

THE FAO INTERNATIONAL PLAN OF ACTION FOR THE MANAGEMENT OF FISHING CAPACITY AND RELATED INITIATIVES FOR SUSTAINABLE FISHERIES

Communication from the Food and Agriculture Organization (FAO)¹

I. INTRODUCTION

1. The first section of this brief paper reviews recent work undertaken by FAO in support of the management of fishing capacity. The second section reviews a number of related initiatives to be undertaken by FAO. It provides, *inter alia*, tentative details of a programme which FAO is presently pursuing to address the issue of subsidies in fisheries.

II. THE INTERNATIONAL PLAN OF ACTION FOR THE MANAGEMENT OF FISHING CAPACITY

2. The issue of managing fishing capacity has been raised quite recently in reference to growing concern about the spreading phenomenon of excessive fishing inputs and overcapitalization in world fisheries. The existence of excessive fishing capacity is largely responsible for the degradation of fishery resources, for the dissipation of food production potential and for significant economic waste. This manifests itself especially in the form of redundant fishing inputs and the overfishing of most valued fish stocks.

3. The origin of excess fishing capacity stems essentially from the widespread tendency of overinvestment and overfishing under open-access conditions. Overcapitalization in world fisheries also came about progressively as a result of broader and related factors, such as:

- The resilient profitability of fishing activities whereby technical progress, relative price inelasticity and various forms of financial support have largely compensated for diminishing yields in many fisheries;
- the effect of the extension of maritime areas under national jurisdiction on private and public investment strategies, generally accompanied by sizable subsidization programmes;
- the relative mobility of harvesting capacity, which allowed for a pervasive spill-over of excess capital among fisheries, both within areas under national jurisdiction and on the high seas;

¹Summary presentation to the WTO Committee on Trade and Environment by D. Gréboval, Fishery Planning Officer, Fishery Policy and Planning Division, FAO.

- the changing nature of the industry, which is increasingly competitive and capital-intensive, with markets that are now largely based on internationally traded commodities; and above all,
- the failure of fisheries management in general, and of commonly used management methods in particular, such as total allowable catch (TAC) and other methods which aim essentially at regulating the catch rather than the harvesting capacity itself.

4. The FAO Code of Conduct for Responsible Fisheries recognized that excessive fishing capacity threatens the world's fishery resources and their ability to provide sustainable catches and benefits to fishers and consumers. In Article 6.3, it is recommended that "States should prevent overfishing and excess fishing capacity and should implement management measures to ensure that fishing effort is commensurate with the productive capacity of the fishery resources and their sustainable utilization".

5. The International Plan of Action for the Management of Fishing Capacity (IPOA)² was elaborated within the framework of the Code of Conduct for Responsible Fisheries, as an element of fisheries conservation and sustainable management. The International Plan of Action was adopted by COFI in February 1999. It was further discussed by the FAO Ministerial Meeting on Fisheries in March 1999.

6. The immediate objective of the IPOA is for "States and regional fishery organizations, in the framework of their respective competencies and consistent with international law, to achieve worldwide preferably by 2003 but no later than 2005, an efficient, equitable and transparent management of fishing capacity". The IPOA further specifies that, *inter alia*, States and regional fishery organizations, when confronted with an overcapacity problem which undermines the achievement of long-term sustainability outcomes, should endeavour to limit initially at existing levels and progressively reduce the fishing capacity applied to affected fisheries. On the other hand, where long-term sustainability outcomes are being achieved, it nevertheless urges States and regional fishery organizations to exercise caution.

7. The IPA specifies a number of actions to be taken urgently in reference to the main section of the document: assessment and monitoring of fishing capacity, the preparation and implementation of national plans, international consideration and immediate actions for major international fisheries requiring urgent attention.

III. REVIEW OF MAIN RELATED FAO INITIATIVES

8. Steps are being taken by FAO to provide support to the implementation of the IPOA and to address related issues. Selected initiatives are reviewed below.

9. Technical Guidelines for the management of fishing capacity are being prepared and will be published in early 2000. Together with existing CCRF Guidelines on Fishery Management, this document will provide guidance for the implementation of the IPOA.

10. A Technical Consultation will be organized from 29 November to 3 December 1999 in Mexico to address issues pertaining to the measurement of fishing capacity. Technical guidelines will be prepared on this basis specifying basic methods and main options for measurement and monitoring of fishing capacity.

²The full text of the International Plan of Action for the Management of Fishing Capacity is available on the FAO web site <<http://www.fao.org/WAICENT/FAOINFO/FISHERY/IPA/capace.htm>>

11. FAO will collaborate closely with Australia in the collection and analysis of data on illegal, unregulated and unreported (IUU) fishing. This will be followed by a technical consultation which is planned for mid-2000. This activity may lead to the preparation of an international plan of action on IUU. The issue is directly relevant to the implementation of the IPOA on the management of fishing capacity, as well as to the implementation of other international instruments regarding international and high sea fisheries.

12. The transition to responsible fisheries and the control of fishing capacity in particular may require adjustments in fleet size, the relocation of fishers and - in the case of small scale fisheries - the implementation of alternative livelihood programmes. Work on this issue will be initiated on the basis of case studies. It may lead to the organization of an expert meeting that would provide guidelines on methods for downward adjustments in fishing capacity.

13. As requested in the IPOA, FAO is also initiating work on the identification of factors contributing to overcapacity, such as: lack of input and output control, unsustainable fishery management, and subsidies which contribute to overcapacity. A first step will consist of the undertaking of a review of the comparative impact of such factors on overcapacity, based on existing literature. On this basis and further considering the outcome of work undertaken on related issues (IUU, subsidies, fishery management, etc.), FAO will assess at a later stage the need to organize an international technical meeting on the identification of factors contributing to overcapacity.

14. FAO is also aiming at providing increased direct support to developing member States for the promotion of sustainable fisheries in general and for the implementation of the IPOA in particular. A programme is being developed towards this end which will require extra-budgetary funding.

15. Subsidies and related economic or financial incentives constitute another factor of relevance to the implementation of the IPOA and to the achievement of sustainable fishery management in general. In recognition of the importance of this issue and of the interest expressed in various fora, FAO will:

- Monitor and review the institutional and technical discussions and contributions on fishery subsidies taking place world-wide and to report on findings;
- collect and to disseminate information on fishery subsidies;
- exchange information with other organizations concerned; and
- provide information and technical support, when required, to related activities undertaken in support of the COFI Sub-Committee on Fish Trade and the implementation of the IPOA on the Management of Fishing Capacity.

16. Aware of the interest of many member countries in achieving a better understanding of the relationship which might exist between subsidies, trade and sustainability, FAO is presently assessing the possibility of undertaking a short term programme aimed at reviewing, in an integrated analytical manner, the role of subsidies in relation to international trade of fish and fish products and to fishery resources sustainability. This conceptual review of fishery subsidies will aim at clarifying concepts and reviewing analytical difficulties and alternative approaches to the measurement and assessment of the impact of subsidies on trade and sustainability.

17. Following the above review, an expert consultation can be called upon to examine findings and prepare a report on conceptual and analytical aspects relevant to monitoring and assessing subsidies in relation to major trade and sustainability concerns. Technical documentation prepared in this context will be published.

18. A report including the main findings, conclusions and recommendations will be submitted to the next session of the COFI for review, discussion and consideration of possible follow-up activities related to measuring the impact of subsidies in fisheries.

19. In undertaking this programme, close co-operation with the WTO and its Member Countries is considered essential. Co-operation with other relevant IGOs will also be sought.
