitate ocean observing, assessment and forecasting systems, rapid response mechanisms for extreme weather and climate events;
17. Cooperate with economies and relevant regional institutions to develop marine scientific research capacity with respect to a range of issues including bio-prospecting and non-living marine resources;
18. Encourage the development of proposed and existing policies and regional research, education and training initiatives and welcome the establishment of AMETEC by Korea;

APEC Response

19. Continue to improve the cooperation and coordination between APEC fora with marine-related activities, such as the Marine Resource Conservation, Fisheries, Transport, Tourism, Industrial Science and Technology, and Energy working groups;
20. Instruct the Marine Resources Conservation Working Group, Fisheries Working Group and other relevant APEC fora to develop and implement the policy goals enshrined in this Declaration and to report on progress to APEC Senior Officials;

21. Accelerate ocean outreach programs accommodating relevant stakeholders in APEC fora;
22. Welcome the kind offer by Indonesia to host a second AOMM.

APEC Contribution to World Summit on Sustainable Development and its Follow up

23. Take into account this Declaration in their preparations for the World Summit on Sustainable Development; and
24. Build on the importance of the contribution APEC is making to food security, sustainable development and poverty alleviation, which reflects APEC's regional approach to the broad global agenda of the WSSD.

The Second Ad Hoc Meeting of Intergovernmental Organizations on Work Programmes Related to Subsidies in Fisheries took place at FAO headquarters on 4 and 5 July 2002 as a follow-up to a recommendation made at the twenty-fourth session of the FAO Committee on Fisheries. Representatives from the Asia-Pacific Economic Cooperation Council, the Association of Southeast-Asian Nations, the Caribbean Community Secretariat, FAO, the Organisation for Economic Co-operation and Development, the Southern Africa Development Community, the United Nations Environment Programme and the World Trade Organization attended the meeting. Mr Ulf Wijkström, FAO Fisheries Department, was elected chairperson of the meeting and an agenda was adopted that included two main items: (i) presentation and discussion of current work programmes on subsidies in fisheries, and (ii) future work and opportunities for collaboration. The meeting noted a number of opportunities for collaboration in the preparation, execution and finalization of reports and meetings. It agreed to work towards expanding the membership of the group and to establish an informal e-mail-based system for sharing relevant information.

ISBN 92-5-104824-X

ISSN 0429-9337



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TR/M/Y7604E/1/10.02/1000