

Fossil Fuel Subsidy Reform 101

Workshop

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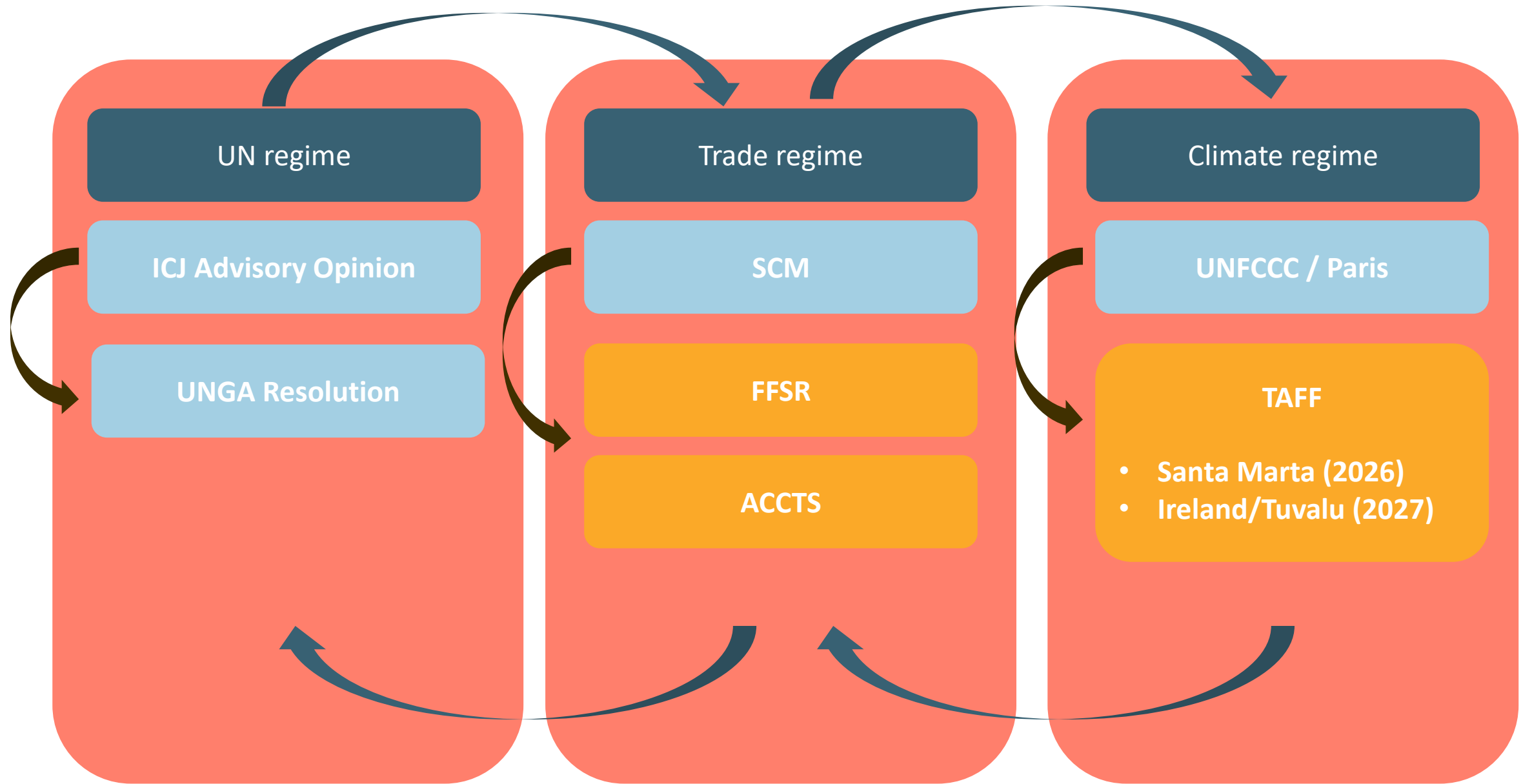
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Geneva, Switzerland

7 July 2026



ICJ Advisory Opinion

“[A] failure of a State to take appropriate action to protect the climate system from GHG emissions — including through fossil fuel production, fossil fuel consumption, the granting of fossil fuel exploration licences or the provision of fossil fuel subsidies — may constitute an internationally wrongful act which is attributable to that State”

Stringent

1.5°C target

Science

Universal

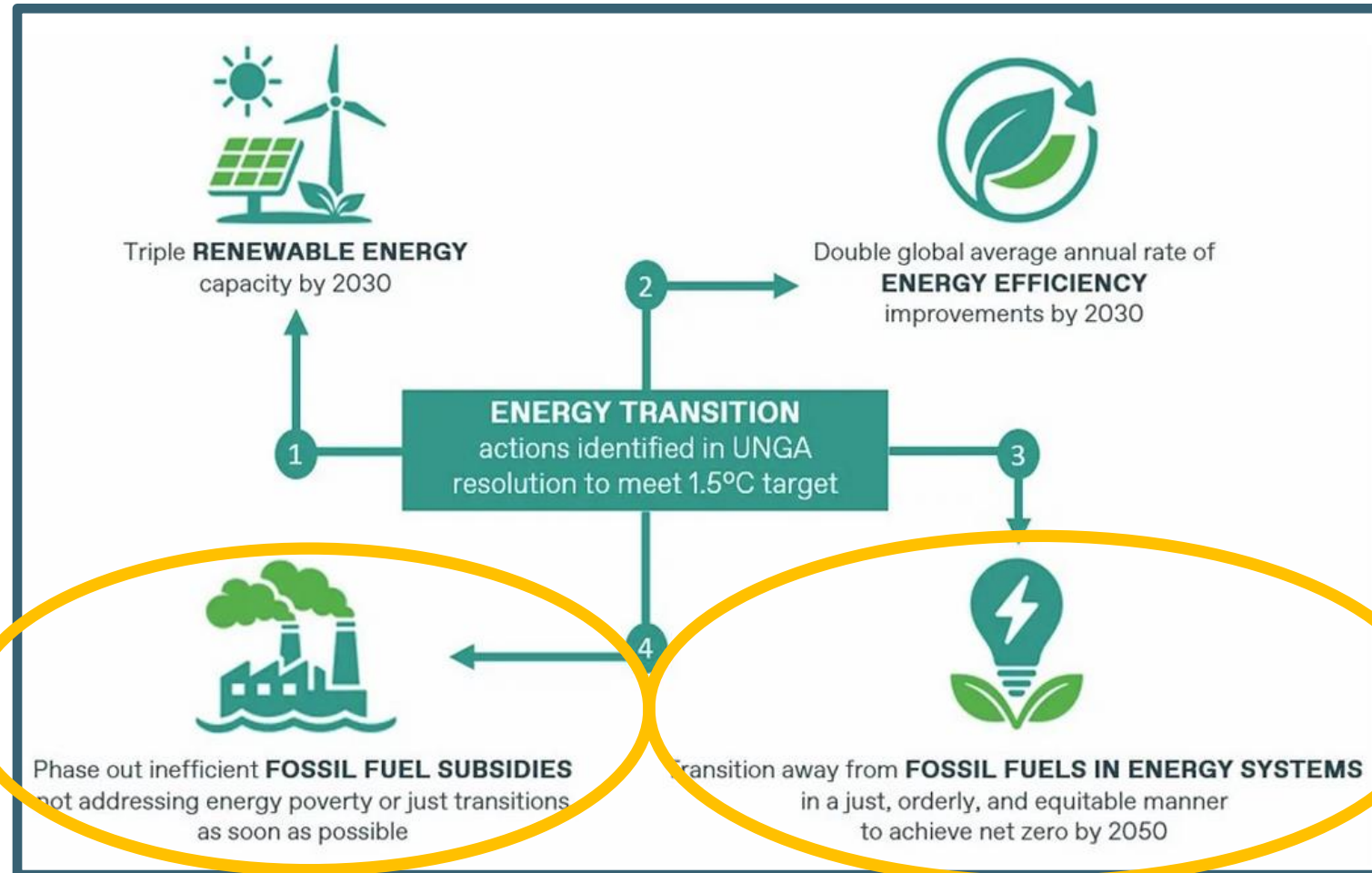
CBDR-RC

Painting: Albert Besnard, 'La Paix et la Justice' (ICJ)



UNGA Resolution

From legal interpretation to policy commitments



Source: Coppens, [TESS Synergies Paper](#) (June 2026)

Voting Ended

Item 73 - A/80/L.65

Advisory opinion of the International Court of Justice on the request for a

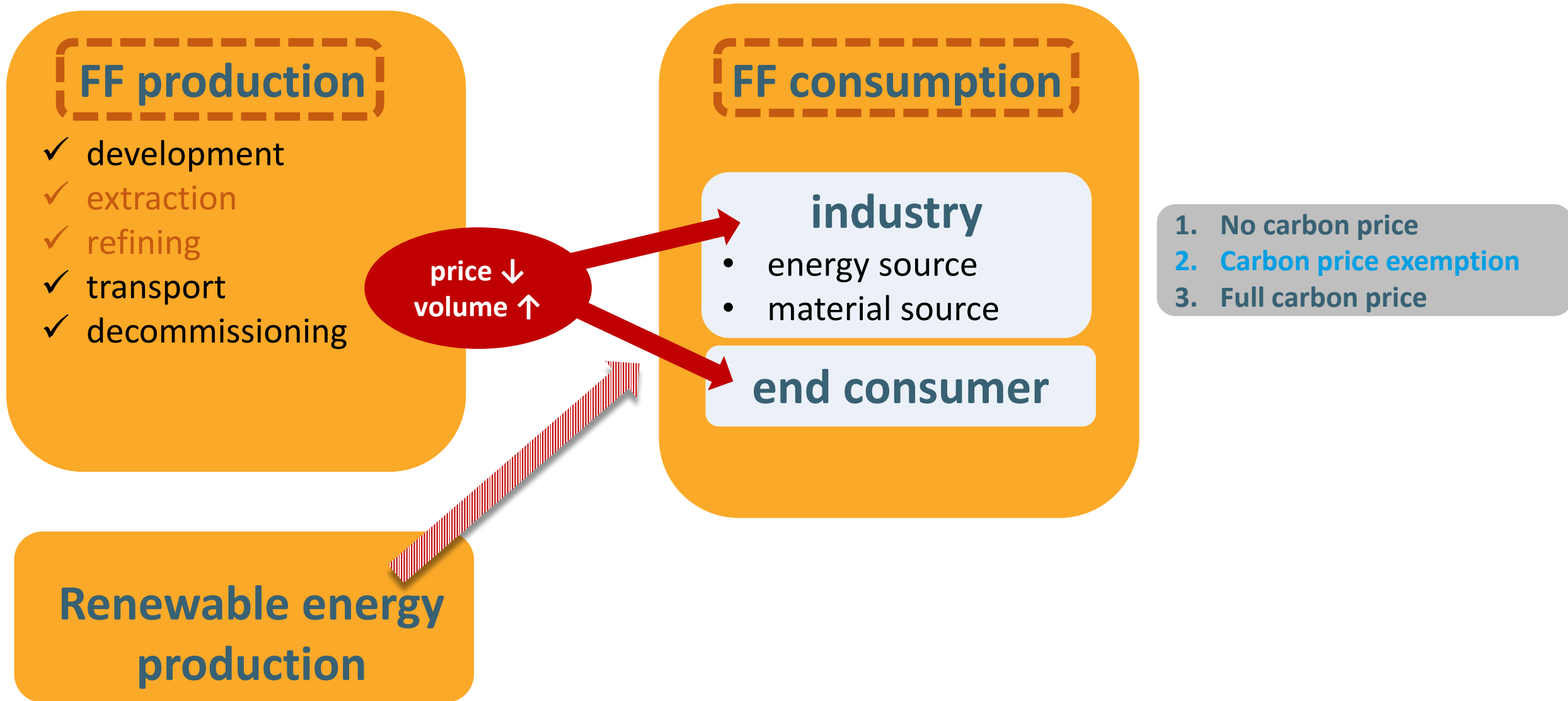
AFGHANISTAN	+	CAMEROON	+	FINLAND
ALBANIA	+	CANADA	+	FRANCE
ALGERIA	X	CENTRAL AF...	+	GABON
ANDORRA	+	CHAD	+	GAMBIA
ANGOLA	+	CHILE	+	GEORGIA
ANTIGUA-BA...	+	CHINA	+	GERMAN
ARGENTINA	X	COLOMBIA	+	GHANA
ARMENIA	+	COMOROS	+	GREECE
AUSTRALIA	+	CONGO	+	GRENADA
AUSTRIA	+	COSTA RICA	+	GUATEMA
AZERBAIJAN	+	COTE D'IVOIRE	+	GUINEA
BAHAMAS	+	CROATIA	+	GUINEA-B
BAHRAIN	X	CUBA	+	GUYANA
BANGLADESH	+	CYPRUS	+	HAITI
BARBADOS	+	CZECHIA	X	HONDUR
BELARUS	-	DEM PR OF K...	+	HUNGAR
BELGIUM	+	DEM REP OF ...	+	ICELAND
BELIZE	+	DENMARK	X	INDIA
BENIN	+	DJIBOUTI	+	INDONES
BHUTAN	+	DOMINICA	-	IRAN (ISL
BOLIVIA	+	DOMINICAN ...	X	IRAQ
BOSNIA-HER...	+	ECUADOR	+	IRELAND
BOTSWANA	+	EGYPT	-	ISRAEL
BRAZIL	+	EL SALVADOR	+	ITALY
BRUNEI DAR...	X	EQUATORIAL...	+	JAMAICA
BULGARIA	+	ERITREA	X	JAPAN
BURKINA FASO	+	ESTONIA	+	JORDAN
BURUNDI	+	ESWATINI	X	KAZAKHS
CABO VERDE	+	ETHIOPIA	+	KENYA
CAMBODIA	+	FIJI	+	KIRIBATI

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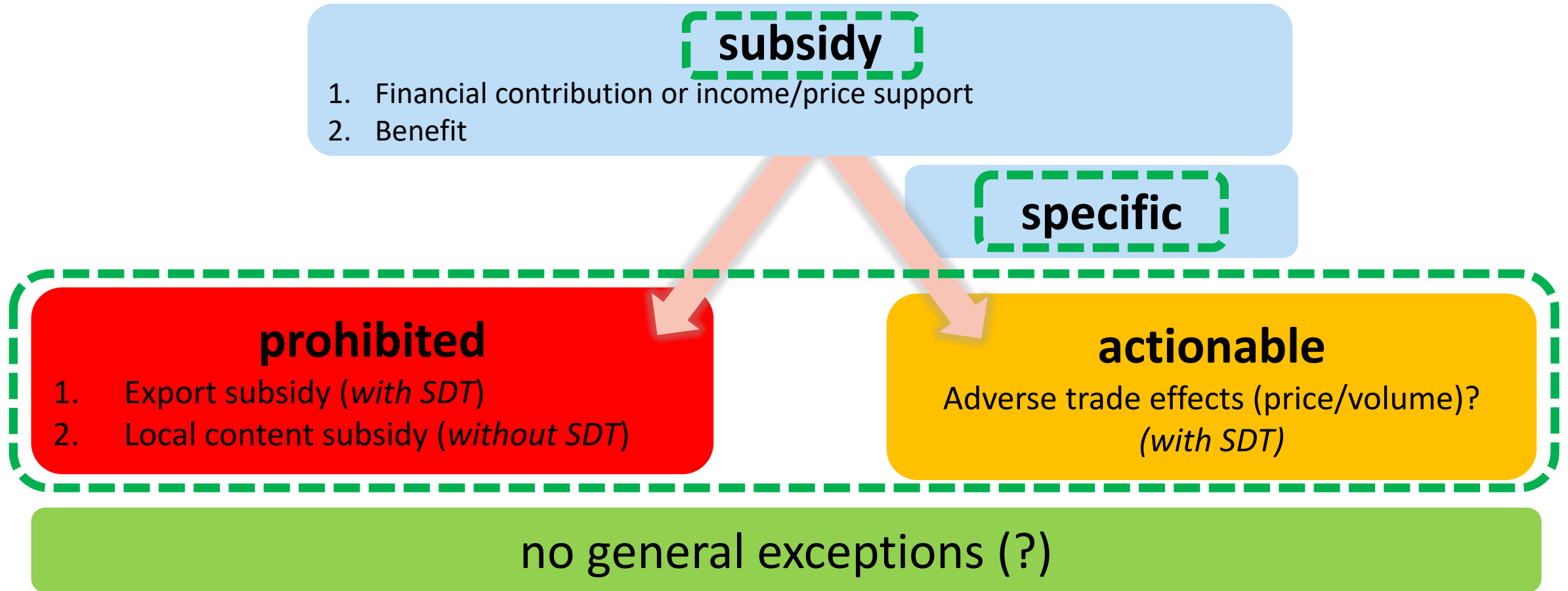
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FF subsidies



SCM



Why no WTO challenges?

- ✓ *Legal hurdles?*
- ✓ *Political economy hurdles?*
- ✓ *Quid CVDs?*

“achieve the *rationalisation, phase out or elimination* of **harmful** fossil fuel subsidies”

FOSSIL FUEL SUBSIDY REFORM (FFSR) INITIATIVE MINISTERIAL STATEMENT

The following communication, dated 26 March 2026, is being circulated at the request of the delegations of Albania; Chile; Colombia; Costa Rica; European Union; Fiji; Iceland; Liechtenstein; Moldova, Republic of; Montenegro; New Zealand; North Macedonia; Norway; Panama; Paraguay; Samoa; Switzerland; Tonga; United Kingdom; Uruguay; and Vanuatu.

Enhanced transparency

TPR sample questions

1. Nature
2. Reform
3. Impact

Crisis support measures

Guiding principles

1. Transparent
2. Targeted
3. Temporary

Address most harmful FFS

- ✓ Harmful
 - i. Environment
 - ii. Trade
- ✓ Mapping out phased reduction pathways?

ACCTS

FOSSIL FUEL SUBSIDIES

Article 4.1 Objective

The objective of this Chapter is to discipline and eliminate harmful fossil fuel subsidies in order to mitigate their adverse impact on the environment and contribute to global efforts to rapidly reduce greenhouse gas emissions resulting from production and consumption of fossil fuels. This Chapter aims to, *inter alia*, support the global transition to renewable energy and clean energy, contribute to sustainable growth and development, increase transparency and further the objectives of the UNFCCC and the goals of the *Paris Agreement*, including by pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels.

ACCTS

subsidy

1. Financial contribution or income/price support
2. Benefit

SCRM

prohibition

cap

schedule

standstill

flexibilities

1. Outside scope: FF as material input
2. Carve out for oil/gas 'tax revenue foregone' production FFS
3. General & security exceptions (e.g., energy security, vulnerable groups, decommissioning)
4. No explicit SDT

ACCTS

subsidy

1. Financial contribution or income/price support
2. Benefit

SCRM

prohibited

cap

schedule

standstill

flexibilities

1. Outside scope: FF as material input
2. Carve out for certain oil/gas 'tax revenue foregone'-production FFS
3. Specific exceptions (e.g., energy security, vulnerable groups, decommissioning) & national security
4. No explicit SDT

Transition Away from Fossil Fuels (TAFF)

Work on producer–consumer alignment for fossil fuel transition: supported by the OECD, this workstream will engage with other experts to work towards mapping opportunities and ways to connect fossil fuel producers and consumers, that supports the **decarbonization of trade balances**, advancing progress toward **a fossil fuel–free trade system**. Aside from economic diversification, this workstream will consider how to make transitions people-centered and territorially grounded, therefore tackling the revenue exchange problem, while advancing energy sovereignty.



1st Conference

Transitioning away from Fossil Fuels

Colombia - The Netherlands

*“Climate change is a **common concern**. Co-operation is not a matter of choice for States but a **pressing need** and a **legal obligation**”*

ICJ, Advisory Opinion on Climate Change, para 308

Thank You!

For more information

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