

FOSSIL FUEL SUBSIDIES

FOSSIL FUELS SUBSIDIES ARE POLICIES THAT SUPPORT THE PRODUCTION OR CONSUMPTION OF FOSSIL FUELS AND ALLOW CONSUMERS TO PAY PRICES BELOW SUPPLY COSTS.

BY CONSIDERING THE ENVIRONMENTAL IMPACT OF FOSSIL FUELS, FOSSIL FUEL SUBSIDIES AMOUNT TO \$5.8 TRILLION OF IMPLICIT SUBSIDIES A YEAR.

AS THE FOSSIL FUEL SUBSIDIES BENEFITS ARE DISTRIBUTED IN PROPORTION TO HOUSEHOLD ENERGY CONSUMPTION, AND SINCE THE CONSUMPTION BASKETS OF HIGH-INCOME HOUSEHOLDS ARE TYPICALLY MORE ENERGY-INTENSIVE, FOSSIL FUEL SUBSIDIES ARE LIKELY TO EXACERBATE WITHIN-COUNTRY INCOME INEQUALITY.



ACROSS DEVELOPING COUNTRIES, THE RICHEST 20% OF THE POPULATION REAPS ALMOST 50% OF THE BENEFIT,

WHILE THE POOREST 20% OF THE POPULATION ACCRUES <10% OF THE BENEFITS



GOVERNMENTS SPEND **US\$423 BILLION** A YEAR ON FOSSIL FUEL SUBSIDIES TO CONSUMERS

WHAT CAN BE ACHIEVED WITH \$423 BILLION?

ALLEVIATE POVERTY

'PAY' 3X OVER THE ANNUAL AMOUNT REQUIRED TO ERADICATE GLOBAL EXTREME POVERTY AS MEASURED WITH THE \$1.90 A DAY POVERTY LINE, AND UP TO 6X OVER IF ALLOCATED ENTIRELY TO EITHER LOW-INCOME (LICs) OR LOWER-MIDDLE-INCOME COUNTRIES (LMICs)

COVER THE AMOUNT NEEDED TO PROVIDE A TEMPORARY BASIC INCOME TO ALL VULNERABLE PEOPLE IN LMICs FOR 6 MONTHS AND UP TO 16 MONTHS IN LICs



DISTRIBUTE VACCINES

COVER THE PRICE OF THE MOST EXPENSIVE COVID VACCINES FOR 90% OF THE WORLD'S POPULATION IN 2021 OR PAY FOR THE INOCULATION OF ALL PEOPLE IN THE WORLD UP TO 5X OVER WITH THE MOST AFFORDABLE VACCINES



THIS IS 4X THE AMOUNT BEING CALLED FOR TO HELP POOR COUNTRIES TACKLE THE CLIMATE CRISIS.

