

# Progress in reporting and monitoring fossil fuel subsidies as part of SDG indicator 12.c.1

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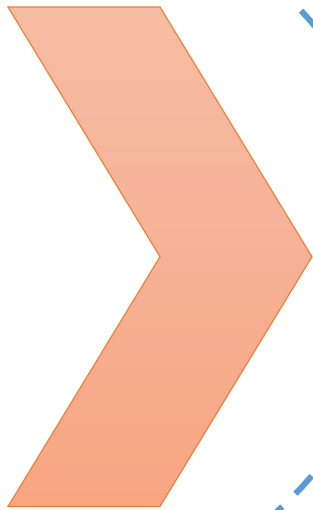
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# Reforming Fossil Fuel Subsidies: from measuring to repurposing and the role of SDG 12.c.1



# Reporting on Fossil Fuel Subsidies: the context before SDG 12.c.1

**Identif  
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Quantif  
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- Several agencies have been collecting data and reporting on FFS to consumption and production in the past years: IEA, IMF, OECD.
- National/regional datasets sometimes produced but not in a systematic manner
- Definitions of fossil fuel subsidies used differ between countries and agencies, with large differences in the scope of subsidies being reported.

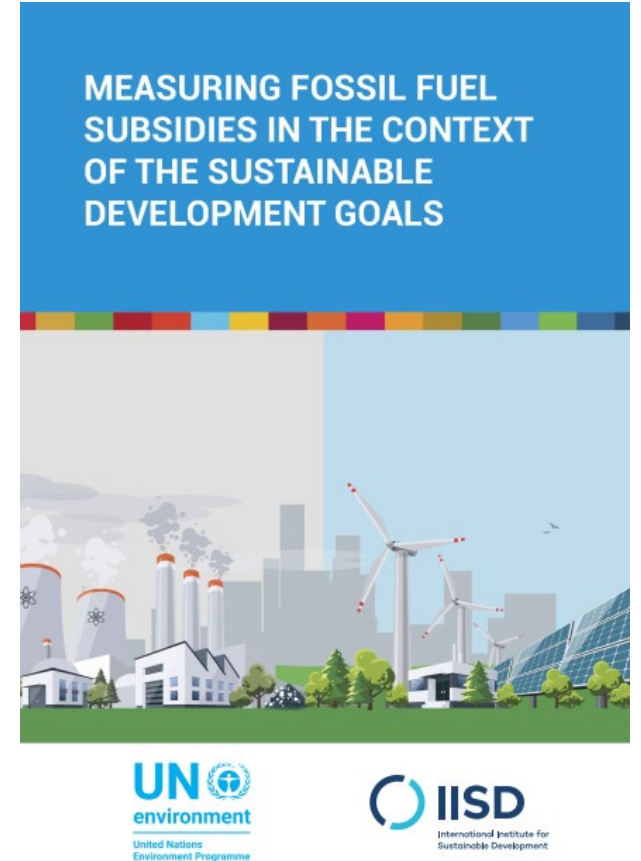
**Until now, most governments do not systematically account for or publish data on fossil fuel subsidies.**

# The importance of tracking: 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**



# Who reports on SDG 12.c.1?

- NSO are the lead for collecting/compiling/sending the data (SDG Focal Points) but data sources are varied
- Support needed from other relevant Government agencies/line Ministries: Finance ministries and other sectoral ministries (e.g. energy, statistics, trade, industry, agriculture, social protection). Can support on:
  - Identification of existing policies
  - knowledge of existing quantified estimates of policies, or of existing data to be used
- Strong intergovernmental coordination needed

# Developing a global database: SDG 12 Hub

The screenshot displays the SDG 12 Hub website. At the top, there is a navigation bar with the 'ONE PLANET NETWORK' logo and the 'SDG 12 HUB' title. Below this, a main menu offers options: 'SEE PROGRESS BY SDG 12 TARGET', 'SEE PROGRESS BY COUNTRY', 'REPORT ON SDG 12', and 'EXPLORE ACTION ON SDG 12'. The central content area is titled 'SDG 12 HUB I WOULD LIKE TO...' and features a large background image of a hiker. On the right side, a detailed view for '12.C FOSSIL FUEL SUBSIDIES' is shown. This view includes a description: '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.' Below the description, there is a section for 'INDICATOR 12.C.1' with the text: 'Amount of fossil-fuel subsidies per unit of GDP (production and consumption) and as a proportion of total national expenditure on fossil fuels.' A 'REPORT' button is visible. Under 'GUIDANCE MATERIAL', there are four entries with corresponding buttons: 'Measuring Fossil Fuel Subsidies in the Context of the Sustainable Development Goals' (EXTERNAL SOURCE), 'Metadata 12.C.1' (DOWNLOAD), 'UNEP-ECLAC SDG 12c1 Indicator Training Workshop' (EXTERNAL SOURCE), and 'Online Course: Environmental SDG Indicators' (EXTERNAL SOURCE).

# Developing a global database: SDG 12 Hub



# SDG 12c.1 methodology development and data collection

- 2017** ➤ Country consultations, pilot testing, draft methodology
- 2018** ➤ Methodology by Expert Groups and statistical communities, endorsed by UNCEEA and the the IAEG-SDG
- 2019** ➤ Methodology for the SDG Indicators 12.c.1 was reclassified to Tier II (i.e. conceptually clear, internationally established methodology and standards are available, but **data are not regularly produced by countries**)
- 2019-2021** ➤ Estimated data on Fossil Fuel Subsidies reported using existing international data sources (IEA, IMF and OECD)
- 2022** ➤ UNEP launched the data drive for this indicator directly from countries with a deadline of 31 March 2022 (extended till 30 June 2022).



# Evolution and way forward: moving towards national databases

- 5 countries have reported fully, 4 countries reported no subsidies, 6 countries asked for deadline extension
- Accompanying capacity building and dissemination of the methodology
  - UNEP has been conducting in partnership with UN economic agencies, and with support from IISD, OECD, IEA and other partners regional training workshops to NSOs to support the preparation of the indicator.
    - 2022 – 2025 : gradually replace with national data (phased monitoring),

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

# Thank you



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