

## Breakout Session 2: Energy Subsidy Reform Scenarios

All the participants have been seconded to the Government of one of four fictional countries (A, B, C or D) and have been asked to prepare a briefing plan for the President, the Minister of Finance and the Minister of Energy on how to respond to an emerging energy crisis.

The participants are asked to carefully read the summary, discuss the situation and the challenges and potential policies that could be put in place to resolve the predicament facing the country and advise the government what to do next.

### Format:

- The breakout groups will be the same groups from the morning's session. From the start of the exercise the groups will have 45 minutes to read the information provided, discuss it with the group members and prepare their proposals.
- For the second part of the session, one nominated participant for each group will be ready to present the proposals to the group.
- One group for each country will be selected to present their proposals and the nominated participants from other groups will act as an expert witness to add in any other considerations or additions to the first presentation. E.g. a participant from a group who has analysed country A will present their proposals. The other participants who have also analysed country A will follow with any additional materials or comments not mentioned by the first participant.

### Instructions:

Read carefully country case study provided to your group, discuss in the group energy subsidy reform strategy for a given country and summarise your ideas following the structure below. To guide your discussion you may wish to refer to the following questions:

1. What is the high-level problem facing the country and what should be done about it in the short and long term?
2. How is energy pricing currently managed in the country? How has this created or removed subsidies?
3. Which groups are the winners and losers from the current system?
4. How could reforms share the burden fairly between different social groups and industrial sectors?
5. What action should the government take to address the challenges facing the country?
6. What should be the main messages that the government should try and communicate to the public? How might these messages be best communicated?

Once you have read the case study and discussed the questions please choose one member of your group to present your proposals on the following:

1. Pricing: How should prices be changed and pricing mechanisms be reformed.
2. Managing Impacts: Protecting the vulnerable and the economy from the shock of higher prices.
3. Building Support: Internal (government) and external (public) consultation and communication

Please bear in mind that the proposals should be concise enough to be presented in 5 minutes.