

SDG 14: Life Below Water

The WTO and SDG 14

The WTO's most significant contribution to the achievement of SDG 14 during the present reporting period was the adoption of the landmark Agreement on Fisheries Subsidies (AFS) in June 2022.

While WTO members had been negotiating new rules on fisheries subsidies long before the SDGs were set, the adoption of SDG Target 14.6¹³ gave WTO members new impetus to bring those negotiations to a successful conclusion.

The origins of WTO negotiations on fisheries subsidies disciplines can be traced back to the mandate given by WTO Ministers at the Doha Ministerial Conference in 2001 "to clarify and improve WTO disciplines on fisheries subsidies, taking into account the importance of this sector to developing countries". This mandate was refined at the Hong Kong Ministerial Conference in 2005, with members agreeing to focus negotiations on strengthening "disciplines on subsidies in the fisheries sector, including through the prohibition of certain forms of fisheries subsidies that contribute to overcapacity and over-fishing". Progress under this mandate and the adoption of SDG Target 14.6 in 2015 led WTO Ministers to adopt a Decision on Fisheries Subsidies at the Buenos Aires Ministerial Conference in 2017.

Reflecting Target 14.6, the Decision mandated continued negotiations with a view to adopting an agreement by the next Ministerial Conference (then expected to take place in 2019) "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 (illegal, unreported and unregulated fishing) recognizing that appropriate and effective special and differential treatment for developing country Members and least developed country Members should be an integral part of these negotiations".

At the 12th WTO Ministerial Conference in 2022, after more than 20 years of negotiations, WTO members reached consensus on a significant part of the text that had been under discussion, focusing on subsidies to vessels and operators involved in IUU fishing, fishing of overfished stocks and fishing in the unregulated high seas. Although members did not reach a final agreement on the other part of the text being negotiated, addressing subsidies contributing to overcapacity and overfishing, they have committed to continue negotiations.

The Agreement on Fisheries Subsidies

The AFS represents a historical achievement, as it is the first WTO agreement with environmental sustainability at its core and only the second multilateral agreement reached at the WTO since its inception. It sets new, binding, multilateral rules to curb harmful subsidies, which are a key factor in the widespread depletion of the world's fish stocks.

The AFS has three main disciplines:

1. Prohibition of subsidies contributing to IUU fishing:

The AFS prohibits subsidies to vessels or operators involved in IUU fishing or fishing-related activities when a determination of IUU fishing is made by a coastal member, a flag state member, or a relevant regional fisheries management organization/arrangement (RFMO/A).

2. Prohibition of subsidies to fishing of overfished stocks:

The Agreement prohibits subsidies to fishing or fishing-related activities regarding overfished stocks, as determined by a coastal member, or RFMO/A for activities within its competence. However, such subsidies are not prohibited if they are for rebuilding the relevant stock to a biologically sustainable level, or other measures are implemented to achieve this purpose.

3. Prohibition of subsidies to fishing or fishing-related activities in the unregulated high seas:

The Agreement prohibits subsidies provided to fishing or fishing-related activities outside the jurisdiction of a coastal member or a coastal non-member, and outside the competence of a relevant RFMO/A, i.e., in areas and for species not covered by that RFMO/A.

Other disciplines require members to take "special care" and "exercise due restraint" when granting subsidies to vessels not flying that member's flag, and when granting subsidies to fishing or fishing-related activities regarding stocks of which the status is unknown.

Special and differential treatment is provided for in the AFS in various ways. For the prohibitions on subsidies contributing to IUU fishing as well as subsidies regarding overfished stocks, the subsidies of developing and LDC members

provided within their own exclusive economic zones benefit from a “peace clause”, under which formal dispute settlement proceedings cannot be initiated for two years from the date of entry into force of the Agreement. In addition, members must exercise “due restraint” in raising matters involving an LDC member, and solutions explored are to take into consideration the specific situation of the LDC member involved. Finally, developing-economy members with a share of the volume of global fish catch of not more than 0.8 per cent and LDCs may provide the required notifications of fisheries-related information (discussed below) every four years instead of every two years.

WHAT ARE THE EXPECTED BENEFITS OF THE AFS?

It is estimated that governments spend US\$ 22 billion a year in subsidies to expand fishing capacity (Sumaila et al., 2019), contributing to overcapacity and overfishing as well as practices that deplete fish stocks and undermine efforts to achieve sustainable fisheries. In addition, the total economic losses caused by IUU fishing are estimated to be as high as US\$ 50 billion (Financial Transparency Coalition, 2024).

Subsidies enable fishing fleets to operate longer and farther out at sea, to the detriment of marine life. They are often a source of inequality and can undermine the economic viability of small-scale fisheries. One of the expected benefits of eliminating harmful subsidies through the operation of the AFS is the unlocking of resources that could be redirected to promote and support sustainable fisheries management practices by all WTO members, including developing and LDC members.

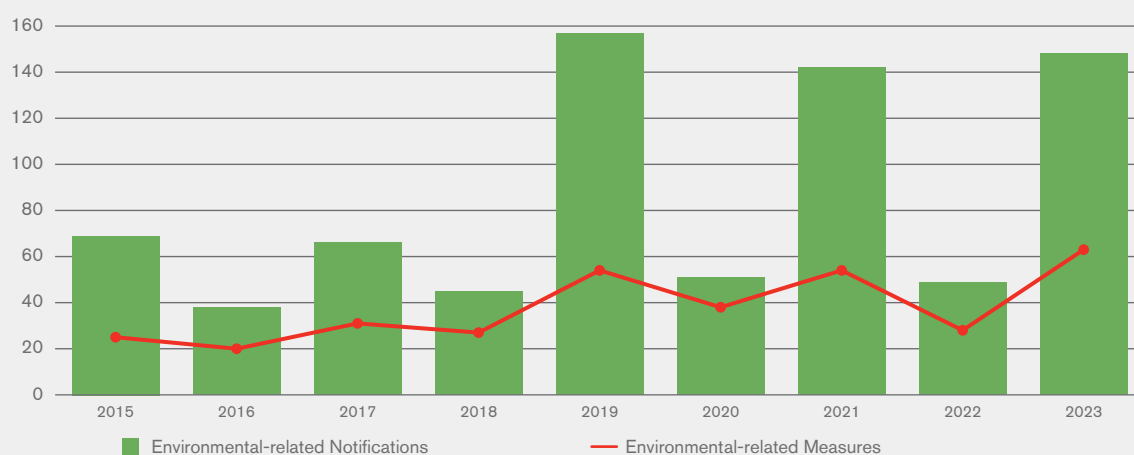
Another notable feature of the AFS is its notification obligations. WTO members are already required to notify their fisheries subsidies in accordance with their obligations under the WTO Agreement on Subsidies and Countervailing Measures. Under the AFS, members will now also have to provide fisheries-related information which is expected to significantly increase transparency regarding the scope, operation and impact of fisheries subsidies worldwide.

For each fisheries subsidy programme, members must notify the type or kind of fishing activity for which the subsidy is provided. Other information has to be provided “to the extent possible”, such as the status of stocks in subsidized fisheries; reference points used to determine this status; whether these stocks are shared with other members or managed by an RFMO/A; conservation and management measures for these stocks; fleet capacity in the relevant fisheries; the name and identification number of subsidized vessels; and catch data in these fisheries.

Furthermore, members must also notify a list of RFMO/As to which they are a party; any affirmative IUU fishing determinations; measures in existence or taken to ensure the implementation and administration of the AFS; and a description of their fisheries regime with references to laws, regulations and administrative procedures relevant to the AFS.

Since the adoption of the SDGs in 2015 and up until 2023, WTO members had notified 765 environment-related trade measures to the WTO with the environment-related objective of “sustainable fisheries management” (see Figure 12).

Figure 12: Environment-related measures and notifications for sustainable fisheries management



Source: WTO based on WTO Environmental Database, <https://edb.wto.org/>.

Two-thirds of these measures (67.2 per cent) were notified under the WTO Agreement on Subsidies and Countervailing Measures. This could increase further with the entry into force of the AFS, reflecting efforts to regulate subsidies that could otherwise distort trade or harm fisheries sustainability.

Apart from subsidies, sustainable fisheries management has been the objective of notifications pursuant to the WTO Agreement on Import Licensing Procedures (8 per cent) and the Decision on Quantitative Restrictions (13.9 per cent) with regulations or restrictions seeking to conserve fish stocks or streamline imports for environmental purposes. It is encouraging that developing countries and LDCs contribute significantly to these efforts, accounting for 45.8 per cent of the notified sustainable fisheries management measures.

The AFS also provides for targeted technical assistance and capacity building to support developing and LDC members in their implementation efforts. A voluntary WTO funding mechanism – the WTO Fish Fund – has been established for this purpose. In close cooperation with its core partners – the UN Food and Agriculture Organization, International Fund for Agricultural Development (IFAD) and the World Bank – the aim of the Fund is to provide technical assistance to support members' efforts to bring their fisheries subsidy policies into line with the AFS, including by supporting efforts to enhance their institutional capacity to integrate sustainability considerations into subsidy policies and to make the notifications required under the AFS, as well as to strengthen fisheries management systems and the collection of relevant data.

The Fish Fund is already operational and is expected to open calls for proposals during the course of 2025. However, disbursements can only take place after entry into force of the AFS. Only developing and LDC members that have deposited their instruments of acceptance can benefit from the Fish Fund. In parallel, WTO members are continuing negotiations on a second wave of disciplines, to complement and build upon the AFS. These ongoing negotiations aim to address subsidies that contribute to overcapacity and overfishing, in line with the mandate set out in the WTO Ministerial Decision on Fisheries Subsidies adopted at MC12. Advancing these negotiations is essential to fully deliver on SDG Target 14.6, which calls for the prohibition of harmful fisheries subsidies. Together, the AFS and the prospective additional provisions to further enhance the disciplines of the Agreement are intended to form a comprehensive multilateral framework to promote sustainable fishing practices and protect global marine resources.

ENTRY INTO FORCE

For the AFS to enter into force, two-thirds of the WTO membership (111 Members) must deposit their instruments of acceptance with the WTO.

Once the AFS enters into force, the Committee on Fisheries Subsidies (CFS) will be established and start its operations. The CFS will be responsible for examining all information submitted in accordance with the notification requirements and review annually the operation and implementation of the AFS, reporting to the WTO Council of Trade in Goods. It shall elect its own Chair, meet at least twice a year, and maintain close contact with relevant international fisheries management organizations. Operation of the CFS will be reviewed not later than five years after the AFS enters into force, with a view to identifying potential modifications.

Facilitating marine trade and blue economy diversification

Trade can serve as a powerful enabler of sustainable ocean-based economic activities, or “blue economy” sectors, including fisheries, aquaculture, marine biotechnology, ocean-based renewable energy and sustainable tourism. WTO agreements beyond the Fisheries Subsidies Agreement play a key role in creating the enabling environment for these activities to flourish. The Trade Facilitation Agreement (TFA), for instance, streamlines customs procedures, reduces delays and promotes digitalization – factors that are essential for integrating sustainably harvested marine products and eco-friendly ocean services into global value chains. By reducing administrative burdens and transit times, the TFA enhances market access for small-scale producers and exporters, which is particularly important for coastal developing countries and small island developing states (SIDS).

The General Agreement on Tariffs and Trade (GATT), and the Agreement on Technical Barriers to Trade (TBT Agreement) also contribute by providing a framework for the trade of ocean-based goods in line with international sustainability standards. These agreements help ensure that seafood and marine products meet environmental, health and safety requirements in destination markets, supporting consumer confidence and rewarding producers who adopt responsible practices. Through notification mechanisms and regulatory cooperation, the TBT Agreement also encourages the use of science-based and non-discriminatory measures that foster sustainable production while avoiding unnecessary obstacles to trade.

Moreover, the GATS underpins the expansion of ocean-based services such as sustainable maritime transport, marine ecosystem research, renewable energy services and eco-tourism. These sectors are vital for the diversification of blue economy activities and the achievement of SDG Target 14.7,¹⁴ which calls for an increase to the economic benefits to SIDS and least developed countries from the sustainable use of marine resources. In particular, eco-tourism linked to healthy coral reefs and marine reserves generates local income while reinforcing conservation objectives. Similarly, services related to marine spatial planning and coastal resilience can be traded across borders, facilitating knowledge transfer and regional cooperation.

Taken together, WTO rules support an integrated approach to marine trade that aligns economic growth with environmental stewardship. By enabling members to tap into new ocean-based opportunities while upholding multilateral disciplines on transparency, fairness and sustainability, the WTO helps create a level playing field where the blue economy can thrive as a driver of inclusive development and ocean conservation. As members invest in the infrastructure, capacity and innovation needed to unlock this potential, trade policies will remain a critical pillar for delivering on SDG 14 and ensuring the long-term viability of marine resources.

