

Definitions and concepts related to FFS in the context of the SDGs

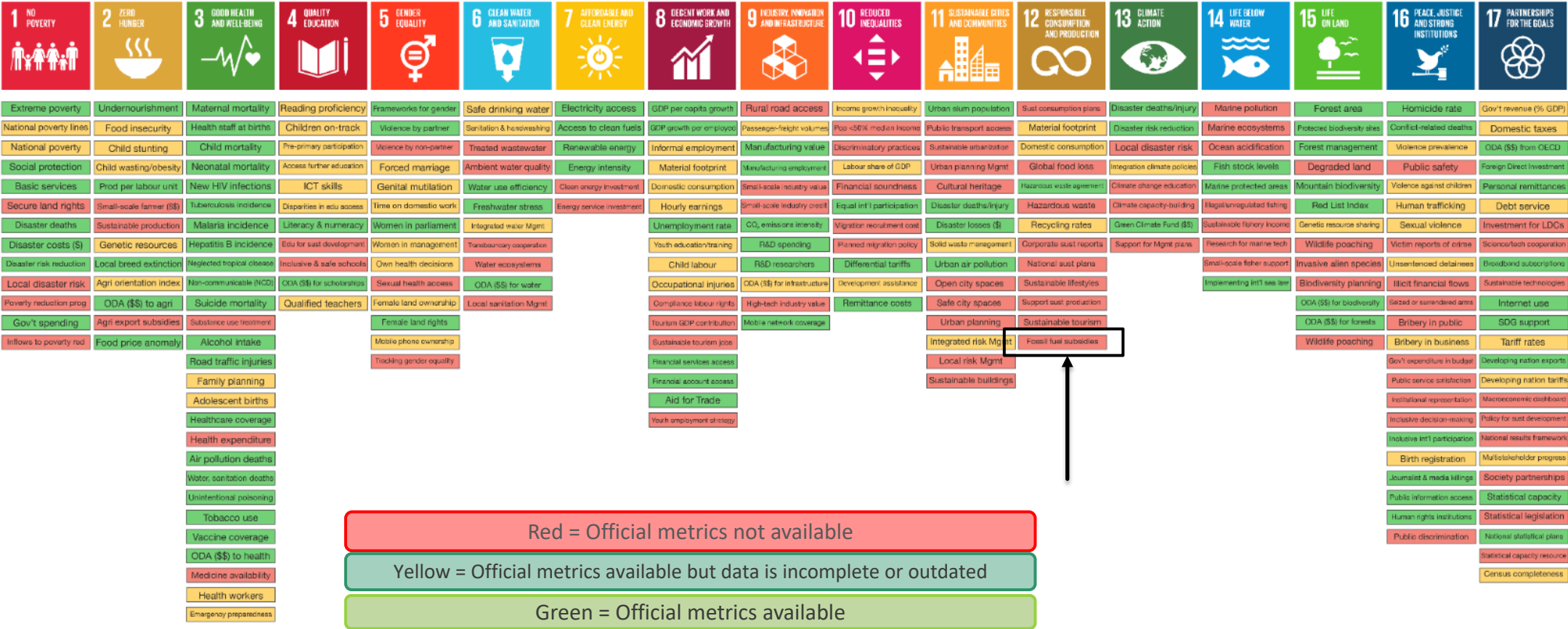
Regional Training - SDG 12.c.1

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Outline

- ▶ Reporting process under the SDGs and the production of the methodology
- ▶ Recommendations of the methodology
- ▶ Next steps and way forward

THE SDG MONITORING PROCESS - the SDG Tracker



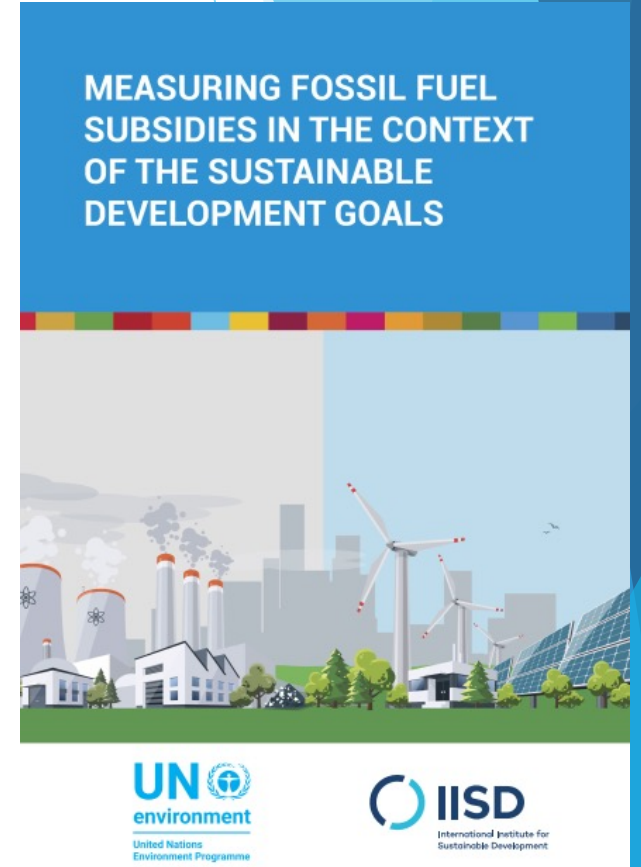
Source: Our World in Data, 2018

Indicator SDG 12.c.1

Goal: By 2030 rationalize inefficient fossil-fuel subsidies that encourage wasteful consumption by removing market distortions, in accordance with national circumstances.

Indicator 12.c rationalize inefficient fossil fuel subsidies that encourage wasteful consumption by removing market distortions, in accordance with national circumstances, including by restructuring taxation and phasing out those harmful subsidies, where they exist, to reflect their environmental impacts, taking fully into account the specific needs and conditions of developing countries and minimizing the possible adverse impacts on their development in a manner that protects the poor and the affected communities.

Indicator 12.c.1: amount of fossil-fuel subsidies (production and consumption) per unit of GDP



Approaches to estimate FFS

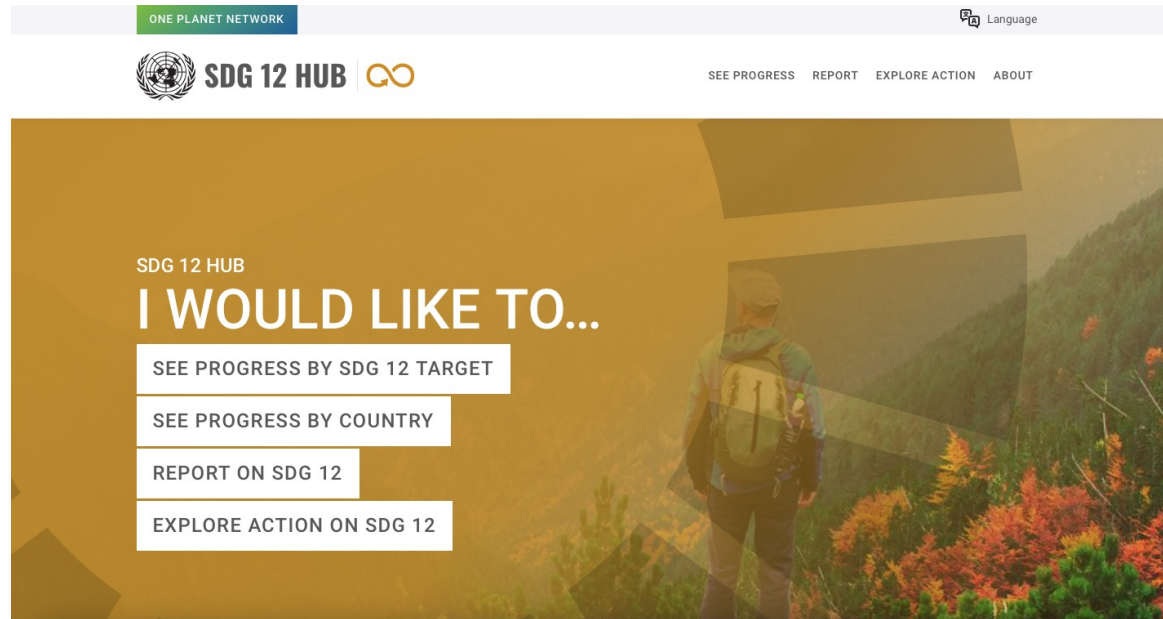
Two main methodologies:

- Price gap: quantifying the gap between free-market reference prices and the prices charged to consumers
- Inventory approach: constructs an inventory of government actions benefiting production and consumption of fossil fuels.

SDG 12c.1 methodology development

- ▶ Country consultations
 - ▶ Two technical expert group consultations: June 2017 and September 2017
- ▶ Pilot testing (Egypt, India and Zambia)
- ▶ Draft methodology paper (with GSI and OECD)
- ▶ Methodology has been reviewed by Expert Group and consulted with the statistical communities (March 2018)
- ▶ Submission for an endorsement of the UNCEEA (June 2018)
- ▶ Submission for an approval by the IAEG-SDG (June 2018)
- ▶ ***Approval by the IAEG-SDG (17 September 2018)***

Developing a global database: SDG 12 Hub



<https://sdg12hub.org/>

By 2025: have a reliable, comparable national inventory on fossil fuel subsidies

Evolution and way forward

- ▶ This indicator will continue to undergo methodological evolution
- ▶ Accompanying capacity building and dissemination of the methodology
- ▶ Phased approach to data collection (2021-30)
- ▶ 2021: Globally available data (IMF, OECD)
- ▶ 2022 - : gradually replace with national data

Thank you for your attention