

ASIA CLEAN ENERGY FORUM 2019

PARTNERING FOR IMPACT

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Deep Dive Workshop

The Subsidy Swap in Asia: Reforming Fossil Fuel and Electricity Subsidies to Drive a Renewable Revolution



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Background

Subsidies continue to support fossil fuel use in countries around the world, increasing demand and holding back the deployment of clean energy – renewables and energy efficiency technologies. The reform of fossil fuel subsidies along with increased environmental taxation has an impact on the energy mix sending a clear signal to investors. The reallocation of revenues from subsidy reform savings and increased environmental taxation to support clean energy deployment, a subsidy “swap”, offers the potential to accelerate the clean energy transition.

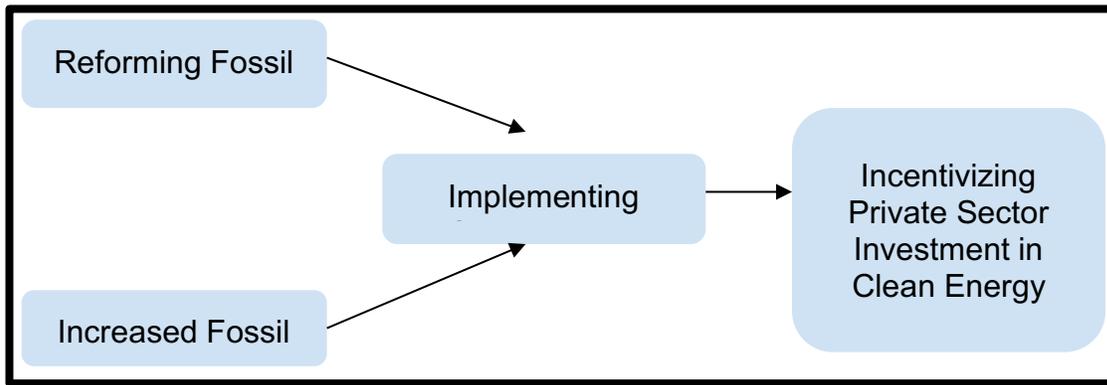
These clean energy subsidy swaps are starting to be implemented and considered in many countries. This workshop will explore how policymakers are designing fossil fuel subsidy reforms to promote a clean energy transition through the scale-up of clean energy supply chains and finance in Emerging and other developing economies and how public money from subsidy reform or increased fossil fuel taxation can be used to leverage the private sector investment in clean energy vital to this scale-up.

Objective

The objective to this Deep Dive Workshop is to:

- Build an understanding of the impacts of fossil fuel subsidies on clean energy
- Share key Learnings from IISD-GSI in Asia - India, Indonesia, Bangladesh
- Examples of how reducing overall Fossil Fuel Subsidy expenditure can:
 - Improve the fair social distribution of subsidy expenditure
 - Increase clean energy access and use, particularly among poorer households
 - Build a greater understanding of the scale of subsidies, and how these subsidies can be better allocated within the economy to benefit economic, environmental and social outcomes

- Increase awareness of the opportunity presented by fossil fuel subsidy reforms to help meet energy and climate commitments and targets, globally
- Exploration of some key swaps including fossil fuel subsidy swaps for on-grid RE, Energy Efficiency, Transport, Industry
- Lessons and experience from Denmark, the Nordic Region and the EU in promoting increased fossil fuel taxation
- Discussing the role of increased private sector Investment in clean energy in Emerging and other developing economies



Agenda

TBD

Fossil Fuel and Electricity Subsidy Reforms

- Facilitating subsidy reforms to promote sustainable development issues in international processes and forums
- Implementation of fiscal policy reform, coal phase-outs and a just transition for workers, communities and economies

Panel: Vibhuti Garg (IISD), Lucky Lonoth (IISD), Government of Indonesia - Ministry of Energy and Mineral Resources, OECD/ IMF/ IEA

TBD

National and international support to increased energy/carbon taxation of Fossil Fuels

- Taxonomy of the impacts of increased fossil fuel taxation, how taxation reform was undertaken (Danish, Nordic and EU successes) and links to wider fiscal reforms
- How fossil fuel taxes vary globally - good and bad examples
- International engagement and promotion of increased Fossil Fuel Taxation as a tool to support Sustainable Energy

Panel: Laura Merrill (IISD)

TBD

How & Why Fossil Fuel Subsidy Swaps worked? - focusing on on-grid Renewable Energy in Emerging Economies

- Introduction to Clean Energy Subsidy Swaps
- Swapping from fossil fuel subsidies to renewable energy in India
- Swaps into Energy Efficiency key opportunities

Panel: Richard Bridle (IISD), Vibhuti Garg (IISD) WB, Danish Energy Agency, MFA (DK), Government Officials India

TBD

Using increased public money from Swaps to increase Private Sector Investment in Clean Energy

- Clean Energy Roadblocks as faced by Developers and Investors
- Mechanisms of how public money from Swaps could incentivise PSICE
- The role of Credit Enhancements in sustainable energy infrastructure

Panel: Oshani Perera (IISD), ADB, MDBs & financing facilities & other investors

Speakers



Richard Bridle

Senior Policy Advisor and Lead, Renewable Energy, IISD

Richard Bridle supports IISD's Geneva-based Global Subsidies Initiative. His research interests include efficient design of renewable energy support policies, biofuels, green industrial policy and energy subsidies. Richard has a background in the renewable energy industry with experience in policy analysis, project management, development and procurement.



Laura Merill

GSI Manager And Senior Policy Advisor, IISD

Laura works on the social and environmental impacts of fossil fuel subsidies, pricing and their reform. She is an economist with expertise in energy policy. She manages the Global Subsidies Initiative of the International Institute for Sustainable Development (IISD), works alongside the Friends of Fossil Fuel Subsidy Reform, and supports in-country work including in Bangladesh, India, Indonesia and Nigeria. She leads on fossil fuel subsidies and the link to climate change and gender impacts.



Oshani Perera

Director, Public Procurement And Infrastructure Finance, IISD

Oshani Perera is the Director of the Public Procurement and Infrastructure Finance program of the International Institute for Sustainable Development (IISD). She advises governments on smart public procurement, public-private partnerships (PPP) and infrastructure financing strategies to optimize value-for-money, at the point of commissioning and across the asset life cycle. In the public procurement of goods and services, Oshani focuses on the design of policies, technical specifications, award criteria and contract conditions that embed environmental and social performance. In the commissioning of infrastructure, she focuses on the structuring of project preparation and of PPPs, developing robust feasibility analyses, optimizing risk allocation, improving predictability of demand and revenue, channelling capital towards green and sustainable public assets.

About the Organizers

The International Institute for Sustainable Development (IISD) is a leading international centre of research and innovation. The Institute provides practical solutions to the growing challenges and opportunities for integrating environmental and social priorities with economic development. The IISD report on international negotiations and share knowledge gained through collaborative projects, resulting in more rigorous research, stronger global networks, and better engagement among researchers, citizens, businesses and policy-makers.

IISD-GS supports subsidy reform since 2005 and has developed very valuable networks and links in key countries such as India and Indonesia and with the main organisations working to support sustainable energy systems through fiscal policy reform and the switch into clean energy.