



ENVIRONMENTALLY HARMFUL SUBSIDIES IN AGRICULTURE AND FISHERIES

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Agriculture Subsidies

- No international agreement on agricultural EHS
- WTO's Agreement on Agriculture not on EHS (colour "boxes")
- SDG 2 (End hunger...) mentions environmental damage of export subsidies



Fisheries Subsidies

- Fisheries and aquaculture excluded from WTO Agreement on Agriculture
- WTO negotiations on fisheries subsidies disciplines from 2001, till 2009 without agreement
- Possible outcome on fisheries subsidies at the WTO's MC11 in December 2017 (EU, ACP, Latin America):
 - Effect on IUU fishing and overfished stocks,
 - Contribution to overcapacity,
 - Phased adoption of disciplines.
- Plurilateral negotiations to "*eliminate harmful subsidies, including those subsidies that contribute to overfishing and overcapacity, and subsidies linked to illegal, unreported and unregulated (IUU) fishing.*"
- TPP Article 20.16: *control, reduction and eventual elimination of all subsidies that contribute to overfishing and overcapacity*
- SDG Target No. 14.6 calls for eliminating certain forms of fisheries subsidies that contribute to overcapacity and overfishing by 2020



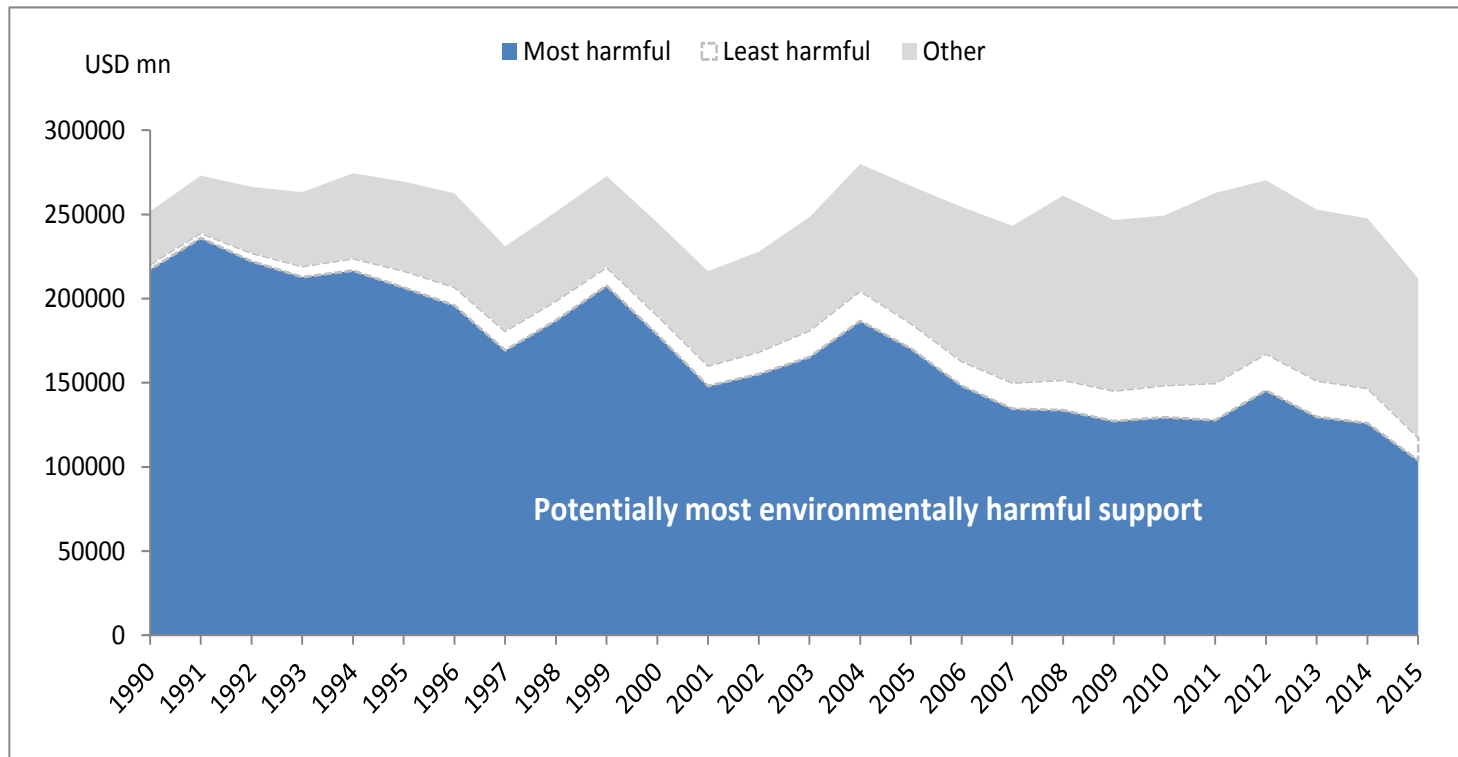
Data available on subsidies

- Agriculture:
 - OECD PSE-CSE database
 - 50 countries covered
 - Classified according to their **potential** environmental impact (no indication of actual impact)
- Fisheries:
 - OECD database of fisheries support estimates (FSE)
 - 27 countries covered at the moment
 - Not classified yet according to their environmental impact



Data available on subsidies

- Half of the total support to agricultural producers.
- Fell from 75% in 1995-97 to 50% in 2013-15.





Potential environmental impact of subsidies

- Greatest potential impact for agriculture:
 - Market price support,
 - Output payments (per output unit produced)
 - Variable input subsidies (e.g. fertilisers, pesticides, water and energy)
- Greatest potential impact for fisheries:
 - Measures that reduce input costs or increasing production revenues
 - Fuel (or other) tax concessions or exemptions
 - Support for vessel, port or infrastructure construction, modernisation
 - Market support (price support, marketing and promotion)
 - Foreign access agreements (access to waters or markets)
 - Fishery development and support



But...

- Actual impact depends:
 - Other measures constraining inputs or outputs
 - Access regulation, effort constraints
- The impact of some support measures yet to be defined:
 - Agricultural payments based on area, animal numbers, farm receipts or income, and historical entitlements
 - Fisheries decommissioning schemes, license retirement, assistance programs



Reforming EHS in agriculture and fisheries?

- Identification of the effect
- Agreement on the effect
- Reform to do what?
 - Phasing out in isolation?
 - Or more comprehensive reforms?



Alternative public investments

Achieve public policy goals

Critical reforms support

Thank you!

We look forward to hearing from you!



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