

Options for International Agreements on Fossil Fuel Subsidies



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About the Paper

A toolkit, not a position paper

- Explores pathways for international agreement design
- A neutral “menu” of legal and policy options

Target audience

- Governments and stakeholders exploring commitments on fossil fuel subsidy reform

Core Building Blocks

Objectives

Scope

Disciplines

Carve-outs
and
Exceptions

Special and
Differential
Treatment

Enforcement
and Dispute
Settlement

A wide-angle photograph of an industrial construction or mining site. In the foreground, there's a dark, muddy, and rocky terrain. In the middle ground, several large pieces of heavy machinery are visible, including a prominent yellow crane with a long lattice boom and another piece of equipment with a white cylindrical tank. The background features a range of dark, rolling mountains under a sky filled with soft, grey clouds. The overall scene conveys a sense of large-scale industrial activity in a rugged landscape.

Key insights on few building blocks

Scope of the agreement

Using existing WTO definitions

- ASCM

A more general and open-ended approach

- Domestic support under AoA

Standalone approach

- Listing specific FFS under ACCTS

Disciplines

Effects-based
disciplines

Hybrid models

Outright
prohibitions of
harmful subsidies

Gradual
reduction
commitments

Standstill
provisions

Scope of the agreement

Ensuring policy space and flexibility

- Carve-outs
- Exceptions
- Special and Differential Treatment

Enforcing stronger disciplines and encouraging compliance

- Notification obligations
- Dispute settlement mechanisms



Thank You!

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