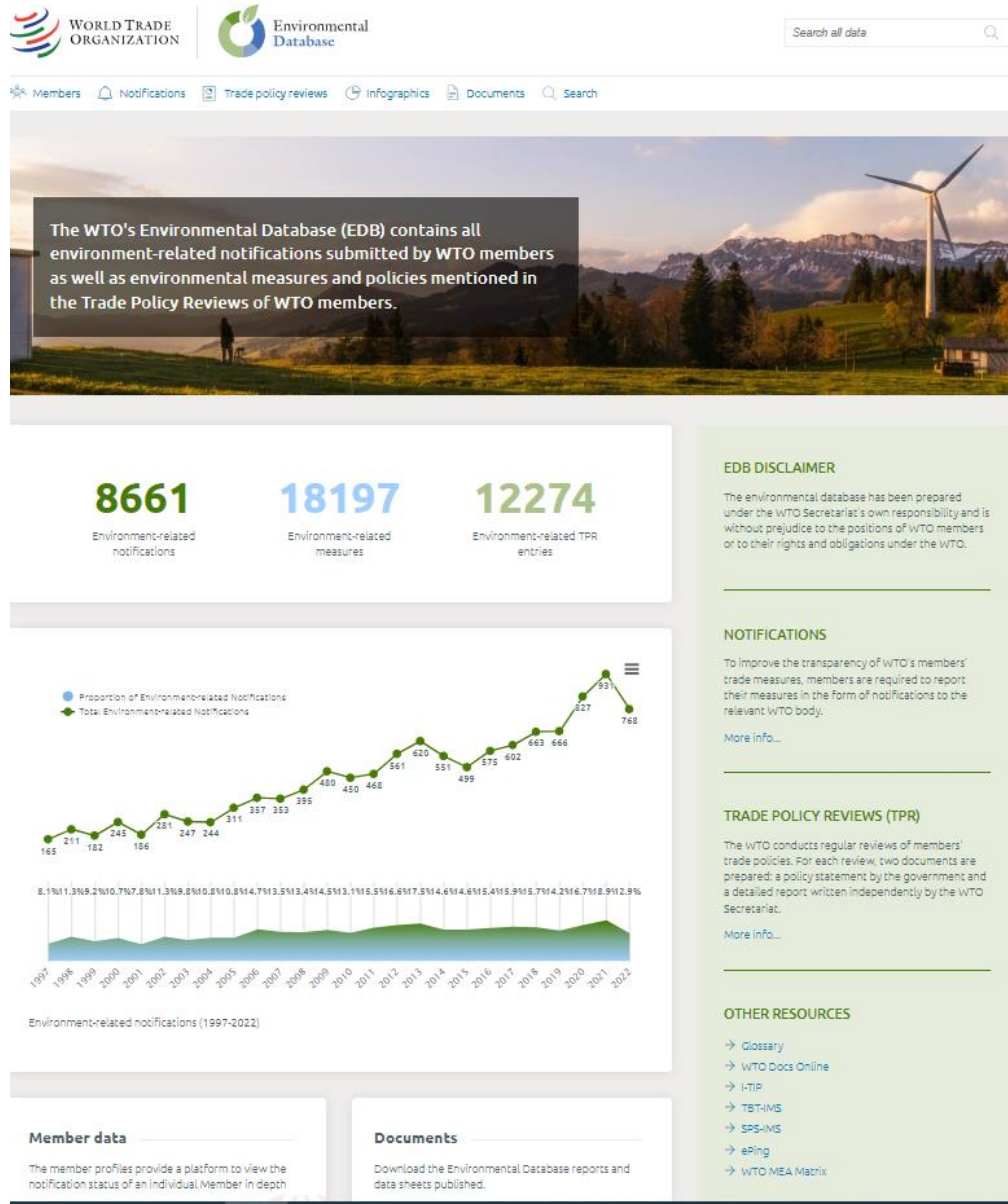


Environment-related industrial subsidies WTO Environmental Database (EDB)

Trade and Environment Division, WTO

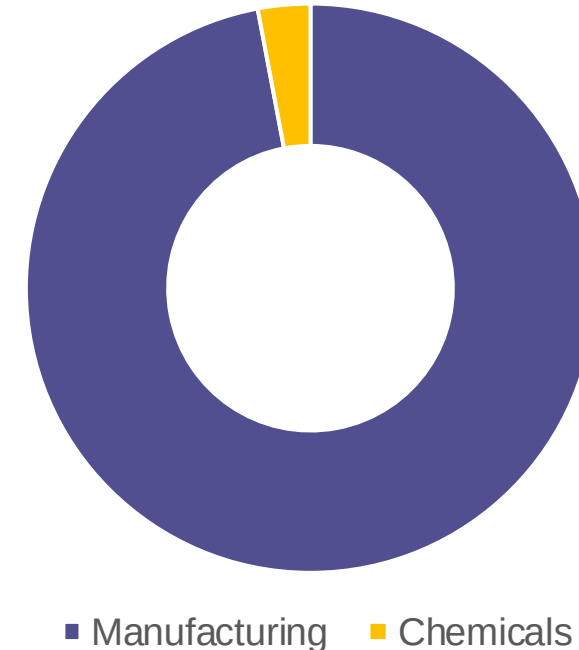
17 June 2024

Environmental Database

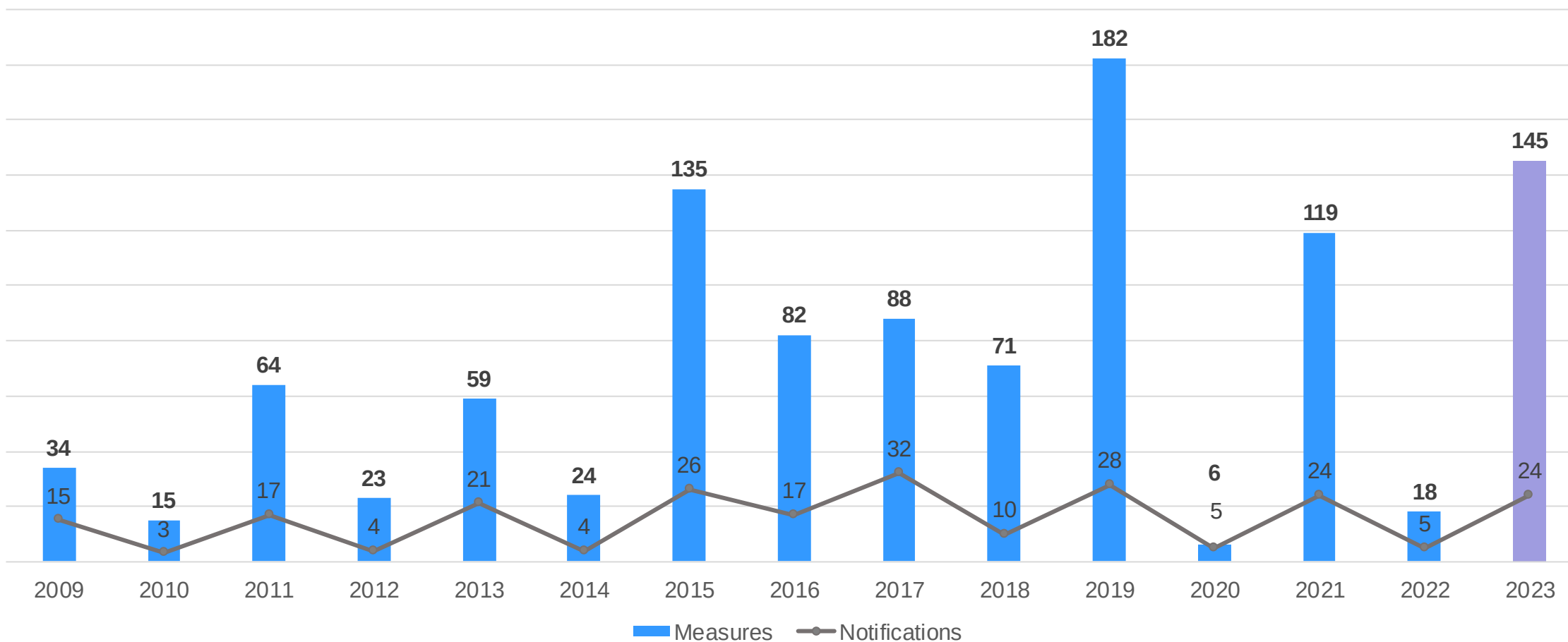


edb.wto.org

To search for environment-related industrial subsidies, we used the sectors filter “Manufacturing” and “Chemicals”



Environment-related industrial subsidies notifications and measures

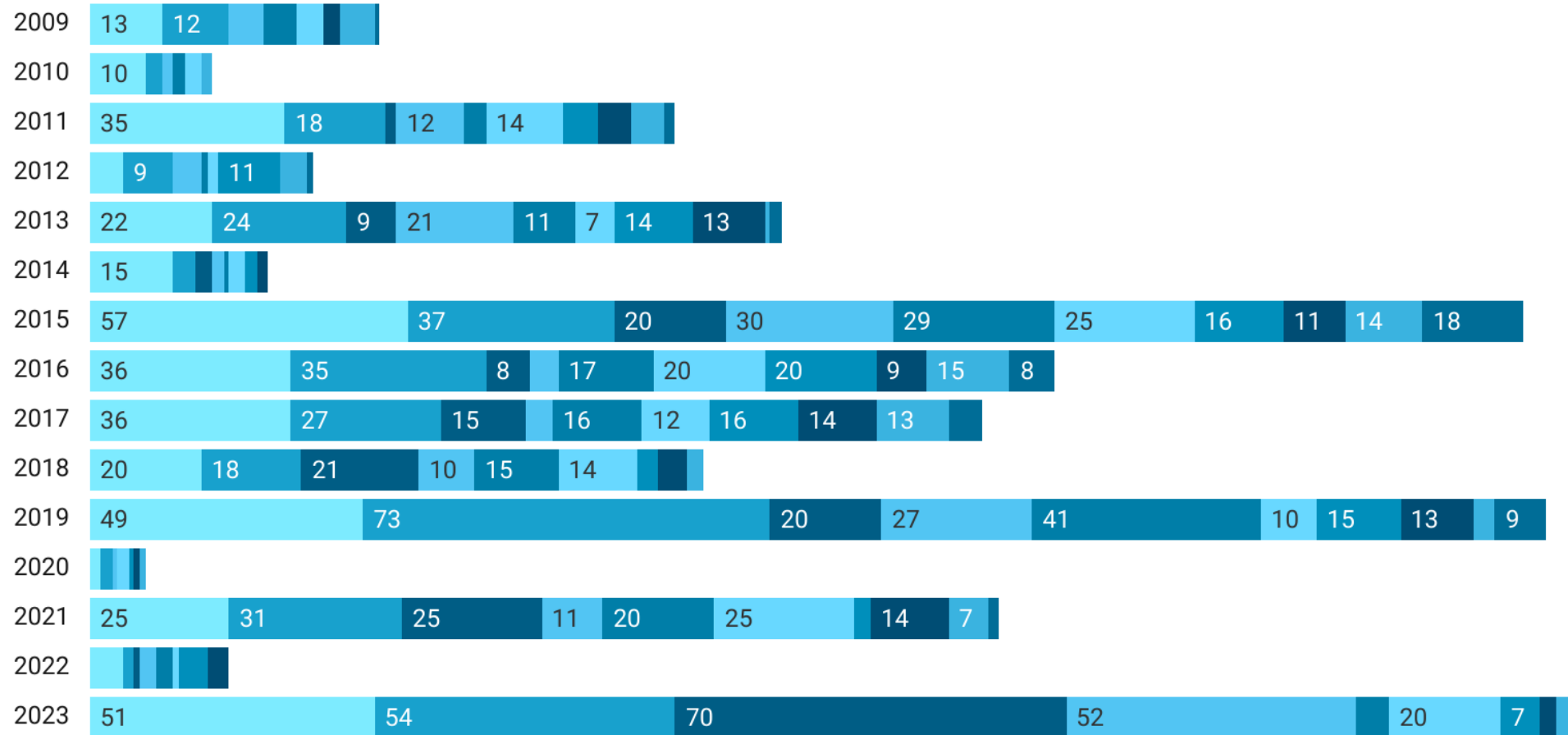


- Under the Agreement on Subsidies and Countervailing Measures, WTO Members notify once every two years, which explains the year-on-year variation in environment-related ASCM notifications and measures. See G/SCM/M/30, para. 6 and G/SCM/M/46, para. 43.
- 2023 data will be uploaded in the next months.

Objectives of environment-related industrial subsidies 2009 – 2023



■ Alternative and renewable energy
 ■ Energy conservation and efficiency
 ■ Environmental goods and services promotion
 ■ Climate change mitigation and adaptation
 ■ Air pollution reduction
 ■ Waste management and recycling
 ■ General environmental protection
 ■ Sustainable and environmentally friendly production
 ■ Water management and conservation
 ■ Natural resources conservation

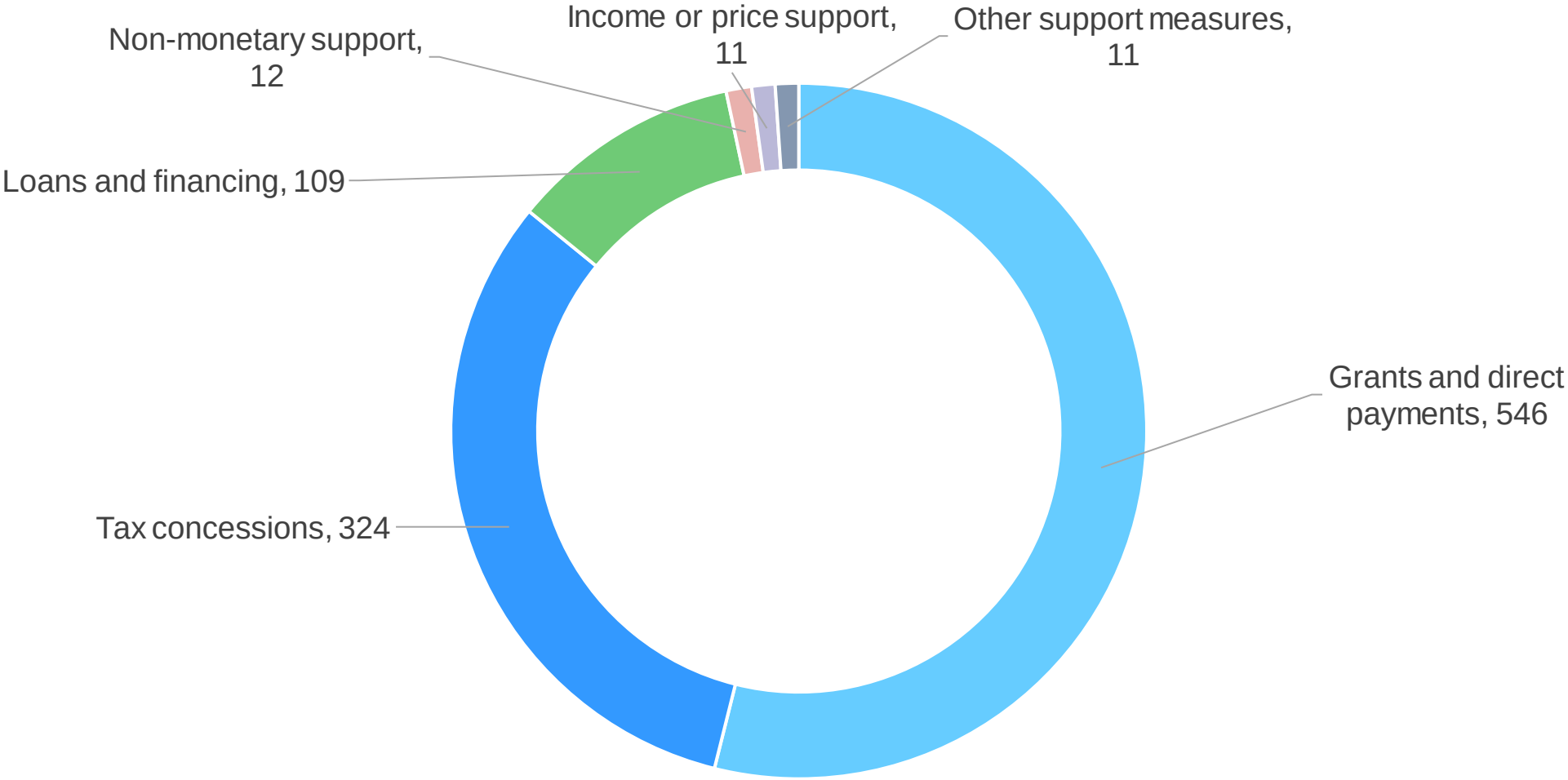


Created with Datawrapper

Only objectives that have above 50 measures between 2009 and 2023 have been considered for this graph

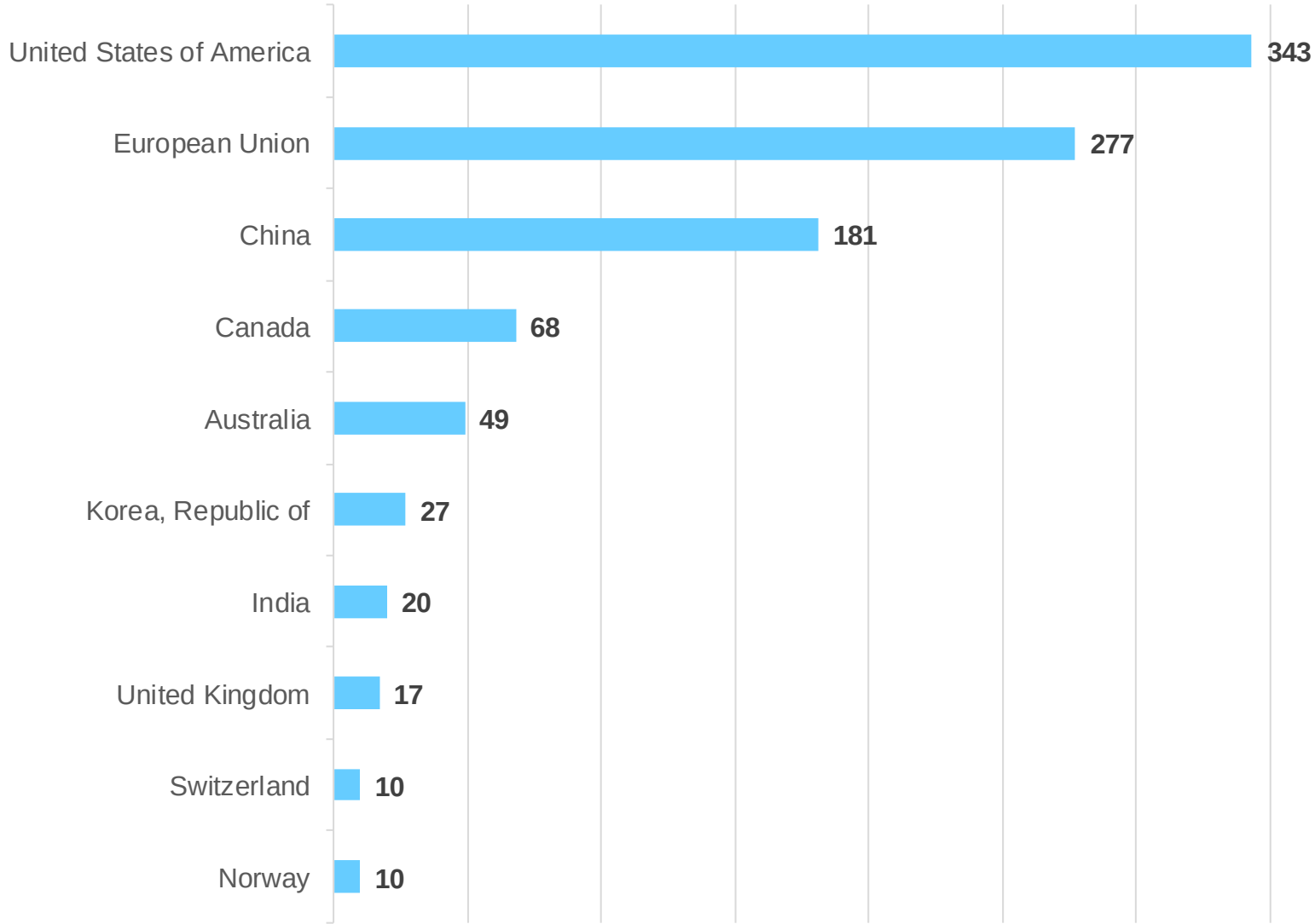
Environment-related industrial subsidies

Type of Support Measures (2009- 2023)



Environment-related industrial subsidies

Top 10 notifying Members (2009- 2023)



Environment-related industrial subsidies (2009- 2023) – Examples in SCM notifications



Australia – 2021 ([G/SCM/N/372/AUS](#))

Modern Manufacturing Initiative: (...) aims to stimulate business investment in the manufacturing sector by addressing barriers to scale and competitiveness for Australian manufacturers. (...) *They are targeted at Australian businesses with projects that align with* at least one of the six National Manufacturing Priority areas: (...) *Recycling and clean energy*; (...)

European Union: Luxembourg – 2022 ([G/SCM/N/372/EU/ADD.18](#))

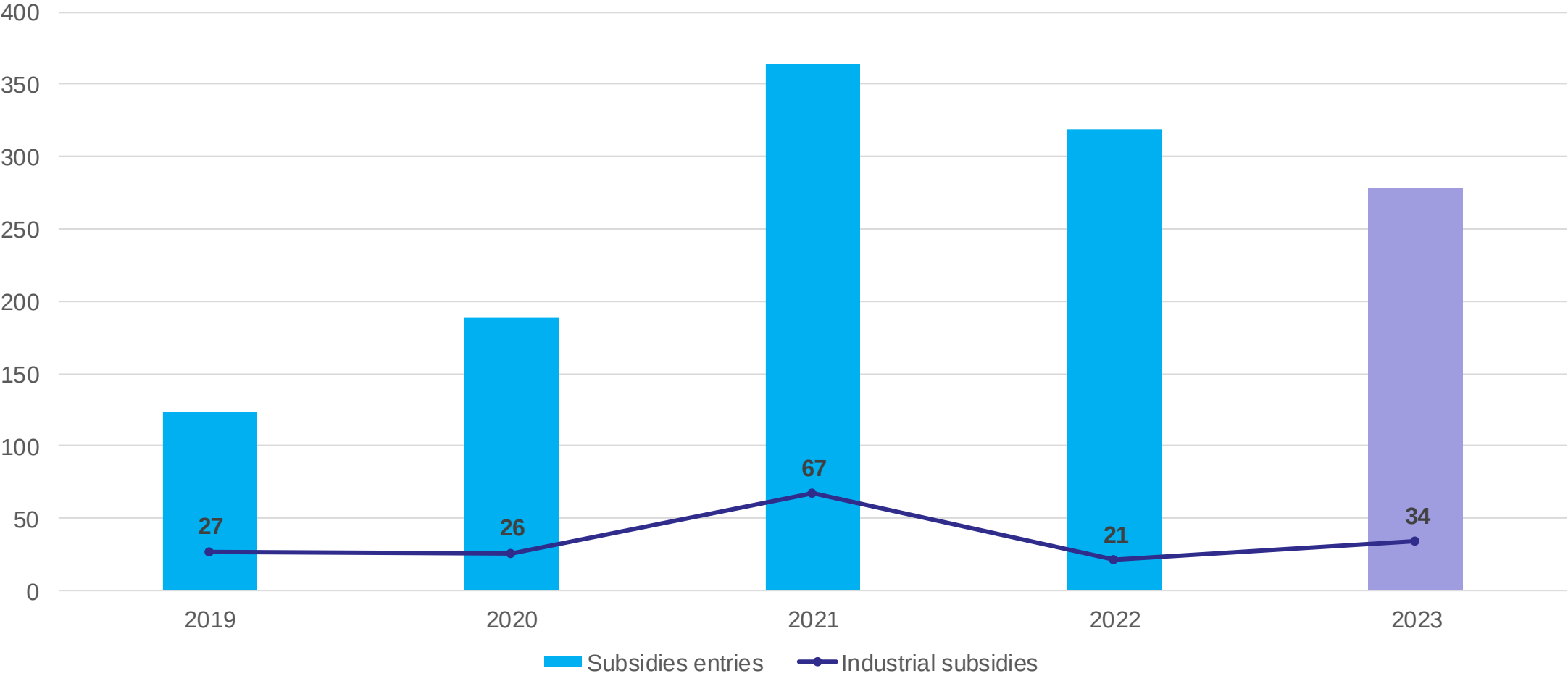
Prevention of carbon leakage: Enterprises meeting the criteria under the Law of 1 August 2018 introducing an aid scheme in the context of the *greenhouse gas emission allowance trading scheme post-2012*

Brazil – 2023 ([G/SCM/N/401/BRA](#))

Rota 2030 Programme - Mobility and Logistics: To foster technological development of the domestic automotive industry, through *energy efficiency and environmental sustainability*, by creating incentives for R&D activities.

Environment-related industrial subsidies

TPR Entries 2019-2023



TPR Entries for 2023 currently being uploaded. Slight difference in the way TPR entries were recorded in the EDB from 2021 onwards.

Environment-related industrial subsidies (2019- 2023) – Examples in TPRs



Republic of Korea – 2021 ([WT/TPR/G/414/REV.1](#))

To reduce pollutants produced at manufacturing sites, the Korean Government introduced a total of *98 clean factories* and designated around 50 products for remanufacturing by 2020. Korea also aims to lead the new economic order in a *greener society under the 2050 carbon neutrality vision*, and is planning to establish the "*Visions and Strategies for Industrial Transformation to Achieve Carbon Neutrality by 2050.*"

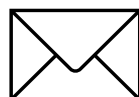
Mexico – 2022 ([WT/TPR/S/429/REV.1](#))

(...) in order to promote vehicles that use new, *clean technologies*, Mexico temporarily eliminated tariffs in respect of a number of electric cars and motor vehicles during the period 2020 - 24 (30 September). *The tariff concessions are used to allow free competition and access to clean new technologies* in order subsequently to develop a domestic industry.

Türkiye – 2023 ([WT/TPR/S/439/REV.1](#))

VAT exemptions introduced: (...) - The purchase of *technologies that eliminate greenhouse gas emissions* as well as engineering services provided to taxpayers who manufacture electric motor vehicles in Türkiye, based on R&D undertaken in the country (...)

Thank you!



sajal.mathur@wto.org
marisol.darali@wto.org

This document/presentation has been prepared under the Secretariat's own responsibility and is without prejudice to the positions of Members or to their rights and obligations under the WTO.

WTO Subsidy Database

Extraction Methodology

17/06/24

Shuhui XIANG

with Dayong YU and Mun How MONG

TPSS, ERSD, WTO

Questionnaire from G/SCM/6/Rev.1



Qn. Num.	Question
1	Title of the subsidy programme, if relevant, or brief description or identification of the subsidy.
2	Period covered by the notification. The period to be covered by the notification should be the most recently completed calendar or fiscal year. In the latter case, the start and end dates of the fiscal year should be specified.
3	Policy objective and/or purpose of the subsidy.
4	Background and authority for the subsidy (including identification of the legislation under which it is granted).
5	Form of the subsidy (i.e., grant, loan, tax concession, etc.).
6	To whom and how the subsidy is provided (whether to producers, to exporters, or others; through what mechanism; whether a fixed or fluctuating amount per unit; if the latter, how determined).
7	Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy (indicating, if possible, the average subsidy per unit in the previous year). Where provision of per unit subsidy information (for the year covered by the notification, for the previous year, or both) is not possible, a full explanation.
8	For the information cited in items 3 to 7 above, the notification does not necessarily have to have an independent heading corresponding to each item, and may provide information on multiple items in one heading (e.g. provide information on items 3 and 4 under one heading). In this case, the notification must clearly specify what items are covered by which heading.
9	Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement.
10	Statistical data permitting an assessment of the trade effects of the subsidy. The specific nature and scope of such statistics is left to the judgement of the notifying Member. To the extent possible, relevant and/or determinable, however, it is desirable that such information include statistics of production, consumption, imports and exports of the subsidized product(s) or sector(s):
10a	for the three most recent years for which statistics are available;
10b	for a previous representative year, which, where possible and meaningful, should be the latest year preceding the introduction of the subsidy or preceding the last major change in the subsidy.

- Standard set of 10 questions for subsidy notifications
- Each notified subsidy program should contain responses to these 10 questions
- Members' notifications can have up to several hundred programs

Notification layout and tables

Pic 1

2 FORESTRY ACTIVITY											
1. <u>Title of the programme</u>	Law No. 25.080 - Investment in Cultivated Woodland										
2. <u>Period covered by the notification</u>	1 July 2016 to 30 June 2018.										
3. <u>Policy objective and/or purpose</u>	The considerable development potential of Argentina's forestry sector has thus far barely been explored. The purpose of the legislation in this area is therefore to promote forestry activity throughout the country, in the interests of fostering medium- and long-term investment and generating employment.										
4. <u>Background and authority</u>	Law No. 25.080: Published in the OJ of 19 January 1999, as amended or supplemented by the following legislation: - Law No. 26.432: Published in the OJ of 29 December 2008. - SAGyP Resolution No. 33/2013: Published in the OJ of 8 January 2014.										
5. <u>Form of the subsidy</u>	Non-repayable economic support and fiscal benefits.										
6. <u>To whom and how the subsidy is provided</u>	Law No. 25.080: Beneficiaries are natural or legal persons making actual investments in the activities covered by the Law. Non-repayable economic support is a money amount that is calculated per hectare and varies according to zone, species and forestry activity, as determined by the implementing authority. Fiscal benefits are granted to natural or legal persons engaged in activities covered by the Law, which provides tax stability and exemptions.										
7. <u>Total amount</u>	The total non-repayable amounts disbursed for economic support in the period 2016 to mid-2018 were as follows: <table><tr><th>Year</th><th>Amount (\$)</th></tr><tr><td>2016</td><td>267,049,743.95¹</td></tr><tr><td>2017</td><td>198,531,613.25</td></tr><tr><td>2018</td><td>87,140,023.67 (estimate)</td></tr><tr><td>Grand total</td><td>552,721,380.87 (estimate)</td></tr></table>	Year	Amount (\$)	2016	267,049,743.95 ¹	2017	198,531,613.25	2018	87,140,023.67 (estimate)	Grand total	552,721,380.87 (estimate)
Year	Amount (\$)										
2016	267,049,743.95 ¹										
2017	198,531,613.25										
2018	87,140,023.67 (estimate)										
Grand total	552,721,380.87 (estimate)										
Source: National Directorate of Industrial Forestry Development - Ministry of Production and Labour.											
8. <u>Duration</u>	The benefits granted under Law No. 25.080 apply to all undertakings approved within ten years of the enactment of the Law and any extensions thereof and amendments thereto.										

- Main components extracted

1. **Headings**
2. **Questions**
3. **Responses**
4. **Tables**

- Texts are extracted as they are.
- Tables are extracted into a JSON format:

Pic 2

JSON format table:

```
[{"year":"2016","amount $":"267049743.95[1]"}, {"year":"2017","amount $":"198531613.25"}, {"year":"2018","amount $":"87140023.67 estimate"}, {"year":"grand total","amount $":"552721380.87 estimate"}]
```

WTO Subsidy Database



WORLD TRADE
ORGANIZATION

FileName	Heading	q1	q2	q3	q4	q5	q6	q7	q8	q9	q10	DOL
N372AUS	>10 renewable energy programs>10.1 advancing renewables program	advancing renewables program.	financial years 2019/2020 and 2020/2021.	the advancing renewables program supports a broad range of development, demonstration and pre-commercial deployment projects that can deliver affordable and reliable renewable energy for australian families and businesses. the program objective is to fund activities that contribute to one or more of the following. program outcomes://(a) reduction in the cost of renewable energy;//(b) increase in the value delivered by renewable energy;//(c) improvement in technology readiness and commercial readiness of renewable energy technologies;//(d) reduction in or removal of barriers to renewable energy uptake;//(e) increased skills, capacity and knowledge relevant to renewable energy technologies".	the arp was launched in july 2015.//the australian renewable energy agency (arena) was established by the australian government on 1 july 2012 under the australian renewable energy agency act 2011 (as amended) (arena act) with a remit to improve the competitiveness and increase the supply of renewable energy in australia.	funding is provided against specific milestones in accordance with individual funding agreements.	funds were committed to 74 projects through individual funding agreements. the dollar value for each funding agreement varied depending on the specific project. applicants were assessed against merit criteria and specific eligibility requirements. applications were assessed by a technical advisory group.	funding ranged from aud 136,000 to aud 47 million per project. the total commitments made for 2019/2020 and 2020/21 amounted to aud 291 million.		duration varies according to individual funding agreements. the last funding agreement expires on 30 june 2020.	no statistical data permitting an assessment of trade effects is available.	https://docs.wto.org/dol2fe/Pages/FE_Search/FE_Search/S006.aspx?SymbolList=G/SCM/N/372/AUS
N372CAN	>1 industrial programs>1.1 acoa business development program	acoa business development program (bdp).	the notification covers fy 2018/19 and 2019/20.	the objective of this program is to improve the growth of atlantic businesses, provide for dynamic and sustainable communities in atlantic canada, and provide for policies and programs that strengthen the atlantic economy.	assistance is provided under the legislative authority of the acoa act.	assistance is provided to commercial clients in the form of repayable, conditionally repayable or unconditionally repayable contributions; contributions to not-for-profit clients are normally non-repayable.	the program provides assistance to small and medium-sized enterprises in atlantic canada to start up, expand and modernize. assistance towards commercial projects is generally in the form of interest free loans. assistance in the form of a non-repayable contribution is provided to not-for-profit organizations that provide support to atlantic businesses.	assistance is provided on the basis of a percentage of eligible costs up to 50% on capital costs and 75% on soft costs. acoa disbursed \$182,542,479 in fy 2018/19 and \$101,150,130 in fy 2019/20.		the bdp was created in 1995. the program terms and conditions have been renewed on an ongoing basis.		https://docs.wto.org/dol2fe/Pages/FE_Search/FE_Search/S006.aspx?SymbolList=G/SCM/N/372/CAN
N372JPN	>1 industry>1.1 subsidy for the leather and leather goods industries	subsidy for the leather and leather goods industries.	4/2018 - 3/2020.	to contribute to the sound development of smes in the leather and leather goods industries.	ministry of economy, trade and industry.//assistance by budget.	grant.	the subsidy is provided to local governments or non-profit associations which conduct consulting services or personnel training, etc. for the leather and leather goods industries. in addition, the associations consist of mainly smes in this sector.	fiscal year 2018 (settlement of accounts) 289 million.//fiscal year 2019 (settlement of accounts) 294 million.		the subsidy was started in april 1971. there is no time limit attached to it.	statistics on leather and leather goods (unit: 100 million yen)/[{"": "production", "2017": "n.a.", "2018": "n.a.", "2019": "n.a."}, {"": "import", "2017": "13,300", "2018": "13,690", "2019": "13,563"}, {"": "export", "2017": "1,178", "2018": "1,203", "2019": "1,237"}]	https://docs.wto.org/dol2fe/Pages/FE_Search/FE_Search/S006.aspx?SymbolList=G/SCM/N/372/JPN

- Content across different notifications is presented in a standardised format

- Direct link to Docs Online for all subsidy notifications

- Link to the published database:
https://www.wto.org/english/atratope/scme/subsidy_database_e.htm

Demo: Keyword Search Preliminary Results



Keyword Search
Demo

Keywords	Q3 (Public policy objective)	Q6 (To whom and how the subsidy is provided)
renewable energy	45	34
fishery	51	29
fossil fuel	5	6
agriculture	60	60
manufacturing	57	200

- We use the filter in Excel to search for keywords.
- The table above shows the occurrence of keywords in responses to questions 3 and 6.
- Searching the same keywords in different responses can result in different outcomes.
 - Sometimes, there can be a significant discrepancy (e.g. manufacturing)

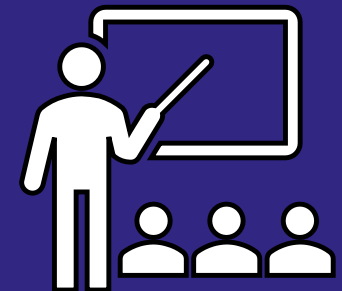
THE 2023 TECHNICAL ASSISTANCE PROJECT ON SUBSIDY NOTIFICATIONS

TRADE AND ENVIRONMENTAL SUSTAINABILITY
STRUCTURED DISCUSSIONS (TESSD)

17 June 2024

What is different?

- Traditional approach
 - Organize regional or national TA activities
 - Lectures for theoretical information
 - Case studies & exercises
 - Missing point: success criteria



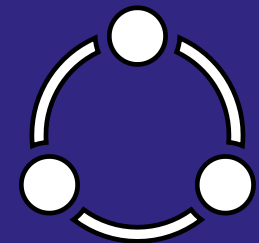
What is different?

- Innovative approach
 - Smaller groups: LDC and Developing Members
 - Three-phased project
 - Practical and action-oriented approach
 - Structured timeline 12 – 16 weeks
 - Detailed explanation of the program and request full commitment
 - Nomination and selection of participants



Three phases of the project

- Phase – 1: Loading of theoretical knowledge
 - Lectures, case studies, practical exercises
 - Development of new course materials
 - Interactive course design
 - Peer-to-peer exchange
- Phase – 2: Active follow-up
 - Continuous and personalized feedback
 - Development of a draft notification
 - Follow-up through periodic calls, virtual meetings, one-on-one coaching
- Phase – 3: Presenting final product
 - Peer-to-peer exchange
 - Submission of the official notification



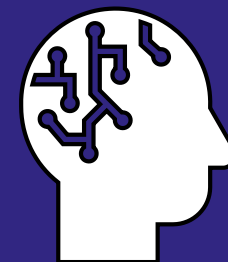
Practice & Outcomes

- Invitation to 43 Members
- 36 participants from 23 Members attended the first phase
- 4 participants from 3 Members did not meet the requirement to attend the second phase
- Low drop-out rate: 32 participants from 20 Members successfully submitted their draft notifications
- Excellent feedback from participants
- Significant improvements in the number and quality of the notifications
 - 11 new notifications were officially submitted (15% of all notifications)
- Valuable insights for our future work



Next steps

- Next round is expected in December 2024
- Modification of the course design
- Extended deadline
- Modification of selection process
- New course materials



Thank You!

For further questions or assistance:
Seref.coskun@wto.org