Fossil Fuel Subsidies, Standstill and Recent Discussions at the WTO

Submitted by: WTO
FFS, STANDSTILL AND RECENT DISCUSSIONS AT THE WTO

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**WTO Recent Developments on FFS**

Negotiating Group on Rules

**Fisheries subsidies**

Friends of Fossil Fuel Subsidies Reform

Agreement on Climate Change, Trade and Sustainability (ACCTS)

APEC model? Influence on EGA...

CTE Regular

MC11 Buenos Aires

WT/MIN(17)/54

MC12 Geneva?

JOB/GC/264
**NEW T&E INITIATIVES**

Trade and Environmental Sustainability Structured Discussions (TESSD)

**WT/CTE/W/249/Rev.1 – (53)** Australia; Canada; Chad; Chile; Colombia; Costa Rica; European Union; Fiji; Gambia; Iceland; Japan; Kazakhstan; Korea, Republic of; Liechtenstein; Maldives; Mexico; Moldova, Republic of; Montenegro; New Zealand; North Macedonia; Norway; Senegal; Singapore; Switzerland; Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; United Kingdom

Informal Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade

**WT/CTE/W/250/Rev.1 – (17)** Australia, Barbados, Cabo Verde, Canada, Central African Republic, China, Costa Rica, Ecuador, Fiji, The Gambia, Jamaica, Kazakhstan, Morocco, New Zealand, Switzerland, Thailand and United Kingdom
In general terms, WTO rules on subsidies focus on negative trade effects of support. In addition, some subsidies are simply prohibited:

However, as with any trade-related policy, implementation is key and might raise trade concerns:
WTO RULES AND SUBSIDIES STANDSTILLS

When it comes to the environment, the basic thrust of WTO rules is that environmental objectives should **not be used as an excuse to protect domestic producers**.

**Coherence**
The trade restriction or difference in treatment between domestic and imported products provided by the measure is justified by the legitimate objective and not to protect domestic sectors.

**Mindful and holistic**
The measure is part of a holistic environmental policy and considers the impact on other countries, as well as on other national, regional and international efforts on the same topic.

**Fit-for-purpose**
The measure can efficiently contribute to the legitimate objective in a balanced way or is part of a national conservation policy also restricting domestic production or consumption.

**Flexible**
The measure is result-oriented and takes into account alternative measures to address the same challenge as effectively, albeit through different methods, including due to national and regional environmental conditions.
Next steps?

A forum for debate

Selected topics recently raised at the CTE:

- Carbon footprint schemes
- Trade elements of climate mitigation and adaptation policies
- Fossil fuels subsidies reform
- Eco-labelling schemes and market access
- Illegal logging
- Illegal, unregulated and unreported (IUU) fishing
- Circular economy and plastics

Collaboration between the WTO, Multilateral Environmental Agreements (MEAs) and other international institutions