

Mind the Gap: Fossil Fuel Subsidies Could Fill the SDG Financing Gap

**ENERGY
ACCESS
AROUND
1/2
THE GAP**

Fossil fuel subsidies represent just under half of the budget needed to fund the clean energy transition. Achieving universal energy access, doubling the share of renewable energy in the global energy mix, and doubling the rate of improvement in energy efficiency by 2030 is estimated to cost USD 1 trillion annually (*SE4all, 2016*)—savings from subsidies to fossil fuels could help fund this transition.

**11
EDUCATION:
FOSSIL FUEL
SUBSIDIES
TIMES MORE THAN
THE GAP**

Globally annual subsidies to fossil fuels are almost 11 times larger than the funding needed to plug the financing gap for universal education (USD 39 billion) (*United Nations Educational, Scientific and Cultural Organization [UNESCO], 2015*).

**HEALTH:
FOSSIL FUEL
SUBSIDIES
13
TIMES
MORE THAN
THE GAP**

Fossil fuel subsidies are almost 13 times larger than the gap of USD 33.3 billion (2015) needed to finance health care (reproductive, maternal, new-born, child and adolescent health) (*Global Financing Facility (2017)*).

**CLIMATE CHANGE
ADAPTATION AND RESILIENCE:
FOSSIL FUEL SUBSIDIES**

**22
TIMES MORE THAN
CURRENT FINANCING**

Fossil fuel subsidies represent around 22 times more than 2014 financing of USD 22.5 billion (Merrill, 2016). By 2050 the gap is estimated to be huge at between USD 280–500 billion. (*United Nations Environment Programme [UNEP], 2016*).

**CLIMATE FINANCE:
FOSSIL FUEL
SUBSIDIES ARE**

**6
TIMES LARGER
THAN THE GAP TO REACH
THE PARIS PLEDGE**

The Paris Agreement (2015) included agreement to mobilize USD 100 billion in climate finance every year up to 2025. The current financing gap is estimated at USD 70 billion in 2015 (*World Bank, 2015a*). Annual fossil fuel subsidies are currently 6 times larger than this gap.

RENEWABLES:

**3
TIMES HIGHER THAN
RENEWABLE ENERGY
SUBSIDIES IN 2014**

Consumption subsidies of almost USD 500 billion were more than three times higher than renewables subsidies of some USD 140 billion (consisting of USD 114 billion for non-hydro renewables for power generation and USD 24 billion for other sectors, notably biofuels) (*IEA, 2016c*).

Read our full report, "Making the Switch: From Fossil Fuel Subsidies to Sustainable Energy" [here](#).