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Session: 1

Stock Take of APEC Economies' Existing Measures on Withdrawal of Subsidies in Cases Where There Has Been a Determination of Illegal, Unreported and Unregulated Fishing

Submitted by: International Institute for Sustainable Development



**Workshop on APEC Best Practice in
Addressing Subsidies That Contribute to
Illegal, Unreported and Unregulated Fishing
22 February 2021**



Stock take of APEC economies' existing measures on withdrawal of subsidies in cases where there has been a determination of IUU fishing

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22 February 2021

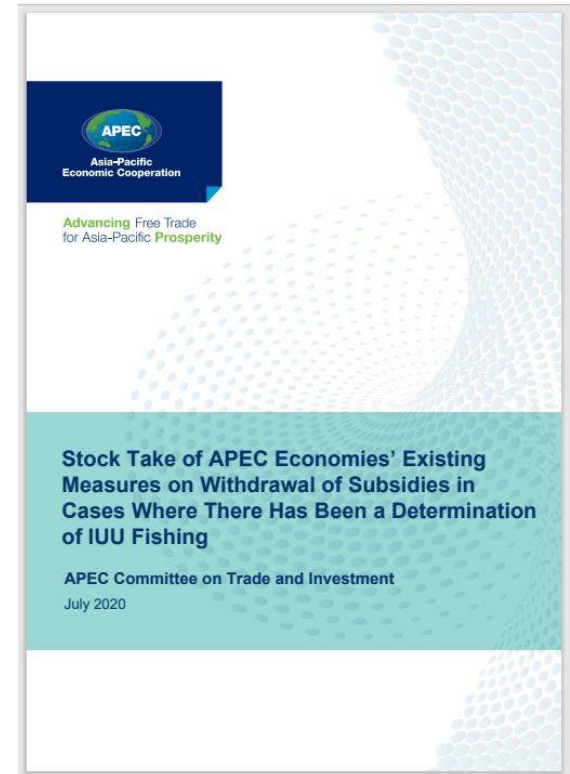
APEC Best Practice in Addressing Subsidies that Contribute to IUU Fishing
New Zealand self-funded online workshop held under the auspices of the APEC Committee on Trade and Investment (CTI)

Stock take of APEC economies' existing measures on withdrawal of subsidies in cases of IUU fishing



Measures covered in the stock take

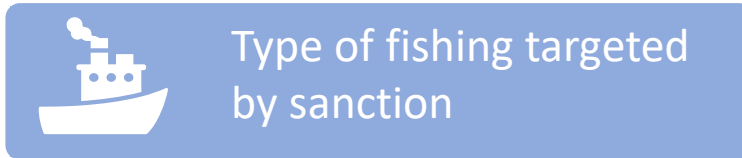
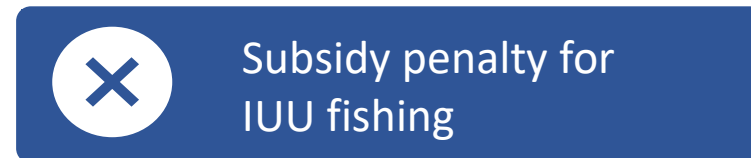
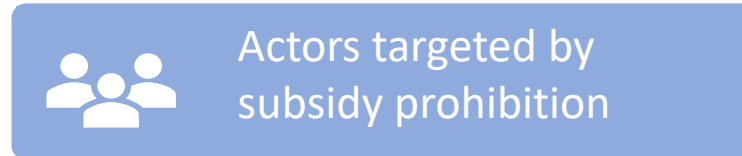
- Measures Required under Regional Integration Schemes
 - The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)
 - The United States-Mexico-Canada Agreement (USMCA)
 - The European Union
- Domestic Measures in APEC Economies
 - Australia, Brunei Darussalam, Chile, China, Hong Kong, China, Mexico, New Zealand, Peru, the Philippines, The Russian Federation, Singapore, Chinese Taipei, Thailand, United States



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Measures covered in the stock take



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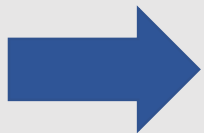


Measures covered in the stock take



Elements triggering subsidy prohibition

- When domestic fishing vessels and operators have committed serious infringements (all respondent)
- Shutting down a vessel's position monitoring system (e.g. China, Thailand)
- Recognizing existing IUU lists of vessels or operators, including those from potential third parties like RFMO/A or flag states (e.g. CPTPP, USMCA, EU)
- fishing operation's relationship with an economy that is considered as complacent about IUU fishing (e.g. EU, Chinese Taipei)



Proportionality test

- ✓ Exceptions for minor infringements except when stocks are overfished (e.g. Chile)
- ✓ Exhaustive list of serious infringements triggering subsidy-related sanction (e.g. EU)

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Measures covered in the stock take



Actors targeted by
subsidy prohibition

- Only vessels involved in IUU fishing (e.g. CPTPP)
- Only operators or owners (e.g. Chinese Taipei)
- Vessels and / or operators and owners (e.g. all other schemes reported)

- A focus on vessels only could result in subsidies to non-vessel-related subsidies continuing to be provided.
- Larger fishing enterprises often own and operate several boats and may just shift boats.
- On the other hand, a focus on operator only may result in disproportionate sanction

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Measures covered in the stock take



Subsidy penalty for IUU fishing

- Termination of current subsidies once a determination of IUU fishing is made (e.g. CPTPP, USMCA, EU, China, Hong Kong China, US)
- Ineligibility of IUU vessels and operators/owners for new subsidies (e.g. CPTPP, USMCA, EU, Chile, China)
- Repayment of subsidies under some circumstances (e.g. EU, China, Hong Kong, China)

Other Possible Approach:

- Revoking fishing licenses prohibiting the use of the vessels found to have engaged in IUU fishing making it *de facto* impossible to receive subsidies (e.g. Chinese Taipei and Thailand)

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Measures covered in the stock take



Type of fishing targeted by sanction

- All types of fishing activities (CPTPP, USMCA, EU, Hong Kong, China, US)
- Small-scale and artisanal fishing (e.g. Chile)
- Limited to industrial and distant-water fishing (e.g. China and Chinese Taipei)

Note:

Most appropriate approach will depend on the specific domestic context, in particular in relation to the types of fisheries subsidies that are provided. For example, in Chile, subsidy withdrawal targets small scale fishing which is the only segment of the sector which receives subsidies

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Measures covered in the stock take



Duration of the subsidy prohibition

- As long as included on an IUU vessel list (e.g. China, Thailand) of an RFMO/A or flag state (e.g. CPTPP) or a subsidizing party (e.g. USMCA)
- As long as the sanction is in place (e.g. Thailand) or as long as there are outstanding fisheries fines or any other unresolved penalty (e.g. US)
- At least one year or more depending on specific circumstances (e.g. China, EU)
- Up to a maximum of years (e.g. 2 years in Chile)

Note:

Possibility to establish a minimum of years combined with flexibility for longer duration depending on the offense and offender or making it consistent with sanctions by third parties (e.g. RFMO IUU listing)

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Measures covered in the stock take



Commitment of subsidy recipient

- Requires subsidy recipient not to engage in IUU fishing activities at least for the duration of the subsidy (e.g. EU, China, Hong Kong, China, US)
- Requires compliance with subsidy eligibility criteria for the 5 years following the final payment (e.g. EU)
- Request written commitment by the recipient certifying past/future compliance (e.g. China, EU)

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Measures covered in the stock take



Publication requirements

- Requirement for authorities to provide publicly available information about the disbursement of subsidies (e.g. EU, China)
- Publication of IUU vessel lists (e.g. USMCA, Thailand)
- Publication of blacklist (e.g. China)



Elements triggering subsidy prohibition

- Serious infringements of domestic laws
- Shutting down VMS
- Vessel in an IUU list (RFMO/A, flag state, subsidizing state)
- Links with non-cooperating economies



Actors targeted by subsidy prohibition

- Vessels only
- Operators / owners



Subsidy penalty for IUU fishing

- No admissibility for subsidy application
- Termination of subsidy provision
- Repayment of the subsidy



Type of fishing targeted by sanction

- Any type of fishing
- Small scale and artisanal only
- Industrial / distant water fishing



Duration of the subsidy prohibition

- While included in an IUU fishing list
- While other sanction remains in force
- Specific duration



Commitment of subsidy recipient

- Compliance during the time of the subsidy
- Compliance after the subsidy
- Written commitment of past / future compliance



Publication requirements

- Publication of subsidies granted
- Publication of IUU fishing lists
- Publication of blacklist