

## Breakout Session 1: Common Challenges

**Aim:** share experience of the common challenges of fossil fuel subsidy reforms

**Context:**

Energy Subsidies are widely used to advance development goals and address market failures across the EECCA (Eastern Europe, Caucasus and Central Asia) countries. Since independence EECCA countries have undergone significant energy sector and price reforms but the natural gas, electricity and heat sectors are still predominantly price regulated (IEA, [2015](#); OECD, [2014](#), [2018](#)). Several countries attempted reforms in 2015-16 but subsidies remain a structural feature of in most countries in the region. A further common feature of this group of countries is that spending on renewable energy and energy efficiency remains low.

To explore some of the common challenges of reforming subsidy reform this session will encourage discussion of the current status of energy subsidies in each country and the recent experience of reforms.

**Format:**

- The participants will be given a card corresponding to the discussion group in which they will participate.
- 10 groups of approximately 10 people each from 11 countries. We are aiming to have Aiming to have mixed groups.
- The session is split over two sessions in the programme. The first 30 minutes will be used to explain the task and divide them into groups. The second session will be used for groups to discuss questions and to report back to the group.
- Each groups will receive 3 questions to discuss. The same set of questions will be allocated to 2 groups (A and B). A groups will present on common challenges identified from their collective responses to the questions. B groups will add any additional points from their discussions.

**Instructions:**

Once the groups have been established the participants should introduce themselves, very briefly describe the energy system and in turn answer three questions from the perspective of their own country.

Each member of the group should briefly describe the situation in their country using the following questions as a guide.

In your groups identify two or three of the most significant fossil fuel subsidy reform challenges that have been experienced by countries that are represented in your group.

**Reporting back to the group**

1. Nominate a spokesperson from the group and they should report back on three common challenges that they discussed that influence fossil fuel subsidy reform in more than one country
2. We have two groups answering each set of questions so one group will present first and the second group will add anything else that wasn't mentioned