

Jurisdictional Initiatives Can Catalyze Holistic Fisheries Improvement

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SUMMARY Overfishing is a significant threat to ocean ecosystems, particularly to global fish populations and to the millions of human livelihoods that depend on them. Policy- and market-based schemes are among the main solutions that have been deployed to combat unsustainable fishing. While both approaches have proved effective at transitioning certain fisheries toward improved sustainability, there is a critical need to accelerate and scale the current improvement efforts. To date, these two approaches have mostly been siloed, and they have not always addressed the critical systemic issues that affect the long-term sustainability of fisheries, such as harmful fishing subsidies. Jurisdictional initiatives are a promising new approach that may help to accelerate the adoption of fishery reforms by linking policy- and market-based strategies to drive holistic fisheries improvements.

The collapse of key commercial fisheries over the past 60 years has made clear the precarious position of the world's fish stocks. Decades of overfishing have taken a significant toll on global fish populations and on the human livelihoods that depend on them. More than a third of the world's commercial fish stocks are currently overfished, and the growing human demand for seafood threatens to drive overfishing further.¹ Unsustainable fishing practices have significantly affected ocean ecosystems and harmed endangered, threatened, and protected species, which are often caught accidentally by fishing fleets. The proliferation of documented instances of human rights and labor rights abuses in fishery value chains over the past decade has also stressed the urgency of improving social responsibility in seafood production systems.²

To date, policy- and market-based approaches are the two primary mechanisms that have been deployed to address unsustainable fishing practices. Policy-based approaches, primarily in the form of sustainable fisheries management efforts led by local, national, and international governing bodies, accelerated in the mid-1970s as a response to globally declining fish stocks.³ The benefits of effective fisheries management began to be observed in a significant way in the 1990s as the biomass of many fish stocks began to stabilize and recover, demonstrating that management is an effective and essential tool in the effort to reverse the deterioration of fish stocks.⁴ These successes have not been



ubiquitous, however, in part because of the high costs involved in establishing and maintaining effective management structures and processes.⁵

The slow progress of governance reform, especially in resource-constrained developing countries, subsequently motivated the deployment of market-based approaches to the problem of unsustainable fishing. These approaches focused on generating economic incentives along the supply chain that favor sustainability.⁶ For instance, in the 1990s voluntary certification and ecolabeling schemes emerged to harness the purchasing power of seafood businesses in order to incentivize fishers to improve their fishing practices. These certification, rating, and improvement efforts have been effective at increasing awareness about environmental issues in fisheries, and they have moved the needle toward improved fisheries sustainability in many parts of the world.⁷ A recent assessment concluded that approximately 40 percent of the world's seafood production has been certified or rated by programs such as the Marine Stewardship Council and Seafood Watch.⁸

While certification, rating, and improvement efforts have incentivized the private sector to take tangible steps to reduce destructive fishing practices, these approaches alone cannot address the critical systemic problems that determine the long-term sustainability of fisheries. New approaches are needed that combine both policy- and market-based strategies to strengthen the environmental, social, and economic performance of fisheries.

HARMFUL FISHING SUBSIDIES IN FOCUS

Harmful fishing subsidies have been a topic of considerable discussion and academic study since the 1990s,⁹ most notably because of their role in driving a build-up of excessive fishing capacity.¹⁰ Global fishery subsidies currently amount to approximately US\$35 billion, consisting primarily of fuel subsidies (22 percent of the total) and other fishing-capacity-enhancing subsidies.¹¹ Formal multilateral policy discussions about how to address these harmful subsidies began in 2001; they have continued over the past two decades at the World Trade Organization (WTO). These negotiations recently achieved significant progress with the establishment on June 9, 2022, of a new Agreement on Fisheries Subsidies.

The agreement lays out rules for (1) eliminating subsidies that enable illegal, unreported, and unregulated fishing, (2) prohibiting subsidies for fishing on overfished stocks, and (3) prohibiting subsidies for fishing on unmanaged stocks on the high seas.¹² The adoption of the Agreement on Fisheries Subsidies is a significant step in the efforts to eliminate harmful fishing subsidies, but additional efforts will be needed to fully realize the vision highlighted in the United Nations Sustainable Development Goals:

By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminate subsidies that contribute to illegal, unreported, and unregulated fishing, and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the World Trade Organization fisheries subsidies negotiation.¹³

Members of the WTO still need to agree on policy language related to subsidies that contribute to overcapacity and overfishing. Such language was excluded from the agreement signed in June 2022.¹⁴ Negotiations are currently underway to address these types of subsidies; these negotiations are expected to conclude by February 2024.¹⁵ Key questions also remain about how to operationalize provisions that call for “appropriate and effective special and differential treatment” to eliminate harmful fishing subsidies by various stakeholders. For instance, should subsidy prohibitions apply equally to all fishing vessels, or should the small-scale fisheries sector be exempt from some restrictions? Many developing states have played a relatively minor role in contributing to the global overcapacity and overfishing that exist today. Should they be at least partially exempt from some of the restrictions that are being proposed?¹⁶

Another key consideration is how to make sure that, as the agreement enters its implementation phase, it doesn't place a disproportionate burden on the coastal states and small-island states that are part of the developing world. Under the agreement, coastal states will be responsible for implementing significant fisheries management actions in order to ensure compliance with the agreement, including provisions regarding transparency and reporting. Resource-constrained developing states should receive technical assistance and funding to support the effective implementation of the agreement.

Transnational seafood corporations are highly influential in policymaking, and they could also play a key leadership role in promoting fisheries reform.¹⁷ For instance, there is an opportunity for retailers and other large seafood buyers to support the operationalization of the Agreement on Fisheries Subsidies by prioritizing preferential sourcing from specific jurisdictions that have signed and started to implement the agreement. The persistence of harmful fishing subsidies is not adequately considered by many of the leading fishery certification and rating schemes, which seafood buyers currently use to guide their sourcing decisions. However, new approaches are being developed that may provide a way for market actors to play a more prominent role in incentivizing faster adoption of policy reforms such as the agreement.

A PROMISING NEW APPROACH: JURISDICTIONAL INITIATIVES

Jurisdictional initiatives are place-based efforts that utilize policy- and market-based strategies simultaneously at relevant political and ecological scales to achieve social, economic, and environmental objectives in a seafood production system.¹⁸ These initiatives specifically aim to improve the sustainability of seafood production through an ecosystem-based approach that addresses the root causes of environmental degradation. They also seek to enhance economic profitability, ensure safe and decent working conditions, and promote the inclusion of indigenous peoples and local communities in decision-making.

Jurisdictional initiatives are designed to be long-term engagements that drive systemic changes within specifically defined ocean areas. How do we define these areas? Jurisdictional initiatives need to be implemented at a scale that adequately considers the ecological distribution of the target fishery as well as the political jurisdictions needed to ensure effective management. By doing so, these approaches can help to overcome limitations of certification schemes, whereby certified fisheries can operate in the same area and target the same fish stocks as unsustainable fishers. This dynamic can undermine the ecological viability of the seafood production system. On the other hand, jurisdictional initiatives rely on policy

reform, public-private partnerships, and trust-based community engagement, which together can create fully sustainable seafood production areas. They can be particularly effective at aligning governments, local communities, and private-sector groups and mobilizing their collective action toward a shared vision and agenda for seafood production. Consequently, jurisdictional initiatives aim to leverage both market- and policy-based approaches and to apply both top-down and bottom-up solutions to promote holistic improvement in fisheries.

In recent years, the community of nongovernmental organizations has developed frameworks for jurisdictional initiatives to spur improvements involving terrestrial commodities such as soy, palm oil, and timber.¹⁹ These initiatives have added value to credible certification efforts by addressing not only environmental barriers to sustainability but also social and economic barriers at a jurisdictional scale. Building on these efforts connected to terrestrial commodities, Conservation International recently launched the development of jurisdictional initiatives to drive holistic improvements in fisheries with support from the Walmart Foundation.²⁰

Large retailers and other major seafood buyers are also increasingly making commitments to buy sustainable seafood that exceed the requirements of traditional certification and rating schemes. For instance, in 2021 the UK supermarket chain Tesco introduced a new “Seascope” sourcing approach that aims to promote marine sustainability by managing whole marine ecosystems in a healthy, productive way. Using this new approach, developed in partnership with the World Wildlife Fund, Tesco is working with suppliers and industry members to transition by 2030 to sourcing tuna only from fisheries that adhere to ecosystem-based management.²¹ Noting the significant interest and support coming from market partners such as Tesco, Conservation International and the World Wildlife Fund, with support from the Walmart Foundation, have developed guidance documents to support the co-design and implementation of seafood-related jurisdictional initiatives. These documents highlight the key elements in the success of jurisdictional initiatives, including a robust and inclusive stakeholder dialogue and engagement to ensure that stakeholder interests are sufficiently aligned to develop shared goals.²²

Jurisdictional initiatives are an exciting new approach to seafood sustainability that can build on traditional certification, rating, and improvement efforts, enabling a broader set of considerations to be integrated within a more holistic improvement effort. For instance, a particular jurisdictional initiative could include the reduction of harmful fishing subsidies as a key part of the improvement efforts, and mechanisms could be designed to ensure that these efforts are rewarded by market partners through preferential sourcing arrangements. If jurisdictional initiatives are successful, they could provide a pathway to accelerate the adoption of policy reforms like the Agreement on Fisheries Subsidies by linking policy- and market-based approaches that so far have been deployed mostly without reference to each other.

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ABOUT THE SERIES

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NOTES

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