Press release: G-20 wastes hundreds of billions on perverse fossil-fuel subsidies, says global coalition

G-20 governments must end their perverse fossil-fuel subsidies, which contribute directly to climate change, cost hundreds of billions of dollars each year, and create artificial barriers to sustainable development, urges the Green Economy Coalition.

Green Economy Coalition members including the International Institute for Environment and Development, Consumers International, IUCN and the International Institute for Sustainable Development (IISD) are urging them to phase out these subsidies as soon as possible.

The Green Economy Coalition has written to the G-20 finance ministers ahead of their meeting this weekend in Scotland (6-7 November) to outline how and why to remove these harmful subsidies. The coalition stresses the need for governments to ensure that the poorest consumers are not made more vulnerable following a phase-out of subsidies.

"It is clearly invidious for governments to finance carbon reduction policies whilst simultaneously increasing fossil fuel consumption through subsidies," says the letter. "The current annual fossil-fuel subsidy bill of hundreds of billions of dollars would be better spent on health, education, renewable energy or other actions that would accelerate the transition to a green economy."

The Green Economy Coalition says an end to subsidies would help stabilize the world climate by reducing global carbon dioxide emissions by 10%, or the equivalent of Russia and Japan's combined total.

"These subsidies are a massive diversion of public funds that could be better spend in other ways," says Mark Halle, executive director of IISD-Europe. "Subsidies create false impressions about the relative cost of lower-carbon energy alternatives and this is bringing us closer to irreversible climate change."

In September, G-20 leaders agreed in Pittsburgh to phase out these subsidies over the medium term. The Green Economy Coalition welcomes that move but calls for greater urgency in implementing the phase-out and outlines ways to ensure that a reform of subsidies will protect the welfare of the poorest.

The full letter is attached

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NOTES TO EDITORS
The Green Economy Coalition is hosted by the International Institute for Environment and Development. It focuses on the policy changes needed to transform the global economy into one that is clean, green and equitable. It will grow to include about 20 core members in addition to associate members that join specific activities.