

ATI Environmental Taxation Workshop Series

Workshop 4: Mitigating negative social impacts

20 March 2025 at 13:00 CET | Virtual | EN, FR

In low- and middle-income countries, equity concerns are a significant obstacle to the implementation of environmental fiscal policies, particularly taxes, in many countries.

In the light of this and building on the previous session on Social Impact Assessment, Workshop Session 4 will look at how to design effective and efficient social mitigation policies. It will explore how equity impacts can be addressed through the introduction of social welfare – to both mitigate the negative impacts of ETs and compensate for rising prices – and consider how these might best be designed.

In particular, the Workshop will investigate possible ways to implement social welfare in countries with limited institutional capacity.

Workshop 4 of the series will begin with a brief introduction to the social mitigation hierarchy and introduce the concept of the “Eco-Social Welfare State” as a possible approach for low and middle-income countries to address social equity impacts while delivering win-win outcomes for climate change and environmental objectives. The presentation will also touch on how tax design can mitigate negative equity impacts.

This will be followed by a detailed presentation of an integrated approach to tax reform in the Philippines – the 2017 Tax Reform for Acceleration and Inclusion – by Senior Tax Specialist Kiarestel Lleno. This Tax Reform included several environmental tax measures and rationalization of incentives, VAT and excise, as well as social compensation measures in the form of conditional cash transfers and other social protection measures.

Following this, other ATI member countries will be given the floor to discuss social mitigation from their perspective, with a focus on how to design measures which are effective, cost-efficient, and appropriate to the developing country context. Practical experiences in the introduction of social welfare measures in ATI countries will be exchanged between ATI member country speakers, as well as with the audience. The subsequent discussion will ensure that a wide range of experiences and perspectives from all ATI countries can be shared.

Ultimately, the objective of the workshop will be to tease out options to implement effective social welfare in a context of limited resources and capacity. Which approaches have ATI countries taken to social welfare? What are the best and most efficient solutions to welfare implementation, given limited means and capacities?

Time (CET)	Social Impacts II – Mitigating negative social impacts
13.00	Welcome and introduction ATI Secretariat
13.10- 13.30	Introductory presentation: possible strategies to mitigate negative social impacts Jacqueline Cottrell, Green Fiscal Policy Consultant ▪ A social mitigation hierarchy for policymakers ▪ The concept of the eco-social welfare state ▪ How to minimize negative equity impacts through environmental tax design ▪ Q&A, discussion
13.30- 14.00	Philippines: The 2017 tax reform for acceleration and inclusion Kiarestel Llano, Senior Tax Specialist, National Tax Research Center, Philippines ▪ Introduction to the 2017 reform ▪ Environmental taxation measures in the reform ▪ Social compensation measures ▪ Q&A, discussion
14.00- 14.45	Commentary from ATI countries Rafael Balda Velásquez and Pablo Albán Orbea, Ecuador Esther Shangadi, Namibia
14.45- 15.00	Reflections, conclusions, key messages Jacqueline Cottrell, Green Fiscal Policy Consultant