



## MIDDLE EAST REGIONAL TECHNICAL ASSISTANCE CENTER

### DEVELOPMENT PARTNERS:

GERMANY | NETHERLANDS | SWITZERLAND | EUROPEAN UNION | FRANCE

### MEMBERS:

AFGHANISTAN | ALGERIA | DJIBOUTI | EGYPT | IRAQ | JORDAN | LEBANON | LIBYA | MOROCCO | SUDAN | SYRIA | TUNISIA | WEST BANK AND GAZA | YEMEN

## Fossil Fuel Subsidies in the Middle East and Central Asia

26 November 2024

The banner features the IMF logo, the 20th anniversary logo for METAC, and the logo for The Coalition of Finance Ministers for Climate Action. The title 'WEBINAR ON FOSSIL FUEL SUBSIDIES IN THE MIDDLE EAST AND CENTRAL ASIA' is prominently displayed, along with the date and time: 'November 26, 2024, 3:00 p.m. - 3:45 p.m. Beirut Time'. Two speakers are featured: Alpa Shah and Nate Vernon, both Economists in Fiscal Affairs at the IMF. At the bottom, logos for the Federal Ministry for Economic Cooperation and Development, the Netherlands, the Swiss Confederation, the European Union, and France are shown.

Despite their negative environmental, fiscal, and distributional impacts, many countries continue to subsidize fossil fuels by holding prices below the true cost. The IMF estimates that explicit and implicit global fossil fuel subsidies reached \$7 trillion in 2022, with the majority due to undercharging for environmental costs. While the conceptual case for fossil fuel subsidy removal is very clear, governments often face challenges to take on such reforms in practice. This webinar was organized in partnership with the [Coalition of Finance Ministers for Climate Action](#). It provided insights into the IMF methodology for measuring subsidies, highlighting trends from the [2023 update of the IMF fossil fuel subsidies database](#), as well as key considerations when designing reform based on recent country experiences. The webinar was attended by 77 participants who engaged in lively a discussion on reform challenges with the presenters, Alpa Shah and Nate Vernon-Lin from the IMF Fiscal Affairs Department. Questions focused specifically on subsidy removal policies in the regional context and examples of mitigating the impact of fossil fuel subsidy removal by increasing targeted cash transfers and improving social protection systems for the poor.