

# EU4Energy Policy Forum

## Conclusions from subsidy reform sessions



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# What have we learned?

- The importance of household survey data and analysis in understanding how much people spend on energy.
- That energy efficiency, driven by product and building standards can make a big difference to energy consumption.
- All countries have attempted reforms but subsidies are still expensive everywhere.
- Raising prices to import or export parity prices remains a challenge

# What have we learned?

- We heard from our hosts in Kyrgyzstan how they managed to reduce electricity sector deficits through tariff reform. And that support for low income households is important.
- Social protection is a key goal of subsidies. Reforms must include measures to mitigate impacts on vulnerable groups.
- Cross subsidies are widely used to fund social protection measures
- Measures that reduce use of subsidised fuels (e.g. energy efficiency, renewables) also reduce the cost of subsidies

# What have we learned?

- The steps that countries have followed to structure subsidy reform and how these could
- How difficult and expensive it can be to reduce overcapacity and find new jobs for coal industry workers.
- Possible solutions to energy crises, relating to resource depletion, aging infrastructure and fuel switching.
- We discussed how you might communicate about reforms
- Ukraine's gas subsidy reforms to reduce costs of subsidies following supply disruption



# What have we learned?

- Finally from Belarus, we heard about how subsidies to heat are very significant and that national subsidy definitions complicate discussions of reform.