

ANNEX 1

WTO FOSSIL FUEL SUBSIDY REFORM INITIATIVE: NEXT STEPS ON CONCRETE OPTIONS

Focus Pillar	Products/Deliverables	Specific Action Steps	Timeframe
A. Enhanced Transparency	(i) Develop short list of sample questions on fossil fuel subsidies and fossil fuel subsidy reform for regular use in WTO Trade Policy Reviews.	Co-sponsors to prepare short non-exhaustive list of sample questions.	End 2023 / MC13
	(ii) Advocate incorporation of regular section in TPR Secretariat and Government reports covering fossil fuel subsidies and fossil fuel subsidy reform efforts, in a single, readily identifiable place in TPR reports.	Co-sponsors lead by example in including this information in their own TPR reports (in an identified section of the report). Co-sponsors and other interested Members propose this, and champion it as part of the 8 th appraisal of the TPR mechanism (in a section that might also cover wider trade and environment matters).	As TPRs arise 2024/2025
	(iii) Propose, support and contribute to a Committee on Trade and Environment 'thematic session' that includes fossil fuel subsidies and fossil fuel subsidy reform, to increase visibility of the issue across WTO bodies.	Co-sponsors to advocate as part of current efforts to revitalise the work of the Committee on Trade and Environment.	Session held 2024
	(iv) Use of other WTO mechanisms to increase transparency.	Request Secretariat extend their work on TPR information to compile information from other sources (e.g. information provided in Committee on Trade and Environment). Secretariat to provide periodic compilation of latest information available from joint international organizations' Subsidy Platform; as well as from other international organizations and processes, e.g. UNEP, OECD, G20, APEC.	Two update reports 2024/2025
	(v) Broaden base of stakeholder input.	Consultations with stakeholders, including affected economic actors, including MSMEs.	By MC14
B. Crisis Support Measures	(i) Compile information on Member experience with the design, review, adjustment and roll-back of temporary fossil fuel support measures to address energy crises.	Secretariat and co-sponsors to put together a paper with information on the design, review, evolution and removal of crisis support measures. Opportunity for other interested Members to also engage in this work and to draw on relevant compilations of information on crisis support measures in the OECD, APEC etc.	Q2 2024

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	(ii) Develop guidelines to give effect to the 'Three Ts' principles for such measures: i.e. targeted, transparent and temporary.	Co-sponsors and other interested Members to draft a short, practical set of guidelines reflecting Member experience and informed by research and best practice guidance developed by relevant international organizations.	Guidelines prepared in 2024
	(iii) Monitor and encourage reduction and removal of temporary fossil fuel support measures adopted to address recent energy crisis.	Schedule periodic review of Members' temporary crisis support measures and efforts to reform, reduce and remove these.	1st session: Q3 2024; 2nd session: 2025
C. Address Most Harmful Fossil Fuel Subsidies	(i) Identify characteristics of those fossil fuel subsidies that are most harmful to the environment and to trade.	<p>Co-sponsors to review studies by OECD, UNEP, IMF, IISD etc. on identification of categories of fossil fuel subsidies most harmful to the environment and to trade.</p> <p>Request additional Secretariat analysis of specific types, situations or sectors affected by fossil fuel subsidies, e.g. those benefitting fossil fuel production, the plastics industry, to help inform this work.</p> <p>Begin to develop a grid of key types of fossil fuel subsidies, including situations and sectors in which fossil fuel subsidies are used, as well as the criteria by which they rank in harm to the environment and trade.</p>	Calendar year 2024
	(ii) Build broader recognition and support for the development of pathways to reform, reduce and eliminate those fossil fuel subsidies recognised as harmful to the environment and to trade.	<p>Schedule workshops to examine particular types of fossil fuel subsidies, including by sector and/or situation in which they are used. Document the volume, impacts, trends and alternatives to these subsidies.</p> <p>Dedicated session on experience sharing among Members on approaches to fossil fuel subsidy reform, including complementary strategies and alternative approaches to address the needs of vulnerable social groups for a just transition and wider development objectives. Prepare compilation of success stories and learnings from Member experience and international advisory and funding agencies (e.g. UNDP, UNEP, World Bank).</p>	<p>Workshops in 2024</p> <p>2024 meeting on design of reform policies</p>

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		Identify existing and additional new pathways to reform, reduce and eliminate fossil fuel subsidies of this type or in use in these situations, including complementary strategies and approaches to help support vulnerable social groups and the development objectives of developing countries.	2024 meeting on pathways to action
	(iii) Map out phased reduction pathways on these most harmful types of subsidies.	<p>Co-sponsors and other interested Members to map out phased reduction pathways of particular types of fossil fuel subsidies identified as harmful.</p> <p>Co-sponsors and other interested Members to work on the development of a timetable for phased reduction pathways on these particular types of fossil fuel subsidies for possible pledges at MC14. Approaches to this transition that address social and development concerns to be explored alongside such reduction commitments.</p>	<p>2024/2025</p> <p>2025 and at MC14</p>