

# Top UN officials call for end to fossil fuel subsidies

Tim Spence speaks exclusively to UN climate officials at the World Science Forum in Budapest

## GLOBAL

TWO senior United Nations officials are urging governments to stop subsidising fossil fuels if the world is to rein in greenhouse gas (GHG) emissions and finance a transition to renewable energy.

UN assistant secretary-general on climate change János Pásztor and UN Environment Programme (UNEP) chief scientist Jacqueline McGlade have argued that countries have been slow to phase out direct or indirect support for oil, coal and gas despite mounting international pressure to do so.

Although subsidies are on the decline, some 40 countries provide more than US\$500 billion (GBP330 billion) in annual support for fossil fuels, according to the International Energy Agency (IEA). Meanwhile, public backing for renewables represented only a quarter of this, at an estimated US\$121 billion (GBP80 billion) in 2013.

Governments in leading oil exporters such as Iran, Saudi Arabia, Russia and Venezuela are amongst the most generous providers of direct public support, though others offer subsidies through tax exemptions, write-offs and infrastructure support.

“On the one hand we talk carbon management, mitigation and reduction of greenhouse gases, and on the other side we actually provide the incentive to use [fossil fuels],” Pásztor told *NewsBase* in an interview. “It’s incoherent.”

Billions of dollars saved from such support schemes could help fund new clean energy technologies and the UN-supported Sustainable Energy for All initiative, McGlade said in a separate *NewsBase* interview. The UN energy initiative aims to provide power to 1.1 billion people in developing countries who now live off the grid.

Governments have a difficult time removing subsidies, since they are often intertwined with tax schemes, added McGlade, an outspoken advocate of decarbonisation and renewable energy during her leadership of the European Environment Agency from 2003-2013.

“That’s where we have a big challenge in removing [tax support], because they tend keep businesses in operation,” she said. Subsidies encourage North Sea drillers “to extract the very last drop of oil and gas, whereas in fact there is a moment when one should get out of



UN Environment Programme (UNEP) chief scientist Jacqueline McGlade

that and move into other forms of energy such as renewables.”

The UN officials spoke to *NewsBase* on the sidelines of the World Science Forum in Budapest, where leading researchers from more than 100 countries issued a declaration on November 7, calling for a transition to renewables and improved energy efficiency to help address climate concerns.

The declaration has come three weeks before negotiators are scheduled to finalise an environmental accord during the UN-sponsored climate conference in Paris.

Despite growing momentum to scrap public support for traditional fuels, there are already signs that the Paris talks could disappoint advocates of an end to subsidy schemes.

In a forthcoming New Climate Economy paper on subsidy reform, the World Resources Institute says five of the nearly 130 countries that have submitted national climate strategies for the Paris negotiations have called for reforming fossil fuel subsidies. Two other countries have proposed changes to taxation schemes.

The New Climate Economy analysis, due to be released later this month, examines what are known as Intended Nationally Determined Contributions, or INDCs. The European Union submitted a collective INDC for its 28 states.

In a further sign that Paris may fall short of efforts to hold global temperature rise within 2°C by 2100, a new UNEP report shows that pledges made in the INDCs combined with other measures would lead to annual reductions of 11 gigatonnes of CO<sub>2</sub> equivalent by 2030 compared to current policies. This amounts to only half what is needed by that date to remain below the 2°C target, according to the report. ❖