

# Fossil-Fuel Subsidies: Building a network for action International Civil Society Dialogue

1-2 September 2014, London

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Fossil-fuel subsidies matter. They matter for sustainable development; they matter for government budgets and investment in health and education; they matter for the poor who benefit very little; they matter for women accessing daily necessities such as heating, lighting, cooking and transport; and they matter for the environment in that they work in the opposite direction of a low-carbon future, impede renewable take-off, stifle energy efficiency and dwarf climate finance. And fossil-fuel subsidies are big. Government support to fossil-fuel subsidies is between US\$45 and \$75 billion annually for Organisation for Economic Co-operation and Development (OECD) countries. Globally, consumer subsidies increased to around US\$544 billion in 2012 (IEA) and are a significant proportion of some developing country government budgets. Subsidies that do not reflect full social and environmental costs total US\$2 trillion annually, equivalent to about 2.9 per cent of global GDP, or 8.5 per cent of government revenues. The removal of such subsidies could lead to a 13 per cent decline in carbon dioxide emissions. Reforming and redirecting fossil-fuel subsidies will be an important piece if we are to solve the climate change puzzle in absolute reductions in emissions, in “getting the prices right” so that renewables can compete, and in order for energy-efficiency measures to be economically worthwhile. Savings can enable governments to manage deficits; be redirected towards building sustainable energy networks; or be targeted at social spending on health, education or safety nets. A significant number of countries spend more on fossil-fuel subsidies than government spending on health and education combined.

There have been international statements from the G20 to “phase out and rationalize over the medium term inefficient fossil fuel subsidies,” from the European Union to “phase out environmentally harmful subsidies limiting exceptions to people with social needs” and from APEC to “rationalize and phase out inefficient fossil-fuel subsidies that encourage wasteful consumption.” However, progress against such commitments has been slow. Efforts to deliver reform are not without difficulties due to considerable real economic, political and social hurdles that must be surmounted to realize lasting gains. A lack of trust in government, underdeveloped social safety nets, undiversified energy systems and the expectation from populations that they should have access to lower-than-market rates for fossil fuels all work against sustainable reform.

This two-day dialogue will be a chance for non-governmental organizations, civil society groups, consumer associations, foundations and research institutions to come together to learn more and plan how to support governments in efforts towards fossil-fuel subsidy reform at the international and national levels. The workshop will develop non-governmental organizations’ role in providing information about the impacts of reform, building the case for reform outside government offices and working to capture tangible gains for the population from the process of reform.



**GSI** Global  
Subsidies  
Initiative

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International  
Institute for  
Sustainable  
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international du  
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**Fossil-Fuel Subsidies: Building a network for action**  
**International civil society dialogue**

**Date:** Monday 1 & Tuesday 2 September 2014  
**Venue:** 15 Hatfields, London, SE1 8DJ, UK

**Day 1: Monday 1 September**

TIME	SESSION	INPUTS
8.30	Coffee and Registration	
9.00–9.15	Welcome Why fossil-fuel subsidies matter for sustainable development. Civil society organizations as stakeholders in the process of reform.	Peter Wooders, IISD-GSI
9.15–9.30	The size and nature of fossil-fuel subsidies International action and inaction of FFSR: Where are we at? G20/ APEC/EU/Rio/SDGs/UNFCCC/Friends	Laura Merrill, IISD-GSI
9.30–11.00	Consumer subsidies. Managing social impacts. The reality of reform. Country-level issues, research, communications and campaigning on FFSR. Questions	Rahimah Abdulrahim (Ima), The Habibie Centre, Indonesia Mariana Gómez Sánchez, Inteligencia Pública, Mexico Shruti Sharma, IISD-GSI, India Peter Wooders, IISD-GSI Chair
11.00–12.15	Producer subsidies. Hidden and huge. Questions	Stephen Kretzmann, OCI, USA Mikhail Babenko WWF Russia, Russia Ivetta Gerasimchuk, IISD-GSI Richard Denniss, Australia Institute Matt Philips, ECF Chair
12.15–1.30	Lunch	
13.30–15.00	<b>Break-out session 1</b>	<b>Facilitators</b>
	<b>1.A</b> Fossil-fuel subsidy reform at the national level: What has worked well? What has worked less well? How and why? E.g., coalitions, communication tools. (OECD/Europe country focus)	Facilitator: Shelagh Whitley, ODI Input: Jacqueline Cottrell, Green Budget Europe
	<b>1.B</b> Anticipating the impacts of reform and how to reallocate funds: common and important impacts; qualitative and quantitative research tools (economic models, polls, surveys, case studies); compensation measures (safety nets, energy audits, credit extensions etc.); channeling savings towards key development agendas.	Facilitator: Damon Vis-Dunbar, IISD-GSI Input: Karthik Ganesan, CEEW
	<b>1.C</b> International coordination of national subsidy reform: What has worked? What could be done moving forward? What resources exist?	Facilitator: Elizabeth Bast, OCI
15.00–15.15	Coffee break	
15.15–16.45	<b>Break-out session 2</b>	<b>Facilitators</b>
	<b>2.A</b> Fossil-fuel subsidy reform at the national level: What has worked? What has not worked? How and why? E.g. institutions, coalitions, communication tools. (Developing country focus)	Facilitator: Shelagh Whitley, ODI Input: Ingrid Holmes, E3G
	<b>2.B</b> Anticipating the impacts of reform and how to reallocate funds: common and important impacts; qualitative and quantitative research tools (economic models, polls, surveys, case studies); compensation measures (safety nets, energy audits, credit extensions etc.); channeling savings towards key development agendas.	Facilitator: Chris Beaton, IISD-GSI
	<b>2.C</b> International and national fossil fuel finance reform efforts: What has worked? What could be done moving forward? How can international finance reform support national subsidy reform?	Facilitator: Heike Mainhardt, OCI Input: Doug Norlen, Friends of the Earth
16.45–17.15	Report back to plenary and actions from groups	From A, B, C: OCI, GSI, ODI,
18.00–20.00	Dinner, Oxo Tower	Children's Investment Fund Foundation (CIFF) and IISD-GSI

*\*To be confirmed*



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## Day 2: Tuesday 2 September

TIME	SESSION	INPUTS
8.00–9.00	International advocacy work planning and coordination (G20)	Video conference organized with WWF Australia Will McGoldrick (WWF Australia)
8.30	Coffee	
AM	Plenary	
9.00–10.15	Fossil-fuel subsidies: The reality of reform	Victoria Ohaeri, Spaces for Change, Nigeria Mahinour El-Badrawi, Egyptian Center for Economic and Social Rights, Egypt Maarten Akkerman, GreenID, Vietnam Chair: Damon Vis-Dunbar, IISD-GSI
10.15–10.40	Learning from international coalitions	Aviva Imhof, International Coal Network John Christensen, Director, Tax Justice Network Chair: Elizabeth Bast, OCI
10.45–12.00	Break-out session 3	Facilitators
	3.A Subsidy campaign development: research and identification of subsidies, determining targets, developing arguments for reform. (Production)	OCI: Stephen Kretzmann
	3.B International advocacy work planning and coordination (European focus)	Facilitator: Sébastien Godinot, WWF EU Input: Sirini Withana, Institute for European Environmental Policy (IEEP)
	3.C Supporting efforts moving forward: What resources exist? How can skills be shared? What resources are needed?	IISD-GSI: Laura Merrill
12.00–13.30	Lunch	
13.30–14.45	Break-out session 4	Facilitators
	4.A Subsidy campaign development: research and identification of subsidies, determining targets, developing arguments for reform. (Consumption)	OCI: Chris Beaton, IISD-GSI
	4.B International advocacy work planning and coordination. (Climate Summit, APEC, SDGs, UNFCCC, other)	WWF International: Santiago Lorenzo Alonso
	4.C Supporting efforts moving forward: What resources exist? How can skills be shared? What resources are needed?	IISD-GSI: Kieran Clarke
14.45–15.00	Coffee	
15.00–15.45	Report back to plenary and actions from groups.	From A, B, C: OCI, WWF, IISD-GSI
15.45–16.45	Action points and way forward from the meeting, discussion.	Laura Merrill, IISD-GSI Organizing committee
16.45–17.00	Close	Peter Wooders, IISD-GSI



The conference will cover a wide range of technical issues including: communication strategies and techniques for the benefits of reform, such as opportunities for increased social spending and environmental benefits; links between fossil-fuel subsidy reform and access to sustainable energy for all; measurement and understanding of target groups within society to work with around reform; ensuring and advocating for sustainable reform with stepped price changes and mitigation schemes; specific research and information needed in the next two years to build momentum behind fossil-fuel subsidy reform; specific understanding and research around fossil-fuel producer subsidies; and specific understanding around developed country subsidies.

#### Results and outcomes:

- Opportunity for civil society organizations (CSOs) to learn more and share information about fossil-fuel subsidies and reform from around the world.
- Opportunity for action planning between CSOs around fossil-fuel subsidies and their management.
- A report (including final meeting report), which will include concrete recommendations for strengthening cooperation among CSOs going forward.
- An ongoing network or coalition for information exchange, communication and collaboration between CSOs.
- A video short produced about CSO work around the social and environmental impacts of reform that can be used online, along with social media communications throughout the conference.

#### About IISD

The International Institute for Sustainable Development (IISD) contributes to sustainable development by advancing policy recommendations on international trade and investment, economic policy, climate change and energy, and management of natural and social capital, as well as the enabling

role of communication technologies in these areas. We report on international negotiations and disseminate knowledge gained through collaborative projects, resulting in more rigorous research, capacity building in developing countries, better networks spanning the North and the South, and better global connections among researchers, practitioners, citizens and policy-makers.

IISD's vision is better living for all—sustainably; its mission is to champion innovation, enabling societies to live sustainably. IISD is registered as a charitable organization in Canada and has 501(c)(3) status in the United States. IISD receives core operating support from the Government of Canada, provided through the International Development Research Centre (IDRC), from the Danish Ministry of Foreign Affairs and from the Province of Manitoba. The Institute receives project funding from numerous governments inside and outside Canada, United Nations agencies, foundations and the private sector.

#### About GSI

GSI is an initiative of the International Institute for Sustainable Development (IISD). GSI puts a spotlight on subsidies—transfers of public money to private interests—and how they impact efforts to put the world economy on a path toward sustainable development. In cooperation with a growing international network of research and media partners, GSI seeks to lay bare just what good or harm public subsidies are doing; to encourage public debate and awareness of the options that are available for reform; and to provide policy-makers with the tools they need to secure sustainable outcomes for our societies and our planet.

#### International Institute for Sustainable Development, Global Subsidies Initiative

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