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UNEP

**GREEN
FISCAL POLICY
NETWORK**

Supported by:



Federal Ministry for the
Environment, Nature Conservation,
Building and Nuclear Safety

based on a decision of the German Bundestag

FISCAL POLICIES FOR A LOW CARBON AND INCLUSIVE GREEN ECONOMY: *THE ROLE OF FOSSIL FUEL SUBSIDY REFORM*

FRIDAY 4 DECEMBER 2015, 12:00-14:00
THE GERMAN PAVILION, HALL 2B, LE BOURGET
UNFCCC CONFERENCE OF PARTIES (COP21), PARIS



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EVENT SUMMARY

Carbon pricing and mobilizing domestic resources are among the measures included in the draft text for agreement in Paris. A number of countries have included fossil fuel subsidy reform in their Intended Nationally Determined Contribution (INDCs). Such fiscal policies are increasingly recognised as key tools to help address climate change. There is particular scope for action on fossil fuel subsidy reform as governments continue to spend significant amounts subsidizing fossil fuels. These subsidies absorb substantial fiscal resources, are poorly targeted on low-income households and contribute to global carbon emissions which would have been 20 per cent lower between 1980 and 2010 without such subsidies. Although reforming fossil fuel subsidies is challenging, it is feasible and can produce substantial fiscal, environmental and health benefits. There are increasing examples of countries that have successfully eliminated fossil fuel subsidies or liberalized energy prices. Lessons from these experiences and emerging good practices can facilitate reforms elsewhere.

This event will examine the role of fiscal policies in the transition to a low-carbon, inclusive green economy. In particular, it will focus on how fossil fuel subsidy reform can mobilize public resources for green investment and shift behaviour to support action on climate change. A panel discussion will provide an opportunity for countries to share their experiences with fiscal policies in the context of the INDCs, discuss how to address challenges associated with fossil fuel subsidy reforms and how reform can be designed to ensure success. This event is jointly organized by the BMUB, GIZ, IMF and UNEP in the framework of the [Green Fiscal Policy Network](#).

INVITED SPEAKERS AND PANELLISTS

Jochen Flasbarth

State Secretary, Ministry for Environment, Nature Conservation, Building and Nuclear Safety, Germany

Ligia Noronha

Director, Division of Technology, Industry and Economics, United Nations Environment Programme

Ian Parry

Principal Environmental Fiscal Policy Expert, Fiscal Affairs Department, International Monetary Fund

Representatives from Costa Rica, Ghana, Kenya, Indonesia

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The event is free to attend and snacks will be provided. It will take place in the Blue Zone and a badge is required for admittance.