

SADC-EU Fisheries EPA: SPS and Subsidies Issues

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Sanitary and Phytosanitary Standards: The Process

- Legitimate Right of states to safeguard health of their consumers (WTO SPS Protocol)
 - Standard setting process:
 - Codex Alimentarius, IPPC, OIE
 - Transparency, equivalence, precautionary principle
 - Equivalence
 - The EU:
 - Initially Directives 493, now General Food Law (178/2002), Official Controls (882/2004) and hygiene (852/2004 and 853/2004)

Fisheries SPS: The EU Process

- **Competent Authority Structure**
 - Legal: Harmonized Legislation
 - Tolerance thresholds same as in the EU
 - Institutional: Central Competent Authority
 - Specific competencies of inspectors/signatures
 - Accredited/EU recognized labs
 - HACCP based
 - Industry self regulation: Associations
- **Equivalence or 'same-ness'?**
- **The Cost and Competency issues**
 - Capacity Building – an EPA issue
 - Several programs – SFP in ACP countries, new COLEACP program also covering fisheries
- **The incoherencies:**
 - Standards in Domestic VS Export fisheries
 - Private Standards – Role of GlobalGAP on aquaculture fisheries in SADC –
 - Market Access
- **Pros of the EU System:**
 - a strong Fisheries sector, able to export to any destination in the world. Recommended.

Fisheries SPS: Export Process

- FVO Country inspections
 - Examination of compliance structures
 - Placing on List I,II, or III
 - Agreed routine sampling and tests
- Establishment Number
 - Factory/vessel inspection, examination of documentation- HACCP based
 - Given by Competent Authority, notified to the EU
- Consignment: Export Health Certificate
 - Routine inspections /routine tests
 - Issuance of Export Health Certificate
 - Authorized Competent Authority officers
 - Non Compliances detected at EU Ports
 - Notification to Competent Authority, Establishment
 - Demand for Corrective action
- Role of Private Standards
 - GlobalGAP aquaculture standards
 - Standard setting process in Private Standards
 - Smallholder aquaculture in SADC
 - Supermarket Standards

Fisheries Subsidies: An EPA Issue?

- Definition of Subsidy: WTO Agreement on Subsidies and Countervailing Measures :
 - 1.1 For the purpose of this Agreement, a subsidy shall be deemed to exist if:
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 - **(a)(1) there is a financial contribution by a government** or any public body within the territory of a Member (referred to in this Agreement as "government"), i.e. where:
 -
 - (i) a government practice involves a direct transfer of funds (e.g. grants, loans, and equity infusion), potential direct transfers of funds or liabilities (e.g. loan guarantees);
 - (ii) government revenue that is otherwise due is foregone or not collected (e.g. fiscal incentives such as tax credits) ;
 - (iii) a government provides goods or services other than general infrastructure, or purchases goods;
 - (iv) a government makes payments to a funding mechanism, or entrusts or directs a private body to carry out one or more of the type of functions illustrated in (i) to (iii) above which would normally be vested in the government and the practice, in no real sense, differs from practices normally followed by governments;
 - or
 - (a)(2) there is any form of income or price support in the sense of Article XVI of GATT 1994;
 - **and**
 - **(b) a benefit is thereby conferred.**

Subsidies in Fisheries

- Fishing Subsidies:
 - Vessel Building Subsidies
 - Now almost phased out: as high as 40% of vessel value
 - Vessel economic lifetime- at least 30 years
 - Vessel modernization subsidies
 - Engine replacement, other modernization
 - European Fisheries Fund (EFF)
 - 3.85bn in 5 years (from 2007)
 - Environmental?
 - Subsidies to Crew:
 - 30,000 euro per crew...
 - Fishing Access subsidies
 - Initially under FIG (Financial Instruments for Fisheries Guidance), now EFF and others.
 - Fuel subsidies:
 - Eg 2008

Fisheries Subsidies: Impacts

- An uneven competition for fish between EU and SADC fleets in SADC waters.
 - Uncompetitive domestic fishing fleets
- A form of 'export support'
 - EU the main market for both EU fleet and SADC fleet
 - Market distortion
- Capacity enhancing subsidies
 - Stocks Over-exploitation
 - The case for yellowfin and swordfish/bigeye

Fisheries Subsidies: EPA Aspects

- EEZ/High seas straddling and migratory stocks
 - Regional impact of subsidies
 - Recognition of other non EU subsidies
 - A regional/ RFMO approach
 - A regional compensation mechanism?
 - In EPA, a commitment to negotiate collective management/ resources for capacity building
- EEZ/coastal fisheries – national non straddling
 - Presence of subsidized external fishers
 - Whether there are agreements or not
 - In EPA – commitment that licensing fees will take into account subsidies.
 - Commitment to disclosure on subsidies both ways

Thank You