

Upscaling clean energy from fossil fuel subsidies swaps

Hosted by: The Global Subsidies Initiative (GSI) of the International Institute for Sustainable Development (IISD)

Venue: Nordic Pavilion

Date: Monday, 10th December 10:15 – 11:30

Rationale

Fossil fuel subsidies maintain the legacy of fossil-based energy systems and prevent a transition to clean energy. How can subsidy reforms be designed to promote a clean energy transition while ensuring access and fairness conditions are met?

In the last three years more than 40 countries have taken great strides in the reform of fossil fuel subsidies and accumulated experience in the management of successful reforms. Calls to phase out fossil fuel subsidies at the G7, G20 and APEC have been supported by groups such as the [Friends of Fossil Fuel Subsidy Reform](#). Subsidies to fossil fuels still stand at around USD 360 billion annually, around 7 times the amount needed to deliver universal electricity access (USD 52 billion) and more than 8 times the amount needed for universal clean cooking (USD 42 billion). There is a huge opportunity to redirect subsidies away from fossil fuels and target them towards cleaner energy access for all

This event will showcase country efforts to **shift** subsidies from fossil fuels in order to scale up sustainable energy solutions and implement the Paris Agreement, including work from the Nordic Prime Ministers' Initiative alongside partner countries and organisations.

The Subsidy Swap

In the long term, moving subsidised fossil fuels to unsubsidised clean energy is essential to provide access to energy and meet climate and environment obligations. The challenge is how to smooth the path from fossil fuels to clean energy. The subsidy swap concept aims to address this transition.

The swap concept is simple, reduce fossil fuel subsidies and reallocate a portion of the savings to promoting the deployment of clean energy and energy efficiency.

Recent research found that fossil fuel subsidy reform alone could generate as much as one quarter of the carbon reductions pledged by countries in the Paris climate agreement. [Research from the Nordic Council of Ministers](#) has also found that combining fossil fuel subsidy reform with a reinvestment of 30 percent of the savings to renewable energy and energy efficiency could double potential carbon emissions reductions, whilst also targeting and extending energy access to the poor.

Agenda:

Chaired by Laura Merrill, Manager and Senior Policy Advisor IISD/GSI

Time	Speaker	Description
10:15	Hannele Pokka, State Secretary for the Environment, Finland	Opening remarks
10:20	Richard Bridle, Senior Policy Advisor, IISD/GSI	The Subsidy Swap: Why countries should build energy transition into subsidy reform plans Launch of Temanord Report. A global perspective on the growing trend to use subsidy reform as an opportunity for transformational change in the energy sector
10:30	Gonzalo Saenz de Miera, Climate Change Director, Iberdrola	A private sector perspective on how government policy and fossil fuel subsidy reform can support private sector investment in sustainable energy
10:40	Kangwa Muyunda, CUTS Lusaka	Fossil fuel subsidy reform in Zambia Recent experience of reaching cost reflective tariffs in Zambia
10:50	Ms. Astrid Knutsen Hårstad, Political adviser, Ministry of Climate and the Environment Norway	Fossil fuel subsidies and the transition to clean energy
11:00	Tynkkynen Oras, SITRA	Green to Scale, How 17 low-carbon solutions globally can go a long way towards closing the emissions gap.
11:10	Eka Hendra Permana, Fiscal Policy Agency, Indonesia	Subsidy reform in Indonesia and the G20 peer review
11:20	Q & A	Questions from the audience

For any questions or clarification please contact Richard Bridle rbridle@iisd.org