

Ladies and Gentlemen.

Today, Costa Rica, Denmark, Ethiopia, Finland, New Zealand, Norway, Sweden and Switzerland – a group of countries known as the Friends of Fossil Fuel Subsidy Reform - launch a Communiqué in support of the elimination of wasteful subsidies to fossil fuels.

The Communiqué is a political statement that underlines the importance of fossil fuel subsidy reform as a key climate change mitigation policy with clear economic, social and environmental benefits.

By launching this communiqué today, the Friends of Fossil Fuel Subsidy Reform are calling on the international community to increase efforts to phase out subsidies to fossil fuels in light of a global effort to reach an agreement at the UNFCCC in Paris in December.

Fossil fuel subsidy reform is the missing piece of the climate change puzzle. The elimination of fossil-fuel subsidies would make a significant contribution to the goal of keeping average temperatures from rising more than two degrees Celsius above pre-industrial levels.

One study suggests that the persistence of subsidies to fossil-fuels drove 36% of global carbon emissions between 1980 and 2010. Other studies show that the phase out of fossil fuel subsidies is a viable option for the mitigation of GHG emissions suggesting an associated decrease in emissions of between 6-13% by 2050, and that reform represents one seventh of the effort needed to stay within the two degrees target.

Fossil-fuel subsidies lock us into a high-carbon energy world. Removing subsidies to fossil fuels is one of the keys to opening the door on a low-carbon future.

By keeping prices to consumers artificially low, these subsidies encourage wasteful consumption, disadvantage renewable energy and drain scarce public resources that could be better spent on other sustainable developments goals.

Therefore, subsidy reform is an urgent priority for our joint efforts to create a sustainable future.

In recent years, the world has seen growing momentum around fossil fuel subsidy reform. More than 50 countries have committed to eliminate inefficient fossil fuel subsidies under G20 and APEC processes and dozens of countries have undertaken reform to reduce their energy subsidies. However, energy subsidies still remain large. In 2013, governments around the world spent more than US\$ 600 billion on subsidising fossil fuels. More needs to be done.

With this Communiqué, countries gathered here today invite governments and other actors around the world to join the growing international support for phasing out fossil fuel subsidies.

The Communiqué encourages the international community to advance subsidy reform through three inter-related principles.

- By increasing transparency around fossil fuel subsidies.
- By greater ambition in the scope and timeframe for implementing reforms.
- By technical support to ensure reforms are implemented in a manner that safeguards the poorest.

The Annex to the Communiqué moreover provides a high-level platform for countries to showcase where and how they are making progress domestically, or where they are cooperating internationally to support reforms.

The Friends of Fossil Fuel Subsidy Reform are proud to support the Communiqué and we hereby invite other governments and organisations to also offer their support behind this statement on environmental, economic and social grounds.

We look forward to engaging with actors across the international community to bring together all our national efforts on this critical issue throughout the coming year and by working together to remove these subsidies for the future.