

# 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.

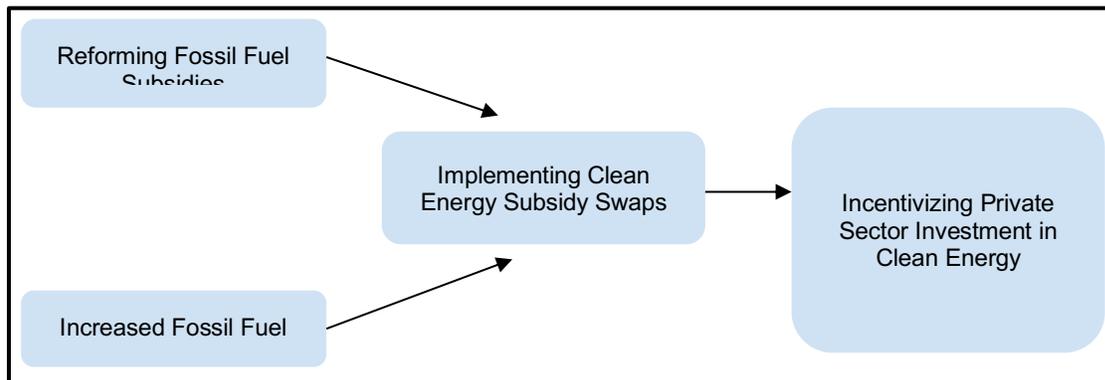
These clean energy subsidy swaps are starting to be implemented and considered in many countries. This workshop will explore how policymakers are designing fossil fuel subsidy reforms to promote a clean energy transition through the scale-up of clean energy supply chains and finance in Emerging and other 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

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|-----------------------|---|
| TBD (Duration 10 min) | <b>Opening remarks, Speaker from Denmark (DEA, MFA, in-country representative)</b>  |
| TBD (Duration 20 min) | <b>Keynote presentation: Swapping from fossil fuel subsidies to clean energy, IISD, RB, VG, SS?</b> <ul style="list-style-type: none"> <li>● The economic, social and environmental case for swapping subsidies from fossil fuels to renewable energy, global progress to date and scaling up</li> </ul>  |
| TBD (Duration 20 min) | <b>Technical presentation: Fossil fuel subsidy reforms and energy efficiency, IEA (Melanie Slade); ADB; World Bank</b> <ul style="list-style-type: none"> <li>● Subsidy Reform in the context of the clean energy transition</li> </ul>   |
| TBD (Duration 30 min) | <b>Panel discussion: Subsidy reforms and the clean energy revolution. Speakers from India, Indonesia, World Bank, ADB and IISD</b> <ul style="list-style-type: none"> <li>● Short (10 minute) presentations</li> <li>● Structured discussion on how and why subsidy reform has contributed to the clean energy transition; how has public money from reform savings been used to incentivize private investment in clean energy</li> </ul> <p style="margin-left: 20px;">Panel: Government of Indonesia - Ministry of Energy and Mineral Resources, Government of India, OECD/ IMF/ IEA</p> |
| TBD (Duration 30 min) | <b>Wrap up and conclusions from the Chair</b>   |

## 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.



**Balasubramanian Viswanathan**

Associate, IISD

As an IISD Associate, Balasubramanian works closely with its India programme as well as the Geneva-based Global Subsidies Initiative. His recent areas of research include improving subsidy design for energy access, coal power in India and tracking international fossil fuel subsidies. Bala has a background in mechanical engineering, energy policy and modelling. He has worked in projects across India, Canada and Sweden.

## 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.