



Emissions Modelling of Fossil Fuel Subsidy Reform

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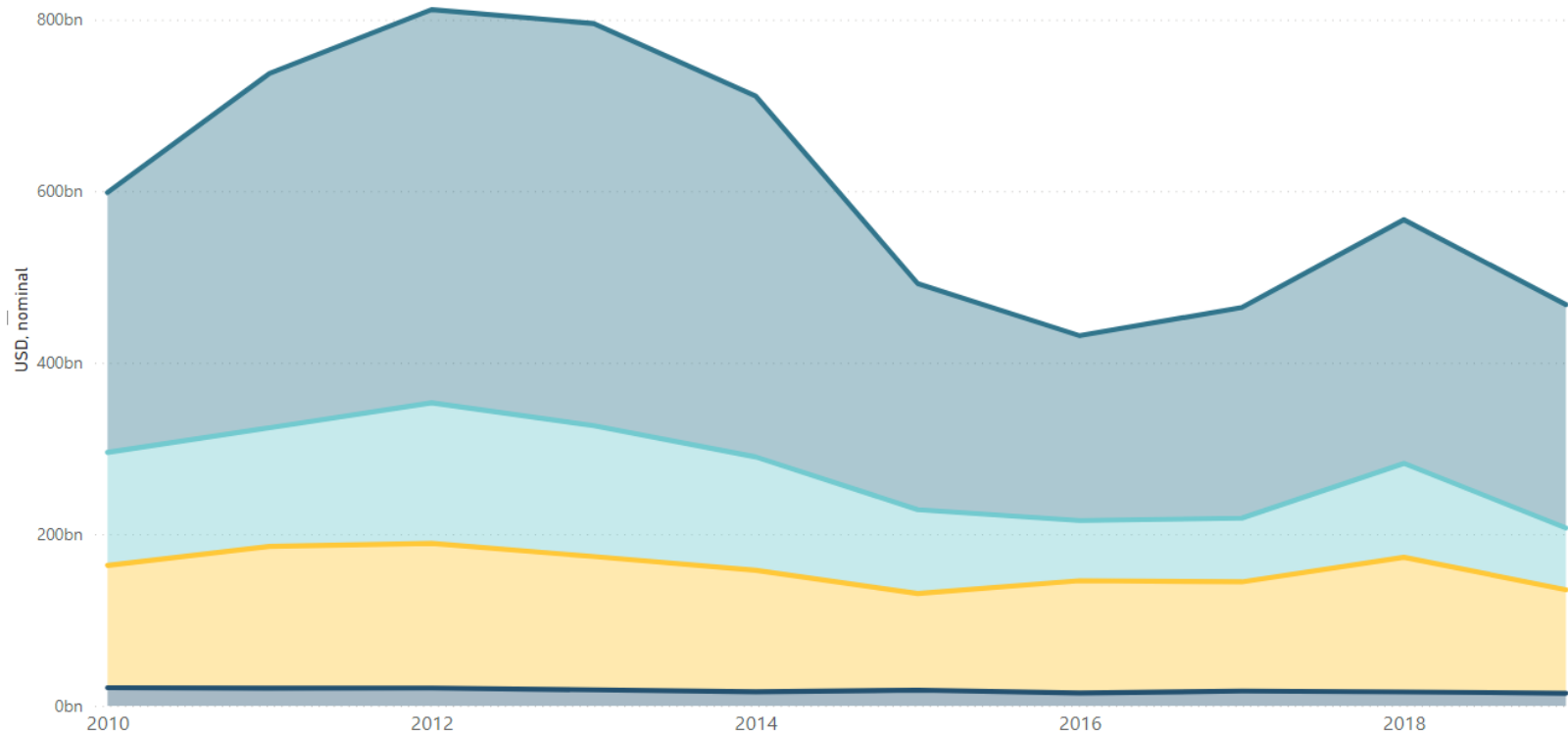


Fossil Fuel subsidies are a driver of the climate crisis



FossilFuelSubsidyTracker.org

Fuel type ● Coal ● Electricity ● Natural gas ● Petroleum products



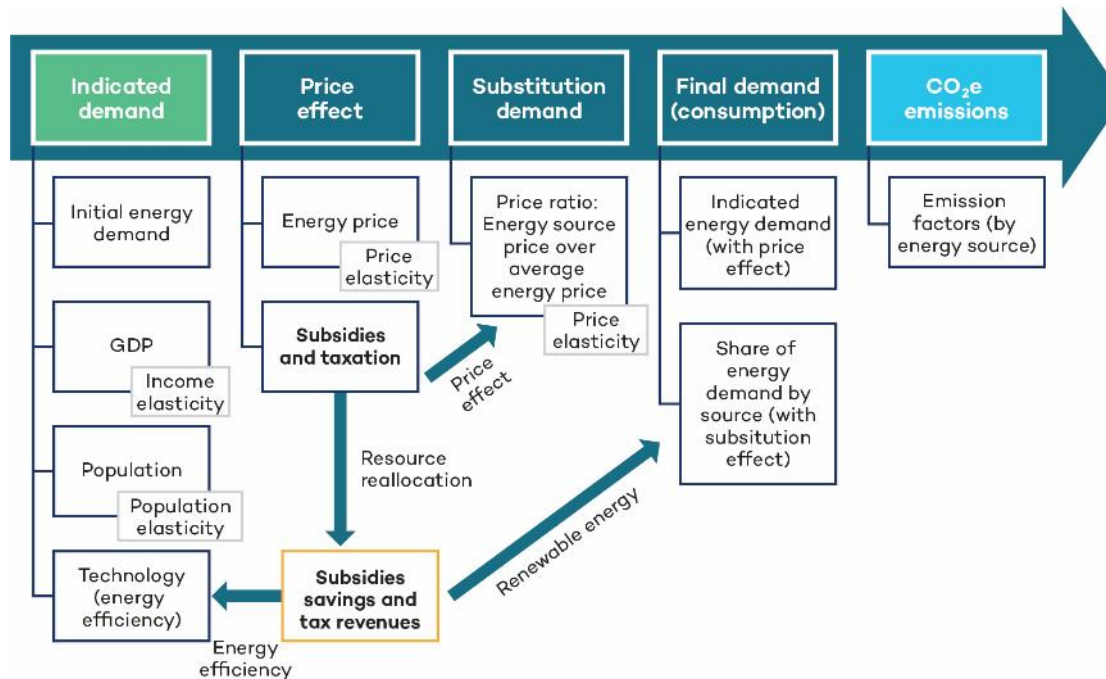
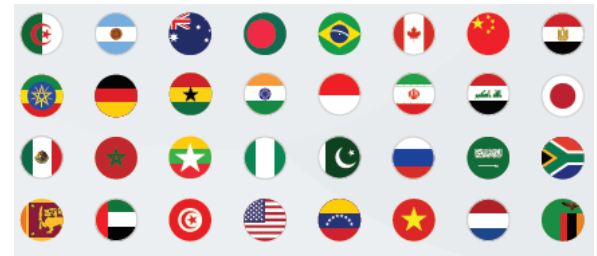
Based on OECD and IEA data, including estimates from 2019 for 81 economies.



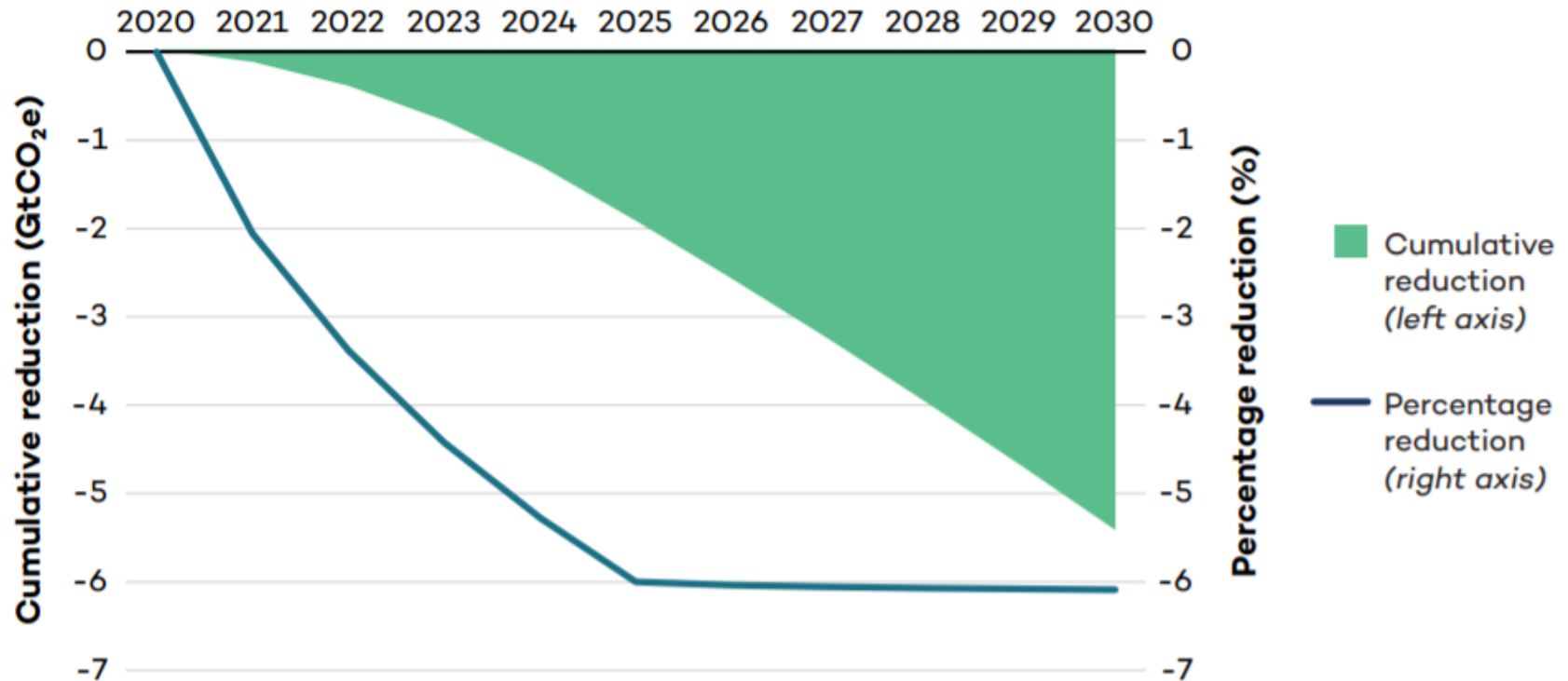
IISD GSI Integrated Fiscal Model

Considers the following policy interventions:

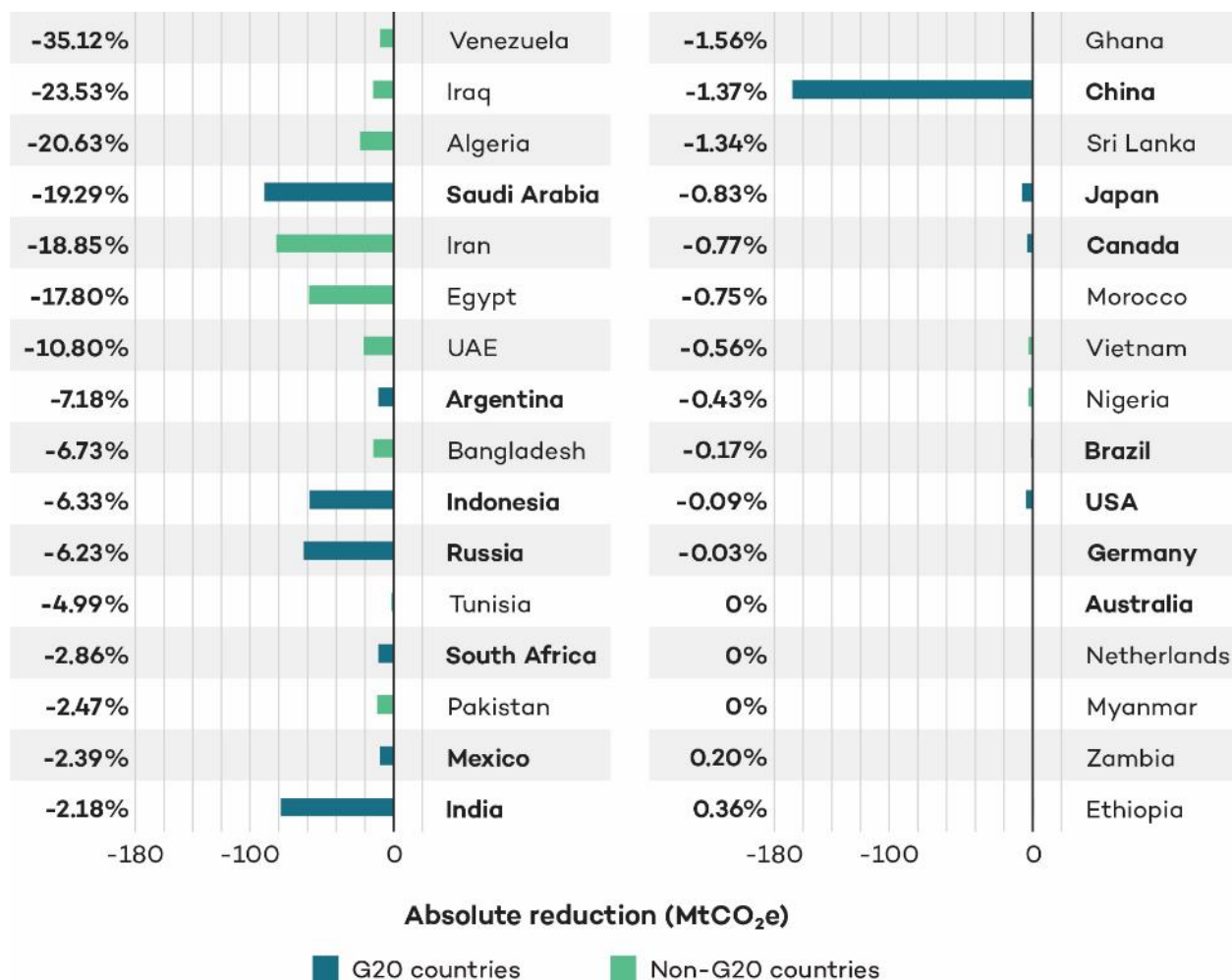
1. Gradual removal of fossil fuel consumer subsidies between 2021 and 2025
2. Gradual implementation of 10% fossil energy taxes between 2025 and 2030
3. Allocation of subsidy savings and tax revenues to energy efficiency (20%) and renewable energy (10%)



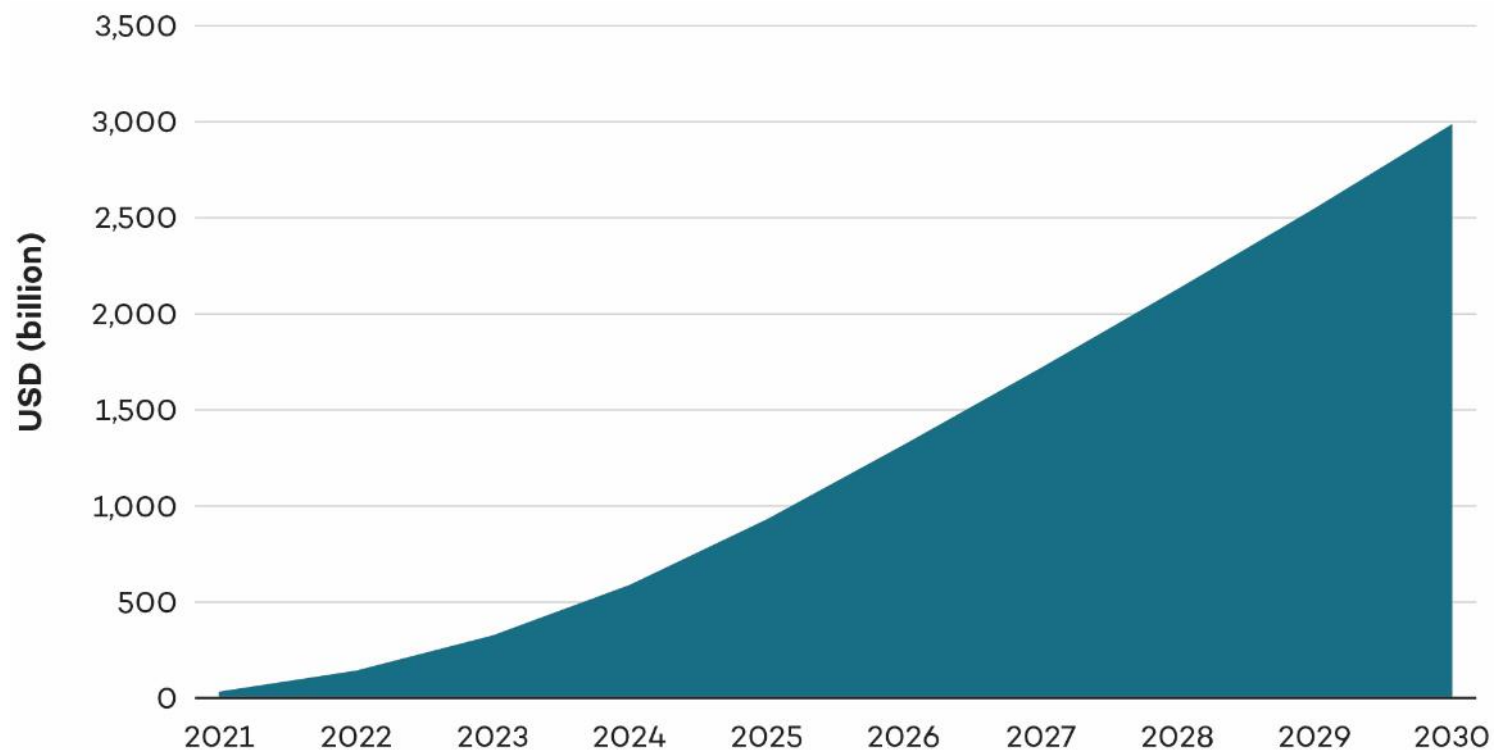
Total emission reductions through fossil fuel subsidy reform



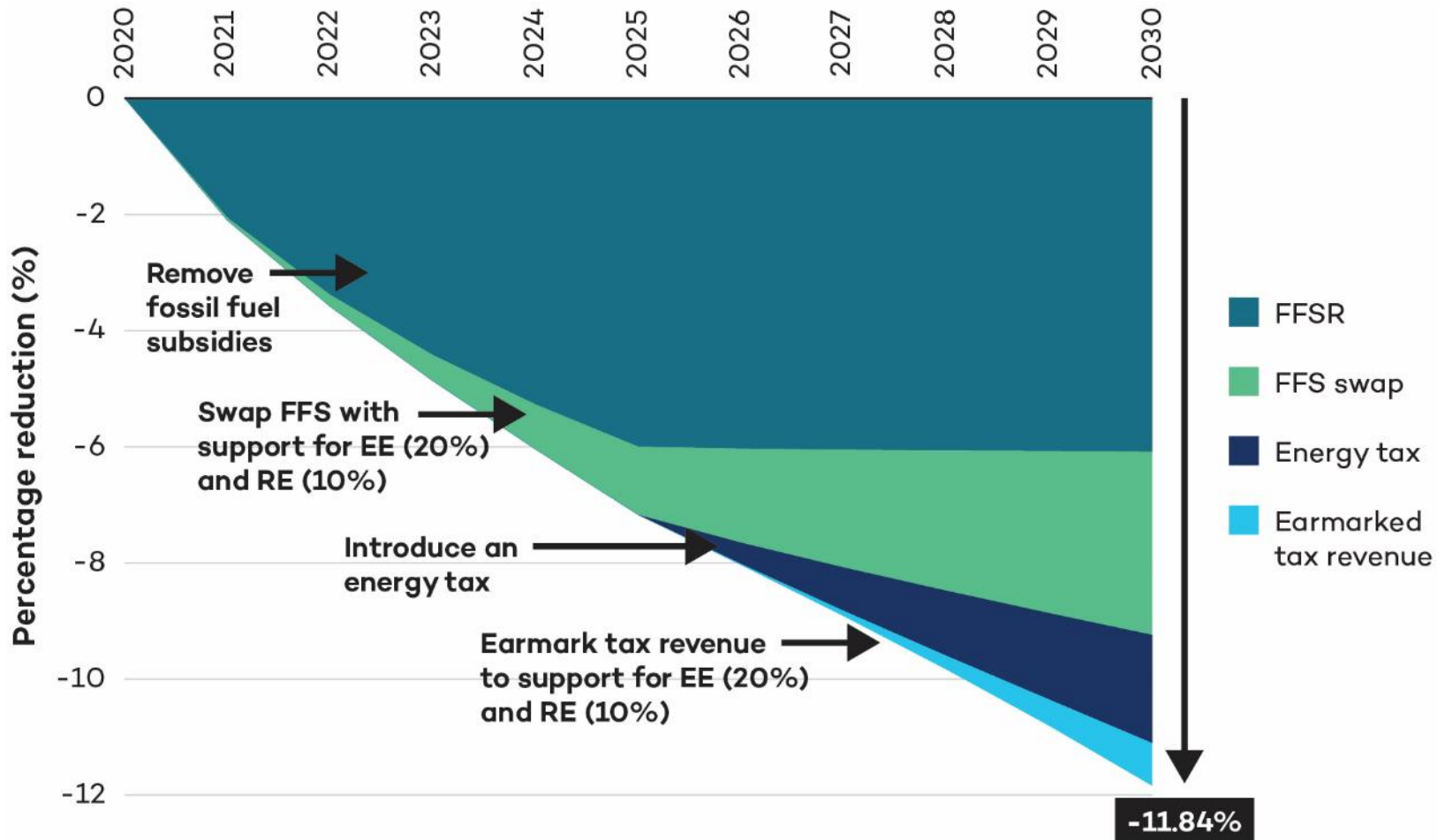
Emission reductions through fossil fuel subsidy reform by country



Fiscal benefits of fossil fuel subsidy reform



Total emission reductions of all considered scenarios





Conclusion

- Fossil fuel subsidy reform is a smart tool for mitigating climate change
- Fossil fuel subsidy reform can have negative impacts on vulnerable groups, but governments can manage them
- Several countries have reformed fossil fuel subsidies in the past years – and many more committed to rationalize inefficient fossil fuel subsidies – but overall spending on fossil fuel subsidies remained high
- Only few countries reference fossil fuel subsidy reform as a climate change mitigation tool in their nationally determined contributions (NDCs) under the Paris Agreement



More information and contact details

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GSI-IF modelling reports and related materials:



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