

Introduction to FFRE HCD workshops



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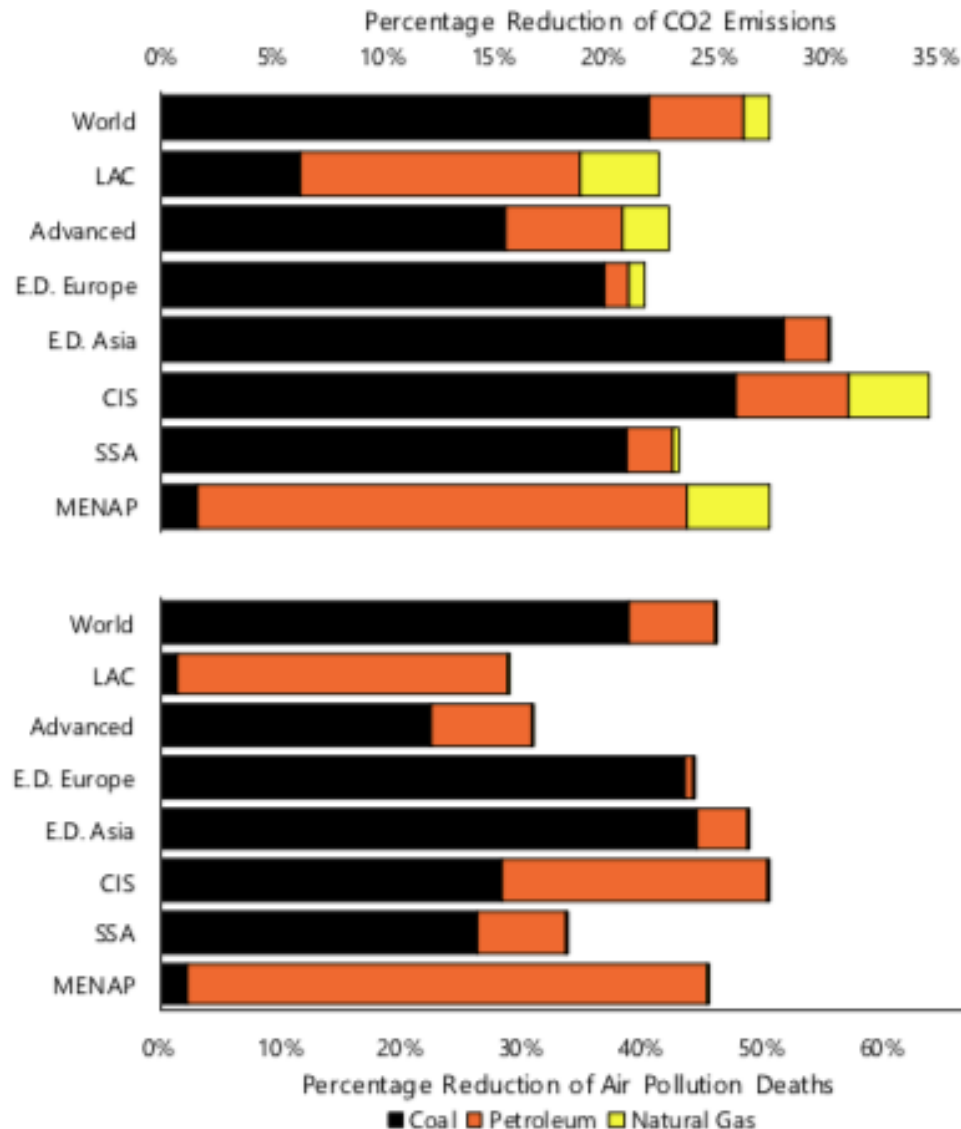


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FFRE: Rationale

FFRE can result in:

- Reduced GHG emissions
- Reduced emissions of pollutants harmful to human health
- Enhanced energy security
- Enhanced energy access through small-scale RE
- Fewer economic distortions
- Reduced spending on wasteful subsidies
- Potential for more equitable distribution of revenue
- Generation of additional revenues for climate action
- Incentives for low-carbon energy and transport modes



Source: IMF 2019 <https://www.imf.org/en/Publications/WP/Issues/2019/05/02/Global-Fossil-Fuel-Subsidies-Remain-Large-An-Update-Based-on-Country-Level-Estimates-46509>



FFRE workshops

| | Mauritius 2014 | Kenya 2014 | Costa Rica 2018 |
|-------------------------|--|--|--|
| Participating countries | 10 countries; island states from the Indian basin | East African and South Asian Countries | LAC; 21 countries; 11 SIDS; 1 LDC |
| Format | Interactive 5-day workshop, incl. field visits | Plenary discussions and exchange | Interactive 5-day workshop, incl. field visits |
| Outcomes | <p>Personal Action Plans (all participants)</p> <p>Report incl. general and specific recommendations for all participating countries</p> | Peer-to-peer exchange of best practice | <p>Personal Action Plans (all participants)</p> <p>Report on workshop incl. specific recommendations for FFRE in LAC</p> |



Possible agenda

| | |
|-------|---|
| Day 1 | <ul style="list-style-type: none">• Introduction and learning agreement (methodology, objectives, rules)• Sustainable development and fossil fuel subsidies• Policy instruments for energy transition – case studies from participating countries |
| Day 2 | <ul style="list-style-type: none">• Environmental fiscal reform – introduction and country examples• SWOT analysis of the energy sector in participating countries• Fossil fuel subsidy reform in the transport sector |
| Day 3 | <ul style="list-style-type: none">• Field trips to renewable energy installations, e.g. wind, large and small-scale solar PV, biogas, geothermal• Energy policy and gender• Stakeholders in the energy sector: reflections and experiences |
| Day 4 | <ul style="list-style-type: none">• Fictitious case study: developing a fossil fuel subsidy reform proposal• Development of policy solutions in participating countries: Overcoming obstacles to FFRE |
| Day 5 | <ul style="list-style-type: none">• Peer review of policy solutions (group presentations)• Personal action plans – next steps for participants• Open questions and close |



Group work: Peer to peer learning and exchange between expert participants



Role plays: Application of new and existing knowledge



Fishbowl discussion: discuss with peers and apply learning



Harvard case methodology: Policy solutions for fictional countries

Fuels

Short term (1-3 yrs)

25% 50% 25%
Yr₁ Yr₂ Yr₃

- Incentives for hybrid vehicles
- Incentives for electric & CNG veh.
- No VAT, No Import duty
 - 1 Hybrid
 - 2 CNG
 - 3 Electric

S-term

- Start progr. to build infras for CNG Yr₂
- Improvements to the grid Yr₂

Short term

- Introduction of demand-side management
 - Introduction of energy conservation - public education
 - Pre-paid meters
 - Ban of incandescent bulbs
 - No taxes on LEDs & CFLs

Medium term (3-5 yrs)

- Privatisation of generation
- Incentives for more efficient gen
- Removal of subsidy on diesel %s
 - 20% incremental over period

Long term (>5 yrs)

- diversification of energy mix
- transition to natural gas and renewables
 - 70 45% - Natural Gas
 - 30 25% - Renewables

Stakeholders most affected Fuels/Electricity

- Consumers/Holds
- Commercial Sector
- Min of Finance
- Industry Stakeholders
- Other

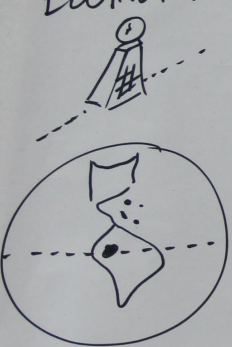

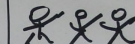

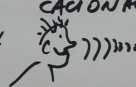
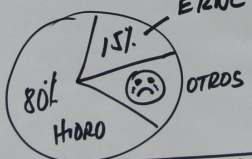

• diversion of savings / reallocation

- Health care
- Education
- Social reforms | prog.
- Training
- Capacity bldg



Application of learning to the development of specific policy proposals

MAURO FFRE ACT. PLAN 2019

| MEASURE | OBJETIVO | INDICADORES | ACTIVIDADES | TIME | PRIORIDAD |
|--|--|---|--|---------------------------|-----------|
| MEJORAR LA SENSIBILIZACION E IMPLANTACION DE FFRE EN SECTOR ELECT. ECUATORIANO  | 1- INCLUIR FFRE EN REFORMA DE LEY X REGLAMENTO ELECTRICO | LEY + REGUNTOS APROBADOS  | AUMENTAR REUNIONES COMITE  | LEY IQ 2019 RE IQ 2019 | 1 |
| | 2- LANZAR SUBASTA DE 1.000 MW SOLAR  | 1- APROBAR REGULAC. 2- IMPULSAR PROYECTOS 3- IMPULSAR INVERSIONES | PLAN COMUNICACIONAL  | FEBERO 2019 | 3 |
| | 3- IMPULSAR INCREMENTO DE \$0.25 TRIMESTRAL PARA DIESEL | 1- PRECIO SUBIDO DE \$1.00 a \$1.25 | LLOBYING EN PRESIDENCIA & MINISTERIOS | DICIEMBRE 2018 | 2 |
| | 4- CREAR EL MEDIDOR DE "ENERGIA LIMPIA" EN LOS DIARIOS DEL PAIS. ERNC | 1 AVISO SEMANAL EN LOS 2 MAS GRANDES DIARIOS | VISITA A GG DE DIARIOS DESDE VICEMINIST. | DIC. 2018 | 4 |
| | 5- ENERGIA LIMPIA EN ESCUELAS  |  10 | VISITA A MIN. EDUCAC | DIC 2018 | 5 |



Field visits





Building close relationships, creating a community of practice: A network for exchange and support in future



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Thank you very much for your attention!



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