United Nations Framework Convention on Climate Change

Impact transition subsidy removal

Latin America region awareness creation workshop to maximize the positive and minimize the negative impacts of implementation of Climate Change response measures 22-24 September 2019



Scope of FFS removal

- Type of fuel: natural gas, coal, oil products
- Type of FFS policy (target group)
- Rational for FFS policy
- Stake holders in the chain up stream and down stream
- Relative proportion of global share of impacted items
- Dependence on impacted commodities
- Time period of phase out
- the compensatory mechanisms / complimentary policies introduced



Overview of steps of assessment of impacts

Identify policies and measures linked with FFS removal Step 1 Identify causal relations Step 2 Identify and select indicators of relevance Step 3 Identify suitable assessment methodologies Step 4 Carry out data collection and customization Step 5 Define scenarios, simulation and analysis results Step 6 Reporting the results Step 7

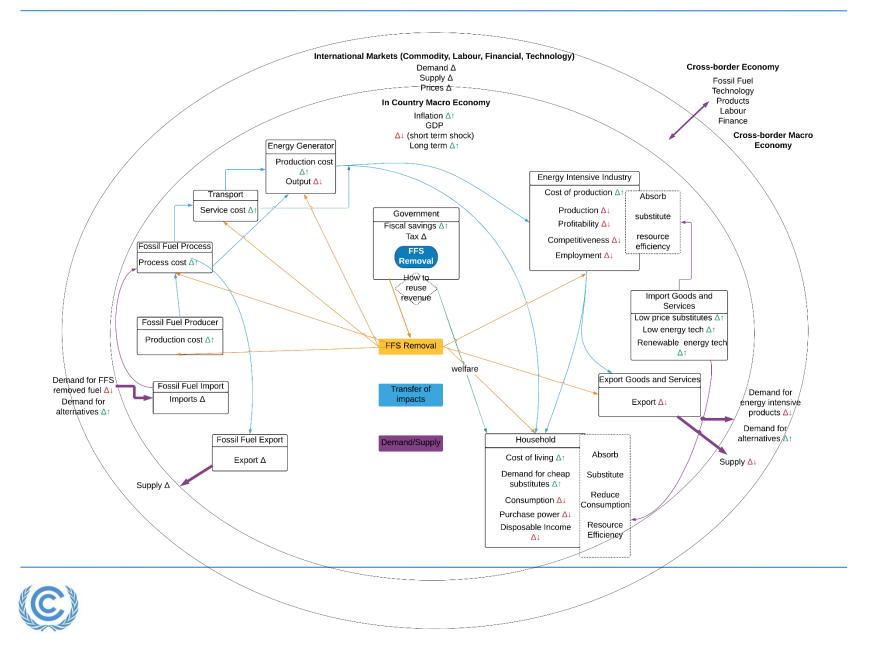


Identifying Causal relations

- Delphi analysis
- decision trees
- improved causal loop diagrams



Identify Causal relations



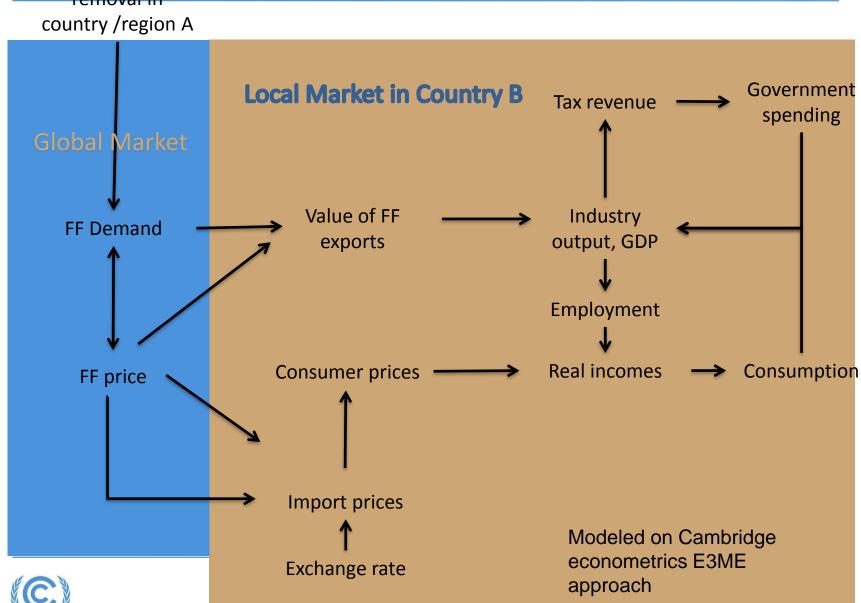
Transition of impacts

- Absorbing the shock from FFS removal
- substituting (e.g. changing to alternative fuels or technologies)
- Improving the resource efficiency like improving energy/process efficiency to reduce fuel consumption and shock
- Transferring the costs to consumers of its products and services



FFSubsidy removal in

Taking a Country B approach



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Thank you!

