

# Fossil-Fuel Subsidy Reform: Social Impacts & Increasing Momentum at Rio+20



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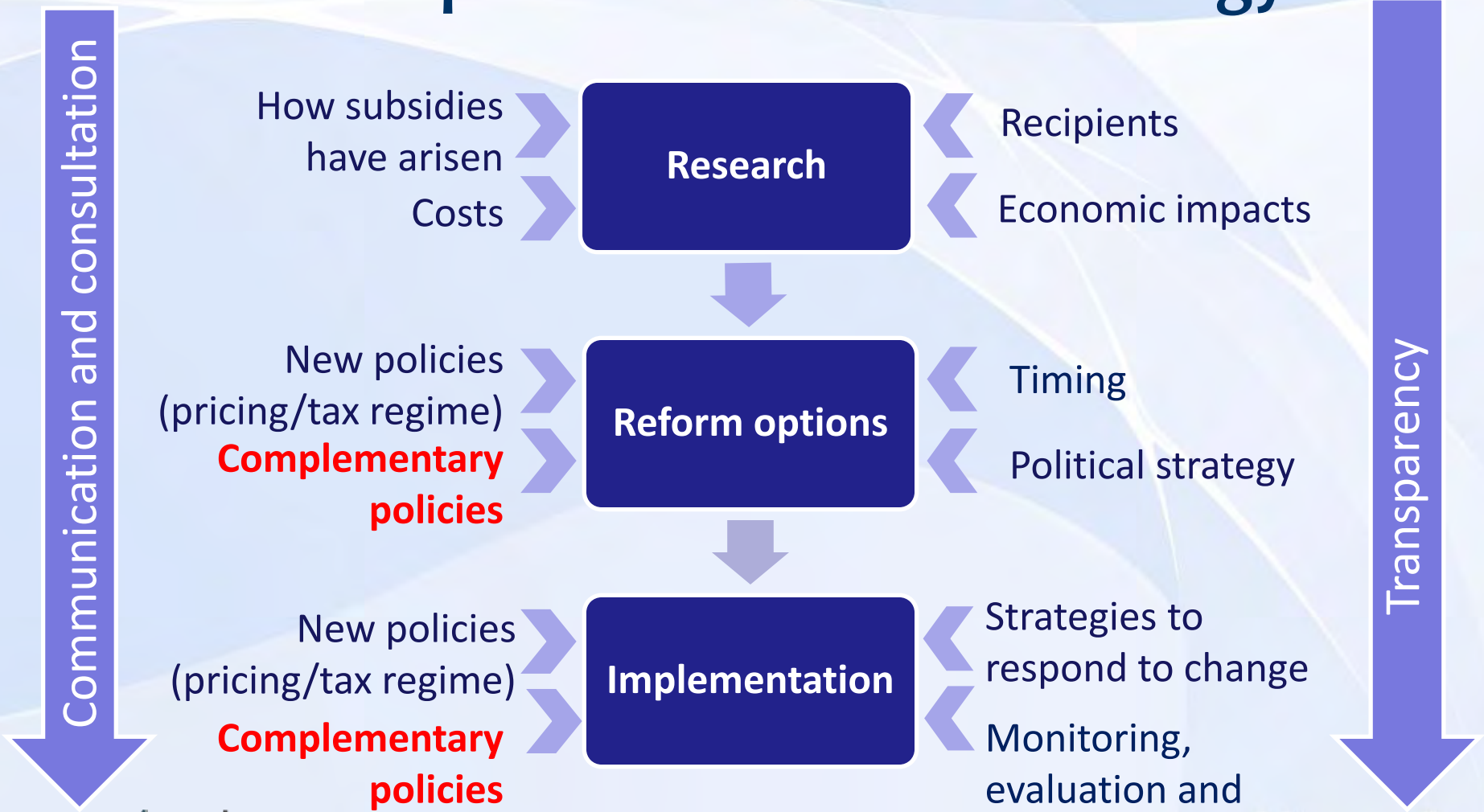
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# Social Impacts & The Reform Strategy



# Complementary Policies

## Industry/business

- Support to restructure sectors e.g. retraining programmes
- Measures to improve energy efficiency
- Investments in infrastructure

## Social

- **Cash transfers: (un)conditional**
- **Social safety nets, pensions, health insurance**
- **Increase (minimum) wages**
- **Pro-poor expenditure**

## Energy

- Investment in renewable or alternative energies, rural electrification, etc.
- Energy conservation, energy security, energy efficiency policies

## Macro-economic

- Policies to manage inflation
- Strengthen market forces and encourage competition

## Banking

- Can help roll out cash transfers
- Credit facilities, e.g. for SMEs and micro-credit

## Transport

- Expanding public transport systems
- Alternatives for freight (rail or inland waterways)
- Transitional support for taxi drivers



# What can be achieved at Rio+20?

## Text should commit to:

1. Phase out fossil-fuel subsidies that undermine sustainable development
2. Assist developing countries to phase out their FFS

## In addition countries pledge to provide the following supporting measures:

1. Reporting & Review: Prices, Subsidies, Subsidy Reform
2. Technical & financial assistance for developing countries
3. Common research and analysis
4. Secretariat support



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