

FOSSIL FUEL SUBSIDY REFORM (FFSR)

BACKGROUND INFORMATION FOR PRESS

The Fossil Fuel Subsidy Reform initiative seeks the rationalization and phase out of inefficient fossil fuel subsidies that encourage wasteful consumption along a clear timeline and encourages WTO Members to share information and experiences to advance the discussion at the WTO. Issues of relevance to the FFSR initiative are also broadly discussed in the informal working group on subsidies under the TESSD initiative, and aims to be complementary to existing work of the Committee on Trade and Environment and other relevant WTO bodies.

The [Ministerial Statement](#) first adopted in December 2021 highlights the need to elaborate concrete options to advance the rationalization and phase-out of inefficient fossil fuel subsidies that encourage wasteful consumption at the WTO ahead of MC13.

Through the FFSR Work Plan to be adopted at MC12, the initiative aims to gradually build up momentum in 2022 and 2023. The Work Plan sets up a forum for dedicated discussions on FFSR at the WTO, which will aim to meet three times in 2022-2023 to further explore and identify the trade-relevance of discussing FFSR in the multilateral trading system. The meetings of the FFSR will cover a stocktaking of international efforts and Members' priorities, development and social aspects of FFSR, and updates on Members' actions on transparency and reforms.

FFSR is part of wider discussions at the international level through which WTO Members aim to address issues of inefficient fossil fuel subsidies that encourage wasteful consumption, including Sustainable Development Goal 12 (c) of the 2030 Agenda, G20, G7, APEC, ACCTS and V20, and the Paris Agreement on Climate Change and the Addis Ababa Action Agenda on Financing for Development

Coordinated by New Zealand, FFSR is open to all WTO Members and has currently 47 Members as co-sponsors. The initiative's inclusive approach involves stakeholders from the private sector, civil society, international organizations and academia who support discussions through technical expertise, experience and transparency.

FFSR Factbox

Coordinator: New Zealand

Co-sponsors: 47 Members

Albania; Chile; Costa Rica; European Union (and 27 Member States); Fiji; Iceland; Liechtenstein; Moldova, Republic of; Montenegro; New Zealand; North Macedonia; Norway; Panama; Paraguay*, Samoa*; Switzerland; Tonga; United Kingdom; Uruguay; and Vanuatu

*Paraguay and Samoa joined FFSR in June 2022.

Key documents:

FFSR Ministerial Statement, 10 June 2022 – [WT/MIN\(21\)/9/Rev.2](#) (Revision 1 of 14 December 2022: [WT/MIN\(21\)/9/Rev.1](#))

FFSR Work Plan 2022-23, 10 June 2022 – [WT/MIN\(22\)/8](#)