



“Subsidies and carbon prices”

Roundtable Discussion for the Committee on Sustainable Energy

23 September 2021, 10h00 – 11h30 Geneva time

United Nations Economic Commission for Europe

Background

At its sixty-ninth session, the Economic Commission for Europe requested the Committee to explore the impact of subsidies including options for carbon pricing. This panel will discuss the energy market and environmental impacts of explicit and implicit subsidies including not only fossil subsidies but also those for end-users and other supply sources. While the rationale for instituting subsidies may be or have been clear at the outset, often they are badly conceived and implemented and inevitably they endure beyond their initial premise. Reforming the pricing of greenhouse gases and subsidies would contribute to a long-term goal of having an effective and transparent global framework for energy markets. The session aims at creating awareness of the challenges presented by subsidies and the lack of proper pricing signals that include externalities, notably greenhouse gases and climate change.

Objective

The session will prepare the topic for further analysis and development of best practice guidance regarding reform of subsidies.

Issues to be explored

The panel will explore a series of key questions linked to energy market subsidies and pricing of greenhouse gas emissions:

- Is it possible to create more transparency on subsidies and greenhouse gas prices and to understand their consequences?
- How can they be better designed or reformed to be aligned with NDC goals?
- End-use consumer subsidies; subsidies on fossil; subsidies to support renewables
- Can prices and subsidies be reformed without creating social stresses or significant stranded assets? Are there best practices for how this can be accomplished?
- Is the long-term goal to achieve uniform greenhouse gas prices or to establish a pricing framework that enables efficient interaction of regional or national prices?

What would reform of subsidies and greenhouse gas pricing mean for the goal of limiting temperature increases to 1.5-2°C?

Panelists

- Moderator: Mr. Juergen Keinhorst, Chair, UNECE Committee on Sustainable Energy
- Mr. Ron Steenblik, International Institute for Sustainable Development
- Ms. Nelly Petkova, Organization for Economic Cooperation and Development
- Ms. Anna Gerasimova, Deputy Head, Center for Sustainable Development, Russian Energy Agency.