



North Pacific Fisheries Commission

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Observer paper submitted by The Pew Charitable Trusts

Abstract: In 2022, the World Trade Organization (WTO) adopted a long-awaited [Agreement on Fisheries Subsidies](#) aimed at tackling one of the key drivers of overfishing. The Agreement establishes a careful link with regional fishery management organizations (RFMOs), which will have a role in the implementation of the prohibitions and transparency mechanisms. NPFC should highlight relevant provisions of the Agreement to Members, and Members should begin to avoid providing subsidies when doing so would fail to meet the Agreement's requirements for unassessed or unmanaged stocks.





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In 2022 the World Trade Organization (WTO) adopted a long-awaited Agreement on Fisheries Subsidies aimed at tackling one of the key drivers of overfishing. The Agreement established a global, legally binding framework that limits subsidies for vessels and operators engaged in 1) illegal, unreported, and unregulated (IUU) fishing, 2) fishing of overfished stocks, and 3) fishing of unassessed or unregulated stocks on the high seas. The Agreement will enter into force once two-thirds of the WTO member states have ratified it - as of January 2025 it acquired 89 of the 111 ratifications needed. As entry into force approaches, regional fisheries management organizations (RFMOs) should begin preparing for implementation as several provisions of the Agreement relate to RFMO determinations.

Why are fisheries subsidies important to consider?

One-third of fish stocks worldwide are exploited beyond sustainable levels, according to the United Nations Food and Agriculture Organization. Yet USD 22 billion a year in government subsidies go to harmful subsidies that drive overfishing. These subsidies primarily go to industrial fishing fleets to artificially lower the costs of fuel and vessel construction, and other operational and capital costs. These subsidies contribute to catching more fish than is sustainable by enabling fishing farther out to sea and for longer periods, increasing each vessel's capacity. Many of these industrial fleets would not be profitable without government assistance.

What does the Agreement on Fisheries Subsidies do?

The WTO Agreement on Fisheries Subsidies establishes a coherent set of global rules on fisheries subsidies which go beyond previously agreed regional or bilateral agreements.

Under the new WTO agreement, state parties will need to consider the current state of fish stocks prior to granting subsidies—a provision that should help curtail overfishing, improve ocean health and protect livelihoods in coastal communities.

Governments also agreed to exercise special care when they provide subsidies in situations where the subsidizing government has less control over the impact of fishing it subsidizes:

- when subsidies are provided to vessels not flying the subsidizing government's flag, and
- when subsidies are provided to the fishing of stocks for which the conservation status is unknown.

The agreement also includes measures that will enhance transparency and accountability related to how governments support their fishing sector.

How does this affect RFMOs?

The agreement establishes a careful link with RFMOs and regional fisheries management agreements (RFMO/As) which will have a role in the implementation of the prohibitions and transparency mechanisms. This will require strong coordination between WTO, the members, and RFMO/As. More specifically:

- Any determination of illegal, unreported or unregulated fishing made by RFMOs will trigger the prohibition of any subsidy that vessels or operators receive.
- Any subsidies to fishing stocks in overfished condition without rebuilding measures in place, recognized by a RFMO and based on best scientific evidence, will be prohibited.
- Any subsidies for fishing and fishing related activities on stocks outside the area and competence of a coastal Member or RFMOs will be prohibited.
- Members shall take special care and exercise due restraint when granting subsidies to fishing or fishing related activities regarding stocks the status of which is unknown.

The new rules will rely on information-sharing with RFMOs and other organizations to facilitate transparency and, eventually, compliance with the prohibitions. It is critical that RFMOs start a dialogue on the relevant provisions of the WTO fisheries subsidies agreement, its implication for their respective programs of work, particularly on how coordination should occur and what processes will be required to ensure compliance.

What does the Agreement say about unassessed stocks?

The Agreement contains a provision that calls for WTO Members to “take special care and exercise due restraint when granting subsidies to fishing or fishing related activities regarding stocks the status of which is unknown.” (5.3) RFMOs should highlight this provision to their membership and help ensure that subsidies are not provided to unassessed stocks.

Contact Us

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Prohibition of subsidies and relevant provisions to RFMOs

Rule	Link to RFMO
Article 3: Prohibition of subsidies to IUU fishing or fishing related activities	Vessel or operator shall be considered to be engaged in IUU fishing if an affirmative determination thereof is made by a relevant RFMO/A in areas and for species under its competence.
Article 4: Prohibition of subsidies for fishing or fishing related activities regarding overfished stocks	A fish stock is overfished if it is recognized as overfished by a relevant RFMO/A in areas and for species under its competence
Article 5.1: Prohibition of subsidies for fishing in the high seas	<p>Prohibition applies to fishing and fishing related activities outside of the competence of a relevant RFMO/A</p> <p>Members shall take special care when granting subsidies to vessels not flying that Member's flag</p> <p>Members shall take special care and exercise due restraint when granting subsidies to stocks of which the status is unknown</p>
Article 8: Notification and transparency	<p>Relevant items to be considered:</p> <ul style="list-style-type: none"> • Status of the fish stocks in the fishery for which the subsidy is provided and the reference points used, and whether such stocks are managed by an RFMO/A • Members shall notify the WTO of any RFMO/A to which they are parties, including: <ul style="list-style-type: none"> ○ text of the legal instrument instituting the RFMO, ○ the area and species under its competence, ○ status of the managed stocks, ○ conservation and management measures, ○ rules and procedures governing IUU fishing determinations, and ○ lists of IUU vessels and/or operators
Article 9: Institutional Arrangements	WTO shall maintain close contact with the FAO and with other relevant international organizations in fisheries management, including relevant RFMO/As
Article 11: Final provisions	Nothing in the agreement will bound Members by measures or decisions of any RFMO/As of which it is not a party or a cooperating non-party