

Eliminating government support to illegal, unreported and unregulated fishing

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- Illegal, unreported and unregulated (IUU) fishing is a key threat to the sustainability of the fisheries sector and the livelihoods it supports.
- Governments sometimes inadvertently support IUU fishing through poorly targeted subsidies which help keep IUU profitable.
- Putting in place strong mechanisms to exclude all those involved in IUU fishing from government support is key to its eradication.
- Re-purposing support to fisheries away from the subsidies that are most likely to benefit IUU fishing – such as subsidies to fuel, vessels or access to fishing infrastructure – is also important given the difficulty of tracking individual recipients of support.

What's the issue?

In June 2022, after more than 20 years of negotiations, members of the WTO agreed to prohibit some of the most harmful types of fisheries subsidies – including subsidies to IUU fishing (see box). The challenge is now to put in place mechanisms which allow countries to cut support to IUU fishing effectively. The *OECD Review of Fisheries 2022* offers concrete advice on how to do so, as summarised in this brief.

Illegal, unreported and unregulated (IUU) fishing and the fishing-related activities that support it – such as the transshipment of fish from fishing vessels onto larger refrigerated vessels which then carry, store and deliver the fish to port – continue to seriously undermine and threaten fisheries, coastal communities and the sustainability of the ocean economy. IUU fishing complicates the stock assessments that underpin evidence-based fisheries management and causes law-abiding fishers to face unfair competition over resources and in markets. It also results in important tax revenue losses. Globally, 8 to 14 million tonnes of unreported catches are likely entering the global market every year, leading to estimated annual losses throughout the economy of USD 26-50 billion, and lost tax revenues of USD 2-4 billion.

The WTO Agreement on Fisheries Subsidies bans subsidies to IUU fishing and calls on Members to effectively eliminate such subsidies

Article 3.1: 'No Member shall grant or maintain any subsidy to a vessel or operator engaged in illegal, unreported and unregulated (IUU) fishing or fishing related activities in support of IUU fishing.'

Article 3.7: 'Each Member shall have laws, regulations and/or administrative procedures in place to ensure that subsidies referred to in Article 3.1, including such subsidies existing at the entry into force of this Agreement, are not granted or maintained.'

(From the [WTO Agreement on Fisheries Subsidies](#).)

IUU fishing covers a range of different activities and contexts, from industrial vessels fishing illegally in the waters of a foreign country to small-scale fishers failing





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to diligently report their catch in the coastal areas of their own country. Eliminating IUU fishing is difficult because it is hard to monitor and control at-sea activities, and because IUU fishing often remains a profitable activity. Therefore, it is of utmost importance to not only increase the cost of being caught, but also to cut associated profits. Ensuring government support does not inadvertently benefit IUU fishing is an important pathway for reducing its profitability.

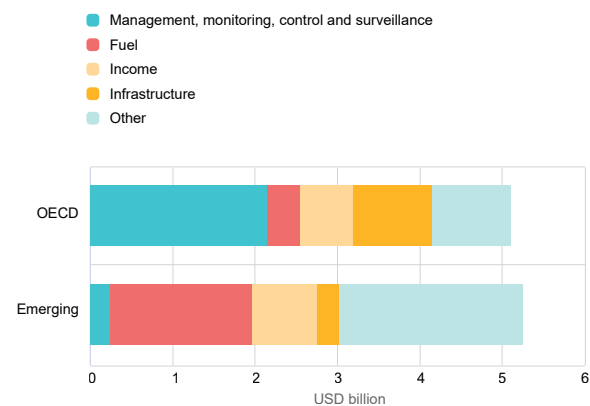
Governments support fisheries in different ways. Notably, they invest in fisheries management, monitoring, control and surveillance, services that are key to ensuring the sustainability of the sector and the health of fish stocks. But they also directly support fishers and fisheries companies in ways that risk encouraging over capacity, over fishing and IUU fishing in the absence of effective fisheries management. This is the case when support directly lowers the costs of fishing or increases associated benefits, such as with subsidies for fuel, vessels or access to infrastructure.

What can governments do?

- Make support conditional on vessels being flagged to the supporting country, authorised to fish in its waters and not fishing on the high seas in areas outside the competence of any Regional Fisheries Management Organisation or Arrangement (RFMO/A).
- Use appropriate processes to deny support to potential recipients linked to IUU fishing and to reclaim support if beneficiaries are identified as having taken part in IUU fishing:
 - These processes should be timely and transparent with potential sanctions clearly communicated to fishers.
 - Any support-related sanction should be both sufficient to deter IUU fishing and appropriate for the nature of the offence.
- Prevent the use of ports, associated infrastructure and services (which are often partly funded with public money) by vessels suspected of or involved in IUU fishing and fishing-related activities (except for inspections or in situations of force majeure). To do so, governments should implement fully the key provisions of the Port State Measures Agreement (PSMA) and, where possible, become a party to the agreement.¹
- Publish information on all support recipients, and improve information sharing among government agencies, countries and RFMO/As on the individuals and companies found to have engaged in IUU fishing, so that future support can be denied and previous support reclaimed.

¹ Agreement on Port State Measures to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing.

What is government support to fisheries funding?



Note: This graph shows annual spending, averaged over 2018-2020 for OECD countries and emerging economies covered in the *OECD Review of Fisheries 2022*

Source: OECD data set "Fisheries support estimate (FSE)" (OECD.Stat).

- Enshrine a clear definition of IUU fishing and fishing-related activities in national legislation. This would help cut support to those engaging in these activities, including when they happen outside the jurisdiction of the supporting country. The FAO's International Plan of Action against IUU Fishing is the most commonly used reference for defining IUU fishing, with the PSMA used for defining fishing-related activities.
- Reduce or redirect support away from policies that have the most potential to increase fishing effort and capacity, for example support that reduces the costs of vessels and fuel, as these can inadvertently drive higher levels of IUU fishing.



Further reading

- Delpeuch, C., E. Migliaccio and W. Symes (2022), "Eliminating government support to illegal, unreported and unregulated fishing", *OECD Food, Agriculture and Fisheries Papers*, No. 178, OECD Publishing, Paris.
- OECD (2022), *OECD Review of Fisheries 2022*, OECD Publishing, Paris.
- [OECD Policy Brief: Supporting sustainable fisheries](#)

