

Organized by IISD

During this side event stakeholders discussed the political barriers to fossil fuel subsidy reform and how to overcome these, as well as concerns about negative effects on the competitiveness of domestic energy intensive industries.

Mark Halle, IISD, said that the current economic failure is indicative of the sustainable development crisis, emphasized that the overwhelming majority of subsidies have a deleterious effect on sustainable development, and underscored that most subsidies benefit middle class, negating the original intent of alleviating poverty.

Martin Lidegaard, Danish Minister for Climate, Energy and Building, described the two-fold nature of the current global crisis, whereby solving the economic crisis should not worsen the climate change crisis. He emphasized the need to strengthen the focus on subsidy reform and urged forming complementary policies.

Kerryn Lang, IISD, attributed much of the failure in several countries of reforming fossil fuel subsidies to lack of transparency from governments, and urged redirecting subsidies to the renewable energy sector, job creation, or improved transit systems. She called for informed plans and clear communication strategies, and suggested phasing in the process of reform starting with the most harmful subsidies.

Fabby Tumiwa, Institute for Essential Services, Indonesia, suggested strategies prior to implementation of subsidy reforms: clear, transparent governmental strategies; measures against corruption and resource management failure; public awareness-raising; and public reform.

On reasons for the difficulty of transforming harmful subsidies, Peter Lehner, Executive Director, Natural Resources Defence Council (NRDC) cited the political power of the fossil fuel industry and the monopoly of the oil companies in transport systems. Lehner suggested ways to reduce dependence on fossil fuels including alternative fuels, electric vehicles and mass transit.

Hans-Peter Egler, State Secretariat for Economic Affairs, Switzerland, blaming complex interlinkages between the budgetary, health, and transport sectors for the complications in subsidy reform, applauded the current international consensus about the need for global reform. Egler emphasized the need for analyses, targeted approaches, and stakeholder involvement to which transparency is critical.

In the ensuing discussion, Lidegaard said there is no "one-size-fits-all" solution, and suggested systematically combining energy efficient strategies with phasing out subsidies. Participants commented on: lack of transparency of fuel increases; alternatives to subsidy elimination schemes to induce energy efficient behaviour; and timing of introducing subsidy reforms.



L-R: **Kerryn Lang**, IISD; **Martin Lidegaard**, Denmark's Minister for Climate, Energy and Building; **Hans-Peter Egler**, State Secretariat for Economic Affairs, Switzerland; **Mark Halle**, Director, IISD; **Peter Lehner**, Executive Director, NRDC; and **Fabby Tumiwa**, Institute for Essential Services, Indonesia



**Mark Halle**, Director, IISD



**Martin Lidegaard**, Denmark's Minister for Climate, Energy and Building



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**Resilient People, Resilient Planet: A Future Worth Choosing**

**Organized by the GSP**

During this side event, moderated by Janos Pasztor, Executive Secretary, GSP, members of the GSP discussed key messages and recommendations from the GSP report "Resilient People, Resilient Planet: A Future Worth Choosing."

Tarja Halonen, former President of Finland, GSP Co-Chair, offered its 56 recommendations as tools for implementing sustainable development in decision-making.

Hajiya Amina Az-Zubair, former Senior Special Assistant and Adviser to the President of Nigeria on the MDGs, highlighted the contribution of the Panel in the context of the MDGs, noting Nigeria's efforts to remove fossil fuel subsidies in a way that is not detrimental to its population.

James Balsillie, Chair of the Board, Centre for International Governance Innovation, reflected on the transformative potential of new paradigms of progress and the power of human beings engaged together in creative pursuit.

Ali Babacan, Turkish Deputy Prime Minister, said the overemphasis on GDP should be replaced with measures that capture social and environmental performance.

Gro Harlem Brundtland, former Prime Minister of Norway, Chair, World Commission on Environment and Development, noted the report contained recommendations that are more substantive than the Rio+20 outcome document.

Jacob Zuma, President of South Africa, GSP Co-Chair, underscored the need to eradicate poverty and reduce inequality.

Freundel Stuart, Prime Minister of Barbados, stressed that global sustainability cannot be achieved without a blue economy for healthy, productive oceans.

Richard Branson, Founder, Virgin Group, reiterated the need to eliminate fossil fuel subsidies, and highlighted the potential for biofuels to meet transportation energy needs.

Micheline Calmy-Rey, former President and Minister for Foreign Affairs of Switzerland, said the report demonstrates the potential for technology, knowledge and financial means to tackle sustainability challenges.

Gunilla Carlsson, Swedish Minister for International Development Cooperation, urged the importance of holding governance accountable youth.

Connie Hedegaard, European Commissioner for Climate Action, stated that fossil fuel subsidies will be eliminated in Europe by 2018.

Caroline Spelman, UK's Secretary of State, Environment, Food and Rural Affairs, emphasized the report's integrated solutions to problems at the food, water and energy nexus.

Irina Bokova, Director-General, UNESCO, endorsed the proposal for a scientific advisory council of the UN Secretary-General, and the launch of a global initiative to strengthen the science-policy interface.

Yolanda Kakabadse, President, WWF, said she was disappointed that the Rio+20 outcome document fails to adopt the recommendation in the report, but remained encouraged that the report is the highest policy statement yet delivered on practical steps for a prosperous future.

