



Energy Efficiency Training Week

Fuel subsidies and energy efficiency workshop

Day 5

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Jakarta, 20 July 2018

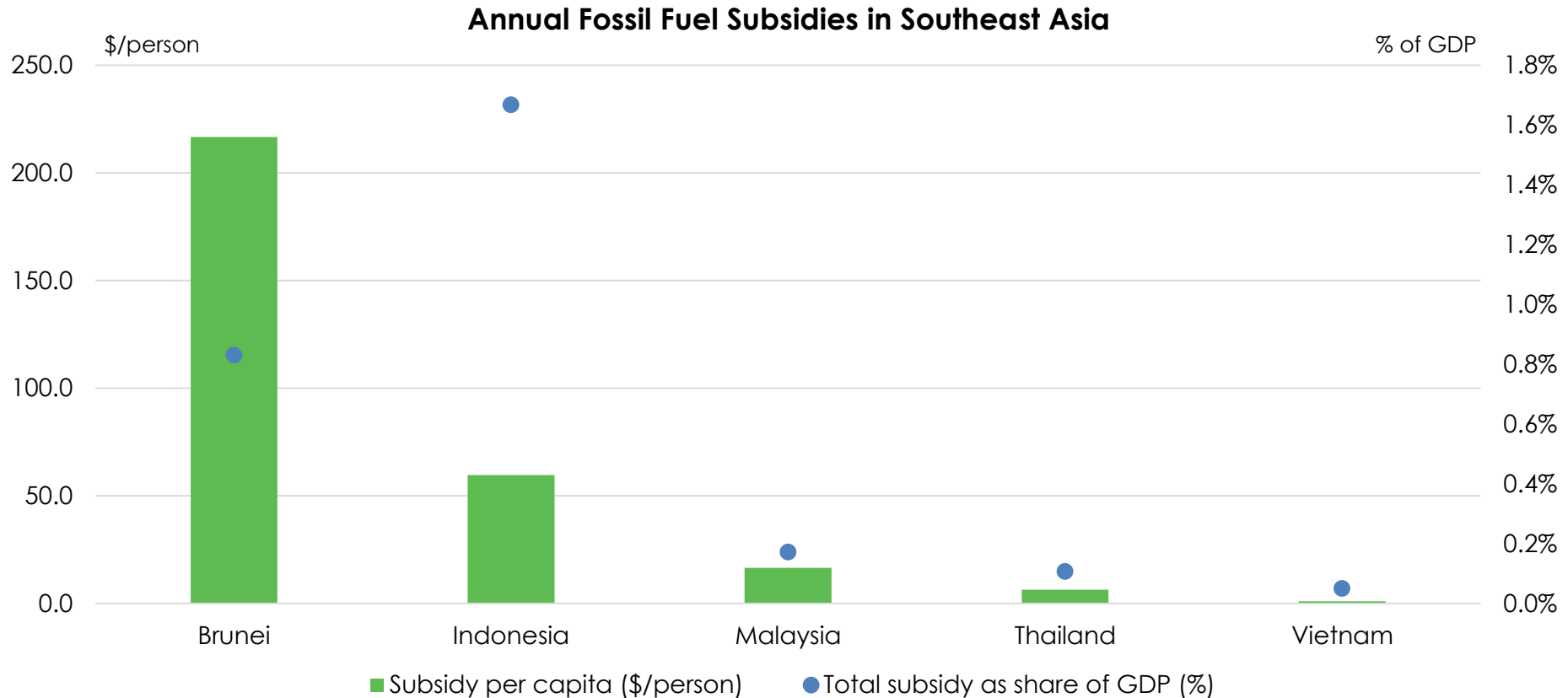
 #energyefficientworld

Without energy pricing that includes the full cost of energy production and supply,

energy efficiency investments will not be attractive to businesses or consumers

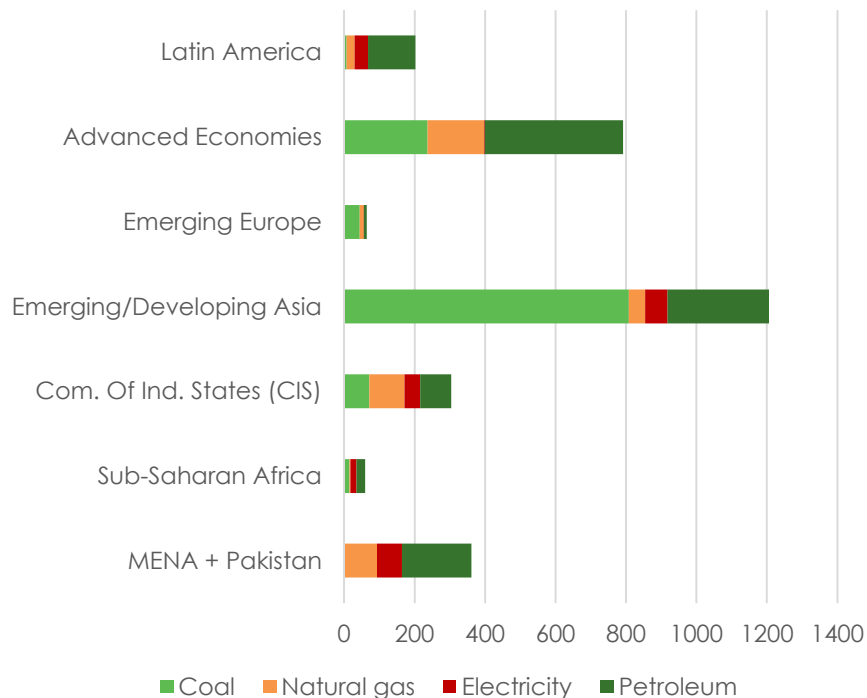
and

it will not be possible to access the full range of economic and social benefits from energy efficiency

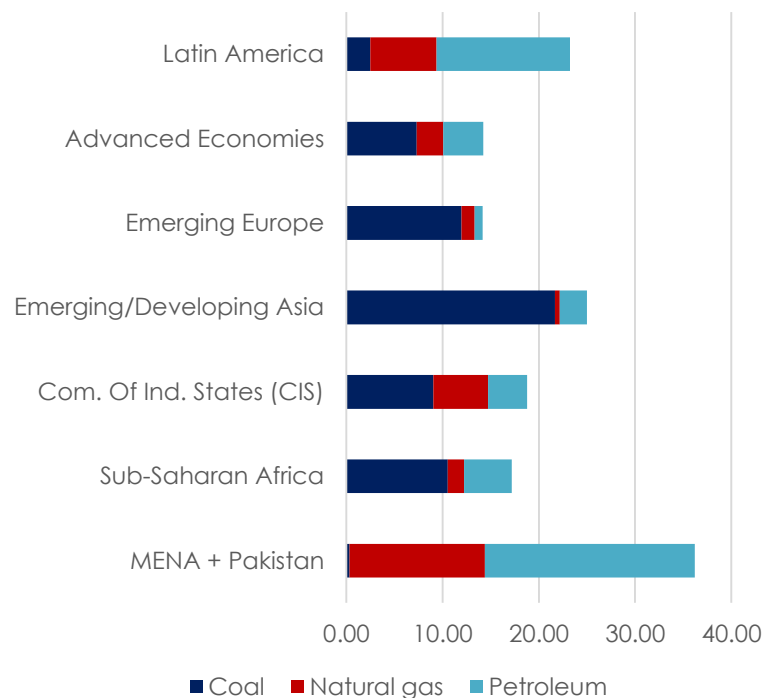


Benefits of removing subsidies

Fiscal gain from removing subsidies, (billion USD)



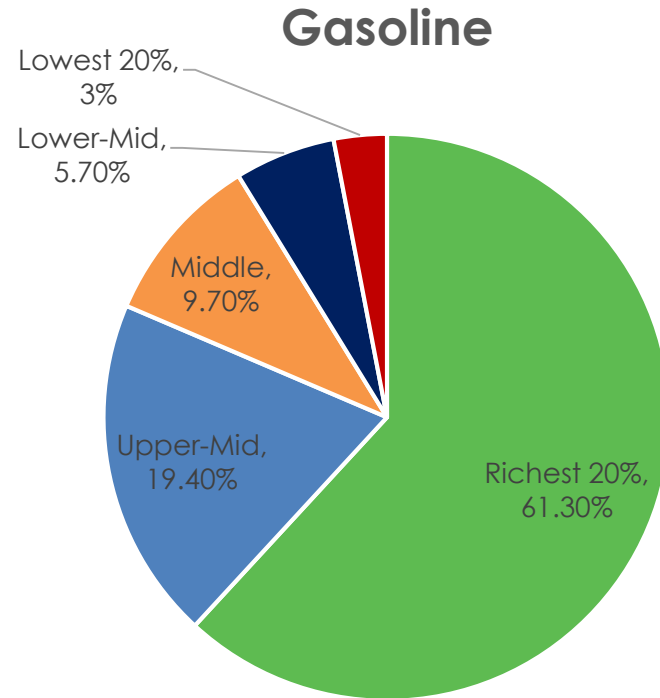
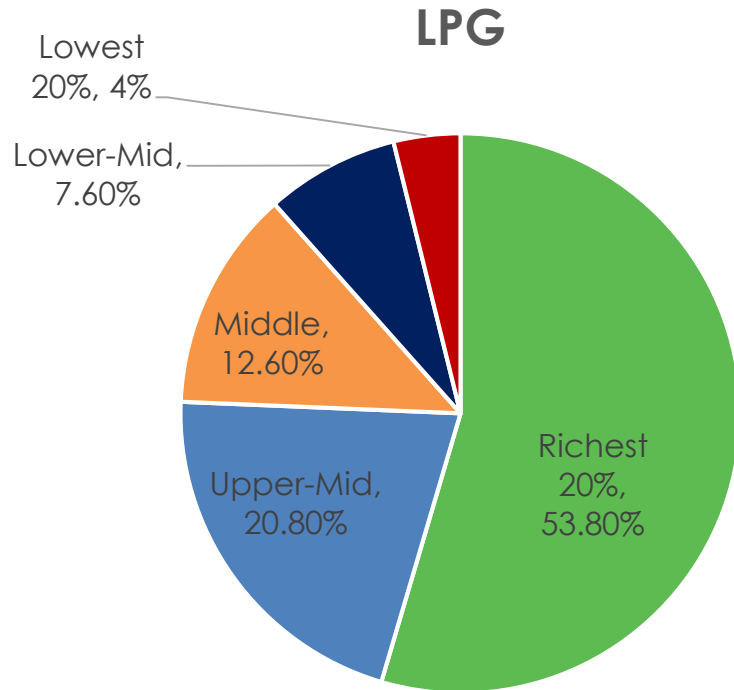
Estimated Percent Reduction in CO₂ Emissions



Source: IMF Working Paper, 2015

Who are the real beneficiaries of subsidies?

Global survey of energy subsidy beneficiaries



Subsidies can be switched to other forms of support



Switching support away from fossil fuel subsidies to energy efficiency and renewable energy will improve sustainable development

- Energy subsidies are a significant draw on public budgets
 - Around 261 billion USD around the world, with national share of GDP reaching even as high as 14%
- Subsidy reform is progressing across the world
 - Focus more on (larger) consumer subsidies rather than producer subsidies
 - Reducing public expenditure often a primary driver, not efficiency
 - Concerns centre on the poor and vulnerable, and industrial competitiveness
- **Energy efficiency can reduce the impact of subsidy reform**
 - Few examples of formally reallocating fiscal savings to energy efficiency

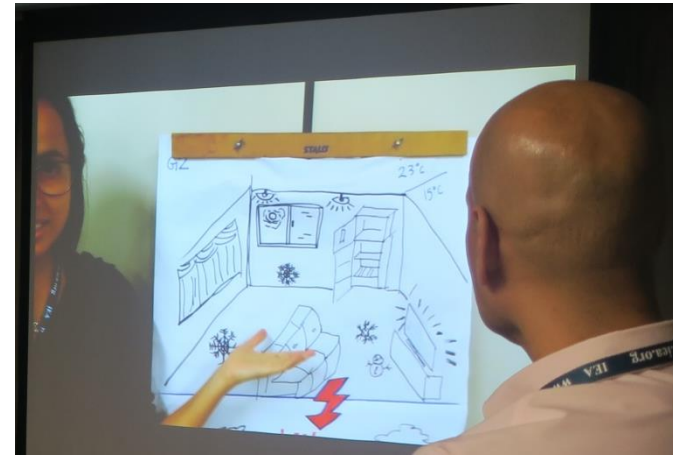
Break-out group exercise

Fossil fuel subsidy reform strategies

- Group yourselves together by country or region
 - 10-12 people per team
- The exercise:
 - For countries with fossil fuel subsidies, **the government wants to reduce or remove fossil fuel subsidies and would like to come up with ways to reduce energy consumption**
 - For countries without fossil fuel subsidies, **the government wants to reduce energy consumption**

Breakout group exercise

- In your groups, spend 40 minutes to:
 1. Define priorities and objectives for your country
 2. Select policy packages to meet those objectives
 3. A good communication campaign to support it
- Don't forget to have a **catchy slogan** for your campaign!
- Nominate **2 spokespeople** to present to everyone
 - 5 minutes per group



13:30 – 13:40 – *complete the exercise*

13:45 – 15:00 – team presentations

15:00 – 16:00 – *closing remarks and awarding of certificates*

16:00 – 16:30 – *coffee & tea*



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