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**G20 Research Group**  
at Trinity College at the Munk School of Global Affairs in the University of Toronto  
presents the

# **2015 G20 Antalya Summit Interim Compliance Report: Part 1**

16 November 2015 to 5 April 2016

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“The University of Toronto ... produced a detailed analysis to the extent of which each G20 country has met its commitments since the last summit ... I think this is important; we come to these summits, we make these commitments, we say we are going to do these things and it is important that there is an organisation that checks up on who has done what.”

— *David Cameron, Prime Minister, United Kingdom, at the 2012 Los Cabos Summit*

## Contents

Preface.....	3
Research Team Based at the University of Toronto .....	4
Introduction and Summary .....	5
Methodology and Scoring System .....	5
Commitment Breakdown .....	5
Selection of Commitments.....	5
Interim Compliance Scores .....	6
Interim Compliance by Member.....	6
Interim Compliance by Commitment.....	6
Table 1: 2015 G20 Antalya Summit Commitments Selected for Compliance Monitoring .....	7
Table 2: 2015 G20 Antalya Summit Interim Compliance Scores.....	8
Table 3: 2015 G20 Antalya Summit Interim Compliance by Country .....	9
Table 4: 2015 G20 Antalya Summit Interim Compliance by Commitment .....	9
Table 5: G20 Compliance by Member, 2008-2015 .....	10
Conclusions .....	11
Future Research and Reports.....	11
Considerations and Limitations.....	11
Appendix: General Considerations .....	12
1. Energy: Fossil Fuel Subsidies .....	13
2. Refugees .....	38
3. Macroeconomics: Fiscal Policies .....	65
4. Macroeconomics: International Monetary Fund.....	93
5. Trade: Protectionism .....	110
6. Financial Regulation: Terrorist Finance.....	131
7. Development: Aid for Trade.....	152
8. Development: Remittances.....	179
9. Development: Tax.....	196
10. Labour and Employment: Gender .....	213

## 1. Energy: Fossil Fuel Subsidies

“We reaffirm our commitment to rationalise and phase-out inefficient fossil fuel subsidies that encourage wasteful consumption, over the medium term, recognising the need to support the poor.”

*G20 Antalya Leaders’ Communiqué*

### Assessment

	No Compliance	Partial Compliance	Full Compliance
Argentina	-1		
Australia	-1		
Brazil	-1		
Canada	-1		
China		0	
France		0	
Germany		0	
India			+1
Indonesia	-1		
Italy		0	
Japan	-1		
Korea	-1		
Mexico	-1		
Russia	-1		
Saudi Arabia		0	
South Africa	-1		
Turkey	-1		
United Kingdom	-1		
United States			+1
European Union	-1		
Average		-0.55	

### Background

At the 2015 Antalya Summit, G20 leaders reiterated their commitment to rationalise and phase-out, over the medium term, inefficient fossil fuel subsidies that encourage wasteful consumption.

At the 2009 Pittsburgh Summit, this commitment was first introduced. National Energy and Finance Ministers committed to assess their respective national circumstances in order to develop implementation strategies and a timeframe, and G20 members asked the International Energy Agency, Organization of the Petroleum Exporting Countries, Organisation for Economic Co-operation and Development, and World Bank (hereafter referred to as the IGO-4) to analyze the existing scope of energy subsidies and provide suggestions for initiative implementation.

At the 2010 Toronto Summit, thirteen G20 members provided specific implementation strategies, and seven remaining members stated that they did not have inefficient fossil fuel subsidies (see Table 1). The IGO-4 presented a report with the analysis and suggestions requested by G20 members at the previous summit.<sup>4</sup>

<sup>4</sup> Analysis of the Scope of Energy Subsidies and Suggestions for the G20 Initiative. IEA, OPEC, OECD, World Bank (Toronto) 16 June 2010. Access Date: 15 February 2016. <http://www.oecd.org/env/45575666.pdf>

At the 2010 Seoul Summit, G20 members re-committed to rationalise and phase-out over the medium term inefficient fossil fuel subsidies, and the IGO-4 released a second report providing 2009 data on fossil fuel consumption subsidies as well as strategies for their phase-out.<sup>5</sup>

At the 2011 Cannes Summit, the IGO-4 provided a third report highlighting the extent of subsidies and other support to fossil-fuel production and consumption, potential economic and environmental benefits of subsidy reform, and guidance on how countries could undertake the reforms while still protecting the poor.<sup>6</sup>

At the 2012 Los Cabos Summit, G20 members requested Finance Ministers to explore options for a voluntary peer review process to assess commitment progress and report progress by the next summit.

At the 2013 St. Petersburg Summit, Finance Ministers presented a Methodology for G-20 Voluntary Peer Reviews on Inefficient Fossil Fuel Subsidies That Encourage Wasteful Consumption.<sup>7</sup>

At the 2014 Brisbane Summit, China and the United States agreed to be the first countries to engage in mutual peer reviews. As well, the World Bank Group prepared a report on transitional policies to assist the poor while rationalizing and phasing out inefficient fossil fuel subsidies that encourage wasteful consumption.

At the 2015 Energy Ministers Meeting, a report providing updates on recent progress relating to this commitment was presented to the G20 Energy Sustainability Working Group.<sup>8</sup> The same year, Germany announced it would serve on both the Chinese and American peer review teams and undergo a peer review of its own. Mexico announced that it would serve on the American peer review team and undergo a peer review as well.

Table 6 describes G20 members' self-reported implementation strategies pertaining to the progressive phase-out of inefficient fossil fuel subsidies and are not supported by material evidence. As such they will not be used to establish members' compliance scores, and are provided for informative purposes only. In this report, Australia, Brazil, France, Japan, Saudi Arabia, South Africa and the United Kingdom all claimed to have efficient fossil fuel subsidies.

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<sup>5</sup> The Scope of Fossil Fuel Subsidies in 2009 and a Roadmap for Phasing out Fossil Fuel Subsidies. IEA, OECD and World Bank (Seoul) 2010. Access Date: 15 February 2016. <http://www.oecd.org/env/cc/46575783.pdf>

<sup>6</sup> Joint Report by IEA, OPEC, OECD and World Bank on Fossil Fuel and Other Energy Subsidies: An update of the G20 Pittsburgh and Toronto Commitments. IEA, OPEC, OECD, World Bank (Paris) 2011. Access Date: 15 February 2016. <http://www.oecd.org/site/tadffss/49006998.pdf>

<sup>7</sup> Methodology for G20 Voluntary Peer Reviews on Inefficient Fossil Fuel Subsidies that Encourage Wasteful Consumption. G20 (Toronto) 2010. Access Date: 15 February 2016. <http://www.g20.org/English/Documents/PastPresidency/201512/P020151228453233373904.pdf>

<sup>8</sup> Update on Recent Progress in Reform of Inefficient Fossil Fuel Subsidies that Encourage Wasteful Consumption. IEA, OECD (Istanbul) 2 October 2015. Access Date: 15 February 2016. <http://www.g20.org/English/Documents/PastPresidency/201512/P020151228338573300315.pdf>

**Table 6: Country-Specific Implementation Strategies, Delivered at the 2012 Los Cabos Summit<sup>9</sup>**

Argentina	Proposes to reduce household subsidy for propane gas consumption as natural gas access is expanded.
Canada	Proposes to implement recently released draft legislation to phase-out the accelerated capital cost allowance for oil sands assets over the 2011-15 period. Previously phased-out other tax preferences applying to fossil fuel producers.
China	Proposes to gradually reduce the urban land-use tax relief for fossil fuel producers.
Germany	Proposes to discontinue subsidized coal mining in a socially acceptable manner by the end of 2018.
India	Proposes to work out implementation strategies and timetables for rationalizing and phasing out inefficient fossil fuel subsidies based on the recommendation of the Empowered Group of Ministers that has been constituted.
Indonesia	Proposes to phase-out inefficient fossil fuel subsidies in a gradual manner in parallel with managing demand by adopting measures that will reduce fossil fuel energy consumption and by gradually narrowing the gap between domestic and international prices.
Italy	Proposes to continue with the planned expiration of subsidies for certain cogeneration plants, and negotiate on a voluntary basis with private operators of these plants the timing of their recess from the subsidy scheme.
Korea	Proposes to phase-out subsidies to anthracite coal and briquette producers.
Mexico	Proposes to continue current policies. Based on current market conditions, subsidies to gasoline, diesel, and liquid petroleum gas are expected to disappear in the medium term.
Russia	Proposes to implement the commitment to rationalise and phase-out inefficient fossil fuel subsidies through national economic and energy policy, within the framework of its Energy Strategy 2030 and the Concept of Long-Term Social and Economic Development, as well as in the context of its accession to the World Trade Organization.
Turkey	Proposes to work on a restructuring plan to rationalise the inefficient producer subsidies transferred to a stated-owned hard coal producing enterprise.
United States	Proposes to pass legislation to eliminate 12 preferential tax provisions related to the production of coal, oil and natural gas.

### **Commitment Features**

This commitment has two parts: 1) rationalizing and phasing out fossil fuel subsidies over the medium term and 2) providing support for the poor.

#### **Part 1 — Fossil Fuel Subsidies (FFS):**

According to the 2015 United Nations Environmental Programme “Fossil Fuel Subsidy Policy Brief,”<sup>10</sup> fossil fuel subsidies have important policy objectives because, in theory, they can protect the poor from fluctuating fuel prices, exploit natural resources for the benefit of the citizens of energy rich countries, and boost the competitiveness of domestic industries. In reality, however, subsidies have negative impacts on the environment, absorb substantial fiscal resources, fail to benefit targeted groups, and encourage excessive consumption of energy. Furthermore, FFS are highly regressive in that the richest 20 per cent of households receive more than 40 per cent of the benefits from energy subsidies. This drains public finances and reduces funds available for addressing social and

<sup>9</sup> G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies. G20 Research Group (Toronto) 4 September 2013. Access Date: 15 February 2016. <http://www.g20.utoronto.ca/compliance/2012loscabos-final/11-2012-g20-compliance-final.pdf>.

<sup>10</sup> Fossil Fuel Subsidies Policy Brief (Geneva) 2015 Access Date: 15 February 2016 [http://www.unep.org/greeneconomy/Portals/88/documents/GE\\_BriefFossilFuelSubsidies\\_EN\\_Web.pdf](http://www.unep.org/greeneconomy/Portals/88/documents/GE_BriefFossilFuelSubsidies_EN_Web.pdf)

developmental objectives. Cheap fossil fuels also render low-carbon energy options more expensive and undermine progress towards a green economy.

While there is no universal definition of a subsidy, the WTO has developed a general definition that is accepted by 153 member states. There are various types of FFS:<sup>11</sup>

- Direct financial transfers: e.g. fuel vouchers or grants to producers or consumers
- Trade instruments: e.g. tariffs on imports of crude oil and petroleum products, making domestic fuel production more lucrative, quotas and restrictions
- Regulations: e.g. gasoline prices regulated at below international market levels, regulations that prioritise the use of domestic coal for power generation, market-access restrictions
- Tax breaks: e.g. favourable tax deductions for depletion or investment in oil and gas fields and coal deposits, excise exemptions for fuels used in international air, rail or water transport
- Credits: e.g. loan guarantees to finance energy infrastructure or preferential rates on loans to producers
- Risk transfers: e.g. insurance or indemnification provided to fossil-fuel producers at below-market levels, limitation of financial liability
- Below-full cost access to government goods and services: e.g. provision of seismic data for oil and gas exploration.

We will undergo compliance analysis with the understanding that all subsidies are inefficient and hence all FFS encourage wasteful consumption.

## Part 2 — Targeted Support for the Poor:

In this commitment, the G20 also recognized the need to support the poor. The World Bank found that even though FFS are economically inefficient, “price increases from the removal of fossil-fuel subsidies are likely to adversely affect lower-income households who are already struggling.” The report by the World Bank, submitted to the G20, identified two broad types of approaches available to members seeking to reduce subsidies and support the poor: 1) improving the poverty targeting of existing subsidies, including limiting the number of subsidized goods to those used by the poor or limiting the quantities subsidized; and 2) introducing or strengthening other forms of support for the livelihoods of the poor, in cash or in-kind.

Compensation measures for vulnerable households and businesses can help cushion them against the adverse impacts of rising fuel prices following subsidy removal, but they need to be adapted to each member’s domestic circumstances. Complementary measures such as broader energy sector improvements, communication campaigns to inform the public about reform objectives and expected impacts, and a supportive administrative apparatus will ensure smooth implementation of subsidy reforms.

In addition to assessing whether action is taken to rationalise and phase-out fossil fuel subsidies, G20 members will also be evaluated on their efforts to provide support for the poor.

### Scoring Guidelines

-1	Member did not rationalise or phase-out fossil fuel subsidies over the medium term AND did not support the poor.
0	Member rationalised and phased-out fossil fuel subsidies over the medium term BUT did not support the poor.
+1	Member rationalised and phased-out fossil fuel subsidies over the medium term AND provided support to the poor.

*Lead Analyst: Grace Lee*

<sup>11</sup> Fossil Fuel Subsidies Policy Brief (Geneva) 2015 Access Date: 15 February 2016  
[http://www.unep.org/greeneconomy/Portals/88/documents/GE\\_BriefFossilFuelSubsidies\\_EN\\_Web.pdf](http://www.unep.org/greeneconomy/Portals/88/documents/GE_BriefFossilFuelSubsidies_EN_Web.pdf)

## Argentina: -1

Argentina has failed to comply with its commitment to rationalise and phase-out inefficient fossil fuel subsidies, over the medium term, while recognizing the need to support the poor.

President Macri was sworn in on 10 December 2015 and in the early stages of his presidency, he has maintained a “controlled or fixed price of oil at USD67.50 a barrel for Medanito crude quality oil.”<sup>12</sup> This provides oil companies with the incentive to pump out as much oil and gas as possible. He has also set the prices of new production at USD7.5/MBTU “in an attempt to improve the attractiveness of investing in Argentine gas deposits.”<sup>13</sup>

On 17 December 2015 Argentina’s state-run energy company YPF announced that they will “invest USD500 million into exploitation program at the El Orejano gas field.”<sup>14</sup> President Macri emphasized that gas production aid job creation and economic development in Argentina.

In late January 2015, the Argentine government announced big hikes in wholesale electricity rates starting in February as a result of subsidy removal, but did not confirm specific number increases.<sup>15</sup> Analysts have predicted that electricity bills will increase by as much as 500 per cent,<sup>16</sup> but the government has promised to provide rate discounts to homes that reduce their power consumption compared with the same period of the previous year, or if consumption is less than 300 kilowatts per month.<sup>17</sup> Despite these promised fee reductions for all consumers, Argentina has yet to develop a specific plan to support the poor.

On 11 March 2016, the energy ministry announced “Considering that the price of crude oil has been in sharp decline over the past two years, it is necessary to apply stimulus measures to mitigate the impact of such reductions on the level of activity and local employment.” The Ministry confirmed that exporters of heavy crude from Argentina would receive a subsidy of USD7.50 per barrel from the government as long as international prices remain under USD47.50 per barrel.<sup>18</sup>

On 1 April 2016, the government announced subsidy cuts as part of a new fiscal austerity plan, whereby Argentines will pay higher rates for natural gas consumption. In some areas, it is expected that heating prices will go up by 300 per cent.<sup>19</sup>

Argentina has lowered market regulation and provided incentive for the fossil fuel industry to grow in the country. It has also removed energy subsidies that have significantly increased the price of electricity impacting the poor.

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<sup>12</sup> Argentina looks to replicate US Oil and Gas Boom, BN Americas 26 February 2016. Access Date: 10 March 2016. <http://www.bnamericas.com/en/intelligence-series/oilandgas/argentina-looks-to-replicate-us-oil-and-gas-boom/#>

<sup>13</sup> Argentina looks to replicate US Oil and Gas Boom, BN Americas 26 February 2016. Access Date: 10 March 2016. <http://www.bnamericas.com/en/intelligence-series/oilandgas/argentina-looks-to-replicate-us-oil-and-gas-boom/#>

<sup>14</sup> Shale Pioneer McClendon Joins YPF in \$500 million Argentina Deal, Bloomberg. 15 January 2016. Access Date: 10 March 2016. <http://www.bloomberg.com/news/articles/2016-01-14/shale-pioneer-mcclendon-joins-ypf-in-500-million-argentina-deal>

<sup>15</sup> Argentina announces big hikes in electric rates, removes subsidies, Fox News Latino (Argentina) 27 January 2016. Access Date: 22 February 2016. <http://latino.foxnews.com/latino/news/2016/01/27/argentina-announces-big-hikes-in-electric-rates-removes-subsidies>.

<sup>16</sup> Argentina to raise electricity bills by as much as 500 per cent, Bloomberg Business (New York) 29 January 2016. Access Date: 22 February 2016. <http://www.bloomberg.com/news/articles/2016-01-29/argentina-to-raise-electricity-bills-by-as-much-as-500-per-cent>.

<sup>17</sup> Argentina announces big hikes in electric rates, removes subsidies, Fox News Latino (Argentina) 27 January 2016. Access Date: 22 February 2016. <http://latino.foxnews.com/latino/news/2016/01/27/argentina-announces-big-hikes-in-electric-rates-removes-subsidies/>.

<sup>18</sup> Argentina to subsidize oil exports to compensate for low prices, Reuters, 11 March 2016, Date Accessed 11 April 2016 <http://www.reuters.com/article/us-argentina-oil-idUSKCN0WD1FM>

<sup>19</sup> Argentine home heating prices to rise after years of subsidies, Reuters, 1 April 2016, Date Accessed 11 April 2016 <http://af.reuters.com/article/energyOilNews/idAFL2N1741JR>

Thus, Argentina has received a score of -1.

*Analyst: Rinchen-Dolma Karma*

### **Australia: -1**

Australia has failed to comply with its commitment to rationalise and phase-out inefficient fossil fuel subsidies, over the medium term, while recognizing the need to support the poor.

On 30 November 2015, it was reported that the Australian government is continuing to subsidize diesel to farmers and miners.<sup>20</sup> The government pays 38 cents per liter of diesel, and has allocated USD3.9 billion in its annual budget.<sup>21</sup>

On 1 December 2015, Australia refused to sign the communiqué supporting the reform of fossil fuel subsidies at the Paris Climate Summit, where 40 countries agreed to phase-out inefficient government subsidies for the use of coal, gas, and oil.<sup>22</sup> It cited concern for its current multi-billion-dollar diesel fuel rebate for farmers and miners.<sup>23</sup>

On 24 February 2016, the Australian Minister for Industry, Innovation and Science, Christopher Pyne said that “the Australian Government was investing USD15.4 million over four years in the growth centre.”<sup>24</sup> This Growth Centre will “drive innovation, competitiveness and productivity across the oil, gas, coal and uranium sectors.”<sup>25</sup> In particular, the centre will focus on “improving knowledge and techniques needed to unlock Australia’s marginal gas resources like coal-seam gas.”<sup>26</sup> The centre will be headed by “long-time oil and gas executive, Ken Fitzpatrick.”

Australia has publicly refused to support the reform of current fossil fuel subsidies and made a direct investment into the fossil fuel industry. They have also failed to take any measures to provide targeted support to the poor.

Thus, Australia has received a score of -1.

*Analyst: Yalda Mehran*

### **Brazil: -1**

Brazil has failed to comply with its commitment to rationalise and phase-out inefficient fossil fuel subsidies, over the medium term, while recognizing the need to support the poor.

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<sup>20</sup> COP21 Paris climate talks: Australia U-turn on fossil-fuel reform, Financial Times 30 November 2015. Access Date: 28 February 2016. <http://www.ft.com/intl/cms/s/0/2e7b7b34-9764-11e5-9228-87e603d47bdc.html#axzz41RF8l6rz>.

<sup>21</sup> COP21 Paris climate talks: Australia U-turn on fossil-fuel reform, Financial Times 30 November 2015. Access Date: 28 February 2016. <http://www.ft.com/intl/cms/s/0/2e7b7b34-9764-11e5-9228-87e603d47bdc.html#axzz41RF8l6rz>.

<sup>22</sup> Paris UN Climate Conference 2015: Australia rejects fossil fuel pledge, Sydney Morning Herald 1 December 2015. Access Date: 28 February 2016. <http://www.smh.com.au/environment/un-climate-conference/paris-un-climate-conference-2015-australia-rejects-fossil-fuel-pledge-20151130-glbw4s.html#ixzz41QTOT4A>.

<sup>23</sup> Paris climate talks: Australia won't sign fossil fuel missive due to Nationals concerns about diesel rebate, ABC News 30 November 2015. Access Date: 28 February 2016. <http://www.abc.net.au/news/2015-11-30/australia-won't-sign-fossil-fuel-deal-at-paris-talks/6988380>.

<sup>24</sup> Energy Resources Growth Centre Launched, Pyne Online 24 February 2016. Access Date: 9 March 2016. <https://www.pyneonline.com.au/media-centre/media-releases/energy-resources-growth-centre-launched>

<sup>25</sup> Energy Resources Growth Centre Launched, Pyne Online 24 February 2016. Access Date: 9 March 2016. <https://www.pyneonline.com.au/media-centre/media-releases/energy-resources-growth-centre-launched>

<sup>26</sup> Coalition digs deeper into fossil fuels with new “growth centre”, Renew Economy 25 February 2016. Access Date: 9 March 2016. <http://reneweconomy.com.au/2016/coalition-digs-deeper-into-fossil-fuels-with-new-growth-centre-82395>

On 15 January 2016, President Dilma Rousseff stated that her administration would be evaluating government assistance to Petrobras in the event energy market conditions continue to deteriorate.<sup>27</sup> This was reiterated on 25 January 2016 by Jorge Camargo, head of Brazil's oil industry association, IBP, who met with President Rousseff and shared that she plans to introduce a stimulus package for the oil industry.<sup>28</sup> This would include a reduction of the tax on importation of equipment and construction of equipment in Brazil for oil exploration and production.<sup>29</sup>

On 9 March 2016, President Rousseff approved a new stimulus package as are part of a resolution by the National Council of Energy Policies (CNPE), unlocking up to USD120 billion of investment in the country's oil sector. These measures include extending the term of concession contracts for exploration and tax exemptions for the industry until 31 December 2020, which aim to benefit the entire industry chain according to Energy Minister Eduardo Braga.<sup>30</sup>

In 2015, according to the International Monetary Fund, Brazil's post-tax subsidies as a percent of Gross Domestic Product amounted to 2.35 per cent or USD 271.17 per capita.<sup>31</sup> No evidence was found suggesting that these subsidies were rolled back during the compliance period.

In January 2015, the World Bank produced a report entitled Fossil Fuel Subsidy and Pricing Policies. The report criticized the Brazilian governments relationship of Petrobras stating, "The official position of the Government of Brazil is that the downstream petroleum sector was completely deregulated effective January 2002. The government has nevertheless continued its informal policy of keeping domestic prices of petroleum products artificially low through losses suffered by Petrobras, a semi-public oil company that controls more than 99 per cent of the refining capacity in the country."<sup>32</sup> Furermore, the report cited that state-owned energy companies such as Petrobras, have come under political pressure to set artificially low prices without an official re-introduction of price subsidies.<sup>33</sup> These artificioally low prices aim to curb competiton and aim to increase consumption.

Brazil has increased subsidies to oil producers and failed to roll back existing subsidies.

Thus, Brazil has received a score of -1.

*Analyst: Laila Kanji*

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<sup>27</sup> Brazil's Rousseff Says She Won't Rule Out Petrobras Rescue, Bloomberg Business 15 January 2016. Access Date: 25 February 2016. <http://www.bloomberg.com/news/articles/2016-01-15/brazil-s-rousseff-says-she-won-t-rule-out-petrobras-rescue>.

<sup>28</sup> Brazil oil rules block \$120 billion in investment: IBP, Reuters 25 January 2016. Access Date: 20 February 2016. <http://www.reuters.com/article/us-brazil-oil-regulations-idUSKCN0V32GR>.

<sup>29</sup> Brazil oil rules block \$120 billion in investment: IBP, Reuters 25 January 2016. Access Date: 20 February 2016. <http://www.reuters.com/article/us-brazil-oil-regulations-idUSKCN0V32GR>.

<sup>30</sup> Brazil Extends Contracts and Tax Breaks for Oil & Gas Industry, riotimesonline, 10 March 2016, Date Accessed 10 April 2016

<http://riotimesonline.com/brazil-news/rio-business/brazil-extends-contracts-and-tax-breaks-for-oilgas-industry/#>

<sup>31</sup> IMF Survey : Counting the Cost of Energy Subsidies, IMF 17 July 2015. Access Date: 21 July 2016.

<http://www.imf.org/external/pubs/ft/survey/so/2015/NEW070215A.htm>

<sup>32</sup> Fossil Fuel Subsidy and Pricing Policies Recent Developing Country Experience, World Bank Group January 2016, Access Date: 21 July 2016.

<http://poseidon01.ssrn.com/delivery.php?ID=266082064082024029090020103093002000069015002033002030090053015123058034007051106099097126118119065001033040063006028072105001001000070016086067089018126086098087096087112125110090021124094&EXT=pdf>

<sup>33</sup> Fossil Fuel Subsidy and Pricing Policies Recent Developing Country Experience, World Bank Group January 2016, Access Date: 21 July 2016.

<http://poseidon01.ssrn.com/delivery.php?ID=266082064082024029090020103093002000069015002033002030090053015123058034007051106099097126118119065001033040063006028072105001001000070016086067089018126086098087096087112125110090021124094&EXT=pdf>

## Canada: -1

Canada has not complied with its commitment to rationalise and phase-out inefficient fossil fuel subsidies, over the medium term, while recognizing the need to support the poor.

On 30 November 2015, Prime Minister Justin Trudeau outlined that support for and implementation of policies that contribute to a low-carbon economy is one of the five foundational principles upon which Canada's actions against climate change is based.<sup>34</sup> He stated that Canada had "endorsed the Fossil Fuel Subsidy Reform Communiqué, in support of accelerating action to eliminate inefficient fossil fuel subsidies."<sup>35</sup>

In early January 2016, Financial Minister Bill Morneau's federal budget consultation tour across the country reported that the Liberal Party's promise to "continue phasing out fossil fuel subsidies is projected to save CAD125 million in 2017-2018 and CAD250 million the following year."<sup>36</sup> This was confirmed by the newly appointed Minister of Environment and Climate Change Catherine McKenna, who indicated that the plan of "phasing out of fossil fuel subsidies," along with an endowment to the Low Carbon Economy trust of CAD2 million and a boost to investment in green infrastructure by CAD6 billion in the next 4 years, is scheduled to be realized over the course of the medium term of 2 to 5 years.<sup>37</sup>

On 25 February 2016, Export Development Canada, a federal crown corporation, stated that it designated CAD750 million to provide financial services, including loans and guarantees, to small and medium-sized Canadian energy firms weathering through low oil prices.<sup>38</sup>

On 23 March 2016, Canada's Natural Resources Minister Jim Carr announced that given the decline in oil prices, now was not the moment to phase out fossil fuel subsidies, despite a campaign promise to "phase out subsidies to the fossil fuel industry over the medium-term." He further went on to state that "there are all kinds of issues that are important in the oil and gas industry right now and the government wants to express its support for the industry in a variety of ways...Those are the priorities the government has chosen."<sup>39</sup>

While Canada has publicly endorsed the phasing out of fossil fuel subsidies over the medium term, it has chosen not to phase out subsidies to the oil and gas sector. No evidence was found with regards to supporting the poor.

Thus, Canada has received a score of -1.

*Analyst: Rinchen-Dolma Karma*

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<sup>34</sup> Address by Prime Minister Justin Trudeau in Canada, Minister of Environment and Climate Change (Ottawa) 12 December 2015. Access Date: 22 February 2016. <http://news.gc.ca/web/article-en.do?nid=1024629>.

<sup>35</sup> Address by Prime Minister Justin Trudeau in Canada, Minister of Environment and Climate Change (Ottawa) 12 December 2015. Access Date: 22 February 2016. <http://news.gc.ca/web/article-en.do?nid=1024629>.

<sup>36</sup> The Big Shortfall: Preparing the budget promises to be a mammoth financial headache for Liberals, National Post Canadian Politics Section (Toronto) 23 January 2016. Access Date: 22 February 2016. <http://news.nationalpost.com/news/canada/canadian-politics/the-big-shortfall-preparing-the-budget-promises-to-be-a-mammoth-financial-headache-for-liberals>.

<sup>37</sup> Meet Your New Climate Change Minister, Green Business Canada Magazine (Edmonton) 23 November 2015. Access Date: 21 February 2016. <http://businessofgreen.ca/meet-your-new-climate-change-minister/>.

<sup>38</sup> EDC earmarks \$750 million to help energy firms weather oil price drop, The Globe and Mail, 25 February 2016, Date Accessed 15 April 2016 <http://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/edc-earmarks-750-million-to-help-energy-firms-weather-oil-price-drop/article28920058/>

<sup>39</sup> Fossil Fuel Subsidies to Remain in Place, Despite Liberal's 'Greenest' Budget Ever, The Huffington Post, 24 March 2016, Date Accessed 15 April 2016 [http://www.huffingtonpost.ca/2016/03/24/oil-patch-woes-give-federal-liberals-cold-feet-on-cutting-fossil-fuel-subsidies\\_n\\_9535232.html](http://www.huffingtonpost.ca/2016/03/24/oil-patch-woes-give-federal-liberals-cold-feet-on-cutting-fossil-fuel-subsidies_n_9535232.html)

## China: 0

China has partially complied with its commitment to rationalise and phase out inefficient fossil fuel subsidies, over the medium term, while recognizing the need to support the poor.

On 2 December 2015, during the Paris Climate Conference, the State Council announced plans to upgrade coal-fired generators to reduce pollutants by 60 per cent and close inefficient plants by the end of 2020.<sup>40</sup> The Chinese government stated that this would save approximately 100 million tonnes of raw coal and cut carbon dioxide emissions by 180 million tonnes per annum.<sup>41</sup>

On 9 December 2015, the National Development and Reform Commission announced that it would pay subsidies of RMB0.001/kWh for power plants meeting coal emission requirements before 1 January 2016.<sup>42</sup> For those meeting requirements after that date, the subsidy will be RMB0.005/kWh.<sup>43</sup>

On 23 December 2016, the State Council announced that the price of electricity generated by coal-fired power plants would be cut by RMB0.03/kWh in order to “reduce the burden on enterprises and cut emissions,” and to “reduce the price for businesses, upgrade power plants to ones with low emissions and to increase supply of renewable energy.”<sup>44</sup>

On 30 December 2015, Nur Bekri, head of the National Energy Administration, announced that the Chinese government plans to reduce coal consumption from 64.6 per cent to below 62 per cent in 2016.<sup>45</sup> To support this goal, the Chinese government has suspended new coal mining sites for three years, beginning in 2016.<sup>46</sup>

On 24 March 2016, the country’s energy regulator stated that it would halt construction of coal-fired plants in 15 regions across the country. In addition, China would also stop approving new projects in as many as 13 provinces and regions until 2018. According to Greenpeace, if the rules are fully implemented, it would involve up to 250 power projects with a total of 170 gigawatts (GW) in capacity.<sup>47</sup>

China has taken steps to phase out fossil fuel subsidies by closing inefficient plants, reducing prices of electricity generated by coal-fired power plants, and suspending new coal mining sites for three years. However, there is no evidence that it has taken any measures to ensure support for vulnerable populations.

Thus, China has received a score of 0.

*Analyst: Anju Xing*

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<sup>40</sup> China says to cut power sector emissions by 60 per cent by 2020, Reuters (Beijing) 2 December 2015. Access Date: 20 February 2016. <http://www.reuters.com/article/us-climatechange-summit-china-emissions-idUSKBNOTL17J20151203>.

<sup>41</sup> China says to cut power sector emissions by 60 per cent by 2020, Reuters (Beijing) 2 December 2015. Access Date: 20 February 2016. <http://www.reuters.com/article/us-climatechange-summit-china-emissions-idUSKBNOTL17J20151203>.

<sup>42</sup> China offers bonus to coal power plants to meet emissions rules, Reuters (Beijing) 9 December 2015. Access Date: 20 February 2016. <http://www.reuters.com/article/us-china-coal-power-idUSKBNOTS11320151209>.

<sup>43</sup> China offers bonus to coal power plants to meet emissions rules, Reuters (Beijing) 9 December 2015. Access Date: 20 February 2016. <http://www.reuters.com/article/us-china-coal-power-idUSKBNOTS11320151209>.

<sup>44</sup> China cuts coal-fired power price, Xinhua News (Beijing) 23 December 2015. Access Date: 20 February 2016. [http://news.xinhuanet.com/english/2015-12/23/c\\_134945743.htm](http://news.xinhuanet.com/english/2015-12/23/c_134945743.htm).

<sup>45</sup> 13.2 pct of China's energy consumption to be non-fossil fuels in 2016, Xinhua News (Beijing) 30 December 2015. Access Date: 20 February 2016. [http://news.xinhuanet.com/english/2015-12/30/c\\_134962530.htm](http://news.xinhuanet.com/english/2015-12/30/c_134962530.htm).

<sup>46</sup> 13.2 pct of China's energy consumption to be non-fossil fuels in 2016, Xinhua News (Beijing) 30 December 2015. Access Date: 20 February 2016. [http://news.xinhuanet.com/english/2015-12/30/c\\_134962530.htm](http://news.xinhuanet.com/english/2015-12/30/c_134962530.htm).

<sup>47</sup> China to halt construction of coal-fired plants in 15 regions, Reuters, 24 March 2016, Date Accessed 16 April 2016 <http://uk.reuters.com/article/china-power-coal-idUKL3N16W322>

## France: 0

France has partially complied with its commitment to rationalise and phase-out inefficient fossil fuel subsidies, over the medium term, while recognizing the need to support the poor.

On 30 November 2015, France, along with 40 other countries endorsed the Fossil Fuel Subsidy Reform Communiqué presented to the United Nations Framework Convention on Climate Change (UNFCCC).<sup>48</sup> The Communiqué “calls on the international community to increase efforts to phase-out subsidies for fossil fuel production and use.”<sup>49</sup>

On 13 January 2016, the Ministry of Ecology, Sustainable Development and Energy granted permission for the launch of research related to conventional hydrocarbons in Champfolie and Herbsheim, but postponed the two others in the Scattered Islands.<sup>50</sup> Minister Ségolène Royal announced that starting 2016, any new application for exploration permissions for fossil fuels would be refused.<sup>51</sup> The proposed changes were in accordance with the bill on transition énergétique enacted earlier in August 2015, through which France anticipates a reduction in the consumption of fossil fuels of 30 per cent from 2012 to 2030.<sup>52</sup>

On 1 February 2016, the French government introduced the construction of 1000 kilometers of solar panels over the next five years.<sup>53</sup> As the Minister of Environment Ségolène Royal highlighted, the program “Wattway” will eventually furnish 5 million people with electricity, equaling to 8 per cent of the French population.<sup>54</sup>

France has reduced inefficient exploration subsidies for fossil fuels, but it has not shown dedication to helping the poor through any measures.

Thus, France has received a score of 0.

*Analyst: Olivier Li*

## Germany: 0

Germany has partially complied with its commitment to rationalise and phase-out inefficient subsidies that encourage wasteful consumption, while recognizing the need to support the poor.

On 30 November 2015, Germany, along with 40 other countries endorsed the Fossil Fuel Subsidy Reform Communiqué presented to the United Nations Framework Convention on Climate Change

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<sup>48</sup> Fossil-Fuel Subsidy Reform Communiqué Presented to UNFCCC (New Zealand) 30 November 2015. Access Date: 21 February 2016. <http://climate-l.iisd.org/news/fossil-fuel-subsidy-reform-communique-presented-to-unfccc/>.

<sup>49</sup> Fossil-Fuel Subsidy Reform Communiqué Presented to UNFCCC (New Zealand) 30 November 2015. Access Date: 21 February 2016. <http://climate-l.iisd.org/news/fossil-fuel-subsidy-reform-communique-presented-to-unfccc/>.

<sup>50</sup> La France N'accordera Plus de Permis de Recherches d'Hydrocarbures Conventionnels, Up Inspirer Le Quotidien 12 January 2016. Access Date: 15 February 2016. <http://www.up-inspirer.fr/19799-la-france-naccordera-plus-de-permis-de-recherches-dhydrocarbures-conventionnels-royal>.

<sup>51</sup> La France N'accordera Plus de Permis de Recherches d'Hydrocarbures Conventionnels, Up Inspirer Le Quotidien 12 January 2016. Access Date: 15 February 2016. <http://www.up-inspirer.fr/19799-la-france-naccordera-plus-de-permis-de-recherches-dhydrocarbures-conventionnels-royal>.

<sup>52</sup> La France N'accordera Plus de Permis de Recherches d'Hydrocarbures Conventionnels, Up Inspirer Le Quotidien 12 January 2016. Access Date: 15 February 2016. <http://www.up-inspirer.fr/19799-la-france-naccordera-plus-de-permis-de-recherches-dhydrocarbures-conventionnels-royal>.

<sup>53</sup> France's 'Wattway' Solar Road Set To Power Millions Of Homes, The Huffington Post Canada 12 February 2016. Access Date: 15 February 2016. [http://www.huffingtonpost.ca/2016/02/11/france-solar-road-wattway\\_n\\_9190024.html](http://www.huffingtonpost.ca/2016/02/11/france-solar-road-wattway_n_9190024.html).

<sup>54</sup> France's 'Wattway' Solar Road Set To Power Millions Of Homes, The Huffington Post Canada 12 February 2016. Access Date: 15 February 2016. [http://www.huffingtonpost.ca/2016/02/11/france-solar-road-wattway\\_n\\_9190024.html](http://www.huffingtonpost.ca/2016/02/11/france-solar-road-wattway_n_9190024.html).

(UNFCCC).<sup>55</sup> The Communiqué “calls on the international community to increase efforts to phase-out subsidies for fossil fuel production and use.”<sup>56</sup>

On 30 November 2015, the World Bank reported that Germany, along with three other European countries and the World Bank Group announced a USD500 million initiative for developing countries to tackle climate change.<sup>57</sup> Developing countries that remove or reduce fossil fuel subsidies and replace them with more renewable forms of energy would be paid for emission cuts, leading to low carbon development and a reduction in carbon cities.<sup>58</sup> The initiative is stated to start operating in 2016.<sup>59</sup>

In November 2015, Germany was reported to be the only country to successfully “integrate tax expenditures with subsidies in their annual budget.”<sup>60</sup> It has remained determined to eliminate its coal industry and has effective plans in place for stakeholders in coal production, including early retirement schemes for current workers, and sharing costs of closures and liabilities with the industry.<sup>61</sup>

On 3 December 2015, German consumers were reported to be bearing the costs of transitions to renewable energy, reflected in its higher electricity rates compared to other countries.<sup>62</sup> The price of government projects is estimated to be EUR550 billion, or about USD97 billion, by 2050.<sup>63</sup>

Germany has reduced inefficient subsidies for fossil fuels, but has not introduced targeted measures to help the poor, with evidence that all consumers are bearing the cost of the transition to renewable energy.

Thus, Germany has received a score of 0.

*Analyst: Novera Khan*

## **India: +1**

India has fully complied with its commitment to rationalise and phase-out inefficient fossil fuel subsidies, over the medium term, while recognizing the need to support the poor.

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<sup>55</sup> Fossil-Fuel Subsidy Reform Communiqué Presented to UNFCCC (New Zealand) 30 November 2015. Access Date: 21 February 2016. <http://climate-l.iisd.org/news/fossil-fuel-subsidy-reform-communicue-presented-to-unfccc/>.

<sup>56</sup> Fossil-Fuel Subsidy Reform Communiqué Presented to UNFCCC (New Zealand) 30 November 2015. Access Date: 21 February 2016. <http://climate-l.iisd.org/news/fossil-fuel-subsidy-reform-communicue-presented-to-unfccc/>.

<sup>57</sup> Press Release: New \$500 million initiative to boost large scale climate action in developing countries, The World Bank 30 November 2015. Access Date: 23 February 2016. <http://www.worldbank.org/en/news/press-release/2015/11/30/new-500-million-initiative-to-boost-large-scale-climate-action-in-developing-countries>.

<sup>58</sup> Press Release: New \$500 million initiative to boost large scale climate action in developing countries, The World Bank 30 November 2015. Access Date: 23 February 2016. <http://www.worldbank.org/en/news/press-release/2015/11/30/new-500-million-initiative-to-boost-large-scale-climate-action-in-developing-countries>.

<sup>59</sup> Press Release: New \$500 million initiative to boost large scale climate action in developing countries, The World Bank 30 November 2015. Access Date: 23 February 2016. <http://www.worldbank.org/en/news/press-release/2015/11/30/new-500-million-initiative-to-boost-large-scale-climate-action-in-developing-countries>.

<sup>60</sup> Empty promises: G20 subsidies to oil, gas and coal production, Overseas Development Institute November 2015. Access Date: 23 February 2016. <http://www.odi.org/publications/10058-production-subsidies-oil-gas-coal-fossil-fuels-g20-broken-promises>.

<sup>61</sup> Empty promises: G20 subsidies to oil, gas and coal production, Overseas Development Institute November 2015. Access Date: 23 February 2016. <http://www.odi.org/publications/10058-production-subsidies-oil-gas-coal-fossil-fuels-g20-broken-promises>.

<sup>62</sup> Germany May Offer Model for Reining In Fossil Fuel Use, The New York Times 3 December 2015. Access Date: 23 February 2016. [http://www.nytimes.com/2015/12/04/world/europe/germany-may-offer-model-for-reining-in-fossil-fuel-use.html?\\_r=0](http://www.nytimes.com/2015/12/04/world/europe/germany-may-offer-model-for-reining-in-fossil-fuel-use.html?_r=0).

<sup>63</sup> Germany May Offer Model for Reining In Fossil Fuel Use, The New York Times 3 December 2015. Access Date: 23 February 2016. [http://www.nytimes.com/2015/12/04/world/europe/germany-may-offer-model-for-reining-in-fossil-fuel-use.html?\\_r=0](http://www.nytimes.com/2015/12/04/world/europe/germany-may-offer-model-for-reining-in-fossil-fuel-use.html?_r=0).

On 30 November, Prime Minister Narendra Modi addressed India's role in climate change at the United Nations Climate Change Conference to be held in December.<sup>64</sup> He addressed phasing out fossil fuels in his speech, stating: "We are reducing dependence on fossil fuel through levies and reduction in subsidies; switching sources of fuel where possible; and, transforming cities and public transportation."<sup>65</sup>

On 1 January 2016, the Indian government announced a scheme to implement Direct Benefit Transfers for Kerosene Subsidies, which are set to start early April.<sup>66</sup> This was set up in order to avoid leakages and fully integrate underprivileged sectors.<sup>67</sup>

On 9 January 2016, Oil Minister Dharmendar Pradhan released a statement on the impact of this policy towards the poor, "volunteering to give up LPG [liquefied petroleum gas] subsidy amount to contributing for national development & empowerment of poor people, who will be the beneficiary."<sup>68</sup>

On 17 February 2016, the Indian government proposed subsidy cuts for higher income households.<sup>69</sup> The Oil Ministry issued a statement indicating that "there will be no subsidy for cooking gas cylinders if either the registered consumer, or his/her spouse have an annual taxable income of more than Rs10 lakh."<sup>70</sup>

On 29 February 2016, Finance Minister Arun Jaitley presented the annual Union Budget 2016-2017.<sup>71</sup> It posits petroleum subsidies at a 10.76 per cent share from overall subsidies, a decrease from last year's share of 11.64 per cent.<sup>72</sup> The budget also includes increased taxes on fuels, with its "clean energy cess increased from Rs200 per ton to Rs400 per ton on coal, lignite and peat."<sup>73</sup>

In line with the proposals in the Budget, the Finance Minister has "proposed phase-out of tax concession to commissioned projects under Section 80-IA of the Income Tax Act, raising costs of

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<sup>64</sup> Narendra Modi's at COP21 in Full, The Wall Street Journal India edition (Paris) 1 December 2015. Access Date: 25 February 2016. <http://blogs.wsj.com/indiarealtime/2015/12/01/narendra-modis-speech-at-cop21-in-full/>.

<sup>65</sup> Narendra Modi's at COP21 in Full, The Wall Street Journal India edition (Paris) 1 December 2015. Access Date: 25 February 2016. <http://blogs.wsj.com/indiarealtime/2015/12/01/narendra-modis-speech-at-cop21-in-full/>.

<sup>66</sup> Government Announces Direct Transfer Benefits Scheme for Kerosene Subsidy, Business Standard (New Delhi) 1 January 2016. Access Date: 18 February 2016. [http://www.business-standard.com/article/economy-policy/govt-announces-direct-benefit-transfer-scheme-for-kerosene-subsidy-116010100799\\_1.html](http://www.business-standard.com/article/economy-policy/govt-announces-direct-benefit-transfer-scheme-for-kerosene-subsidy-116010100799_1.html).

<sup>67</sup> Government Announces Direct Transfer Benefits Scheme for Kerosene Subsidy, Business Standard (New Delhi) 1 January 2016. Access Date: 18 February 2016. [http://www.business-standard.com/article/economy-policy/govt-announces-direct-benefit-transfer-scheme-for-kerosene-subsidy-116010100799\\_1.html](http://www.business-standard.com/article/economy-policy/govt-announces-direct-benefit-transfer-scheme-for-kerosene-subsidy-116010100799_1.html).

<sup>68</sup> Jaitley Gives up Subsidised LPG, The Hindu (New Delhi) 9 January 2015. Access Date: 18 February 2016. <http://www.thehindu.com/news/national/jaitley-gives-up-subsidised-lpg/article6772175.ece>.

<sup>69</sup> No more LPG Subsidy If You Earn Above Rs 10 Lakh A Year, Times of India (New Delhi) 29 December 2015. Access Date: 17 February 2016. <http://timesofindia.indiatimes.com/india/No-more-LPG-subsidy-if-you-earn-above-Rs-10-lakh-a-year/articleshow/50360841.cms>.

<sup>70</sup> No more LPG Subsidy If You Earn Above Rs 10 Lakh A Year, Times of India (New Delhi) 29 December 2015. Access Date: 17 February 2016. <http://timesofindia.indiatimes.com/india/No-more-LPG-subsidy-if-you-earn-above-Rs-10-lakh-a-year/articleshow/50360841.cms>.

<sup>71</sup> Budget 2016, Where the money comes from and where it goes, The Hindu 1 March 2016. Access Date: 1 March 2016. <http://www.thehindu.com/business/budget/budget-2016-where-the-money-comes-from-and-where-it-goes/article8297149.ece?homepage=true>.

<sup>72</sup> Budget 2016, Where the money comes from and where it goes, The Hindu 1 March 2016. Access Date: 1 March 2016. <http://www.thehindu.com/business/budget/budget-2016-where-the-money-comes-from-and-where-it-goes/article8297149.ece?homepage=true>.

<sup>73</sup> All you need to know about Budget 2016 in under 60 points, Daily News & Analysis, 1 March 2016. Access Date: 1 March 2016. <http://www.dnaindia.com/money/report-key-highlights-from-the-budget-2016-2183855>.

power firms.”<sup>74</sup> In addition, another proposal is a “tax on large dividends” of companies including Coal India, which received Rs13,000 from its subsidiaries last year.”<sup>75</sup>

India has created and implemented policies that phase-out inefficient fuel subsidies, while also supporting the poor.

Thus, India has received a score of +1.

*Analyst: Nidhi Varma*

### **Indonesia: -1**

Indonesia has failed to comply with its commitment to rationalise and phase-out inefficient fossil fuel subsidies, over the medium term, while recognizing the need to support the poor.

On 17 December 2015, Indonesian Senior Minister Coordinating Energy and Mining announced an improvement to the Production Sharing Contract (PSC) scheme to attract more oil and gas investment in Indonesia. The new planned scheme “will give the oil companies a 5 per cent higher in cost recovery given they invest in country’s oil exploration. The current cost recovery scheme is 15 per cent.”<sup>76</sup>

On 4 January 2016, Energy Minister Sudirman Said reported the postponement of a new levy on fossil fuels intended to support development of renewable energy resources and improve energy security.<sup>77</sup>

On 5 January 2016 due to falling global oil prices, the Indonesian government announced a cut in fuel prices.<sup>78</sup> President Director of state owned energy company Pertamina Dwi Sutjipto made the announcement and the cuts were larger than what was previously expected.<sup>79</sup> The government controls the price of diesel which was cut to Rp5,650 per liter from Rp6,700 a liter previously.<sup>80</sup> The cut in prices would increase consumption of fossil fuels.

On 26 February 2016, Indonesian Vice President Jusuf Kalla “admitted the government still needs more time to decide which is the most suitable scheme for the development of the gas rich block located in the Arafuru Sea.”<sup>81</sup> He further added that since the block is one of the largest oil and gas

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<sup>74</sup> Budget 2016: Coal cess in line with India’s climate commitments, The Economic Times- India (New Delhi/ Kolkotta) 1 March 2016. Access Date: 1 March 2016. <http://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/budget-2016-coal-cess-in-line-with-indias-climate-commitments/articleshow/51202168.cms>.

<sup>75</sup> Budget 2016: Coal cess in line with India’s climate commitments, The Economic Times- India (New Delhi/ Kolkotta) 1 March 2016. Access Date: 1 March 2016. <http://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/budget-2016-coal-cess-in-line-with-indias-climate-commitments/articleshow/51202168.cms>.

<sup>76</sup> Indonesia to Improve Cost Recovery Scheme to Increase Oil and Gas Investment, Berita Migas 17 Dec 2015. Access Date: 9 March 2016. <http://beritamigas.com/HOME/indonesia-to-improve-cost-recovery-scheme-to-increase-oil-and-gas-investment>

<sup>77</sup> Indonesia postpones new levy on gas and diesel, Reuters 4 January 2016. Access Date: 21 February 2016. <http://sustainability.thomsonreuters.com/2016/01/05/indonesia-postpones-new-levy-on-gasoline-and-diesel/>.

<sup>78</sup> Good News for Customers, Indonesia Govt Cuts Fuel Price from Jan 5, RanbuEnergy 5 January 2016. Access Date: 7 March 2016. <http://www.rambuenergy.com/2016/01/good-news-for-customers-indonesia-govt-cuts-fuel-price-from-jan-5/>

<sup>79</sup> Good News for Customers, Indonesia Govt Cuts Fuel Price from Jan 5, RanbuEnergy 5 January 2016. Access Date: 7 March 2016. <http://www.rambuenergy.com/2016/01/good-news-for-customers-indonesia-govt-cuts-fuel-price-from-jan-5/>

<sup>80</sup> Good News for Customers, Indonesia Govt Cuts Fuel Price from Jan 5, RanbuEnergy 5 January 2016. Access Date: 7 March 2016. <http://www.rambuenergy.com/2016/01/good-news-for-customers-indonesia-govt-cuts-fuel-price-from-jan-5/>

<sup>81</sup> Jusuf Kalla: Govt Waits for the Perfect Day to Announce Masela’s Fate, Katadata 26 February 2016. Access Date: 9 March 2016. <http://en.katadata.co.id/news/2016/02/26/jusuf-kalla-govt-waits-for-the-perfect-day-to-announce-maselas-fate>

projects in Indonesia the government “needs to be extra careful in doing its calculations and making the final decision between the onshore and offshore options.” The development of Masela block will be led by Inpex Corporation and Royal Dutch Shell and they will receive cost recovery assistance per the PSC.

On 23 March 2016, Indonesian President Joko Widodo rejected the offshore option, stating that an onshore facility would provide greater economic payoffs to Indonesia’s impoverished east where the Masela block is located.<sup>82</sup> Inpex Corporation and Royal Dutch Shell are committed to the onshore plan and have been requested by the Indonesian government to adjust and re-submit its development plan.<sup>83</sup>

On 30 March 2016, the Indonesian government announced new prices of subsidized fuels to be applied from 1 April 2016. Both gasoline and automotive diesel were lowered by Rp500 per litre. These price changes are the second round of price adjustments since the government announced in November 2015 that it would evaluate and adjust the price of subsidized fuel every three months.<sup>84</sup>

Indonesia has increased the subsidy for fossil fuel production and there is no evidence that they are supporting vulnerable groups with regards to energy access.

Thus, Indonesia has received a score of -1.

*Analyst: Laila Kanji*

### **Italy: 0**

Italy has partially complied with its commitment to rationalise and phase-out inefficient fossil fuel subsidies, over the medium term, while recognizing the need to support the poor.

On 30 November 2015, Italy, along with 40 other countries endorsed the Fossil Fuel Subsidy Reform Communiqué presented to the United Nations Framework Convention on Climate Change (UNFCCC).<sup>85</sup> The Communiqué “calls on the international community to increase efforts to phase-out subsidies for fossil fuel production and use.”<sup>86</sup>

On 1 January 2016 the Italian Parliament reintroduced restrictions on offshore oil and gas activity within 12 nautical miles off its coast.<sup>87</sup> The restriction was originally introduced in 2010 but was released in 2012. This restriction could “impact Rockhopper’s Ombrina Mare project offshore Italy, which has also faced opposition locally, due to its proximity to a coastal nature reserve.”<sup>88</sup>

On February 11 2016, Premier Matteo Renzi’s cabinet has set 17 April 2016 as the “date for a referendum on offshore drilling for oil and gas in Italy.”<sup>89</sup> The referendum will cover “prospecting

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<sup>82</sup> UPDATE 2- Indonesia rejects Inpex’s mega-floating LNG project, wants to stay onshore, Reuters, 23 March 2016, Date Accessed 10 April 2016 <http://uk.reuters.com/article/indonesia-inpex-c-lng-idUKL3N16V2E3>

<sup>83</sup> Inpex, Shell Committed to Masela Project: SKKMigas, The Jakarta Post, 24 March 2016, Date Accessed 10 April 2016 <http://www.thejakartapost.com/news/2016/03/24/inpex-shell-committed-masela-project-skkmigas.html>

<sup>84</sup> Indonesia Energy Subsidy Briefing, Global Subsidies Initiative, International Institute of Sustainable Development, 1 April 2016, Date Accessed 10 April 2016 <https://www.iisd.org/gsi/news/indonesia-news-briefing-april-2016>

<sup>85</sup> Fossil-Fuel Subsidy Reform Communiqué Presented to UNFCCC (New Zealand) 30 November 2015. Access Date: 21 February 2016. <http://climate-l.iisd.org/news/fossil-fuel-subsidy-reform-communicue-presented-to-unfccc/>.

<sup>86</sup> Fossil-Fuel Subsidy Reform Communiqué Presented to UNFCCC (New Zealand) 30 November 2015. Access Date: 21 February 2016. <http://climate-l.iisd.org/news/fossil-fuel-subsidy-reform-communicue-presented-to-unfccc/>.

<sup>87</sup> Italy Reintroduces 12 mile exploration restriction, OE Digital 6 January 2016. Access Date: 10 March 2016.

<http://www.oedigital.com/component/k2/item/11251-italy-reintroduces-12-mile-exploration-restriction>

<sup>88</sup> Italy Reintroduces 12 mile exploration restriction, OE Digital 6 January 2016. Access Date: 10 March 2016.

<http://www.oedigital.com/component/k2/item/11251-italy-reintroduces-12-mile-exploration-restriction>

<sup>89</sup> Cabinet sets drilling referendum Apr 17, Ansa World 11 February 2016. Access Date: 10 March 2016.

[http://www.ansa.it/english/news/world/2016/02/11/cabinet-sets-drilling-referendum-apr-17\\_43bb66e5-beba-41e6-b865-36cba72ee985.html](http://www.ansa.it/english/news/world/2016/02/11/cabinet-sets-drilling-referendum-apr-17_43bb66e5-beba-41e6-b865-36cba72ee985.html)

permits as well as already authorized drilling.”<sup>90</sup> The government has also said, “there will be no new drilling in Italy no matter how the referendum turns out.”<sup>91</sup>

Italy has reinstated fossil fuel restrictions in offshore oil activity and has committed to restricting new drilling projects in Italy. However, there is no evidence of the government supporting the energy needs of the poor.

Thus, Italy has received a score of 0.

*Analyst: Jennifer Kou*

### **Japan: -1**

Japan has failed to comply with its commitment to rationalise and phase-out inefficient fossil fuel subsidies, over the medium term, while recognizing the need to support the poor.

On 18 November 2015, members of the Organization of Economic Cooperation and Development (OECD) including Japan reached an agreement about restrictions on subsidies used to export technology for coal-fired power plants.<sup>92</sup> However, Minister of Environment Tamayo Marukawa stated that Japan would focus on promoting the development of efficient technology rather than on restricting subsidies on fossil fuel exports.<sup>93</sup> She has shown uncertainties about whether there would be an increase in Japan’s export of coal-fired stations.<sup>94</sup>

On 9 February 2016, the Japanese government permitted construction of new coal-fired power plants, which would potentially increase greenhouse gas emissions.<sup>95</sup> Environment Minister Tamayo Marukawa highlighted that officials have begun to verify the consistency of these plants with the country’s environmental regulations.<sup>96</sup>

On 23 February 2016, the Ministry of Environment decided to continue subsidizing new coal-fired power stations, providing up to 50 per cent of their total cost.<sup>97</sup>

On 1 April 2016, Think Progress reported that Japan “is planning to build 45 domestic coal plants, and the Japanese foreign investment bank is considering financing a massive project in Indonesia.”<sup>98</sup>

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<sup>90</sup> Petroceltic gives up on Adriatic, Ansa Business 9 February 2016. Access Date: 10 March 2016. [http://www.ansa.it/english/news/business/2016/02/09/petroceltic-gives-up-on-adriatic\\_b6bcbf75-a714-4bc0-9e97-73540d3e346c.html](http://www.ansa.it/english/news/business/2016/02/09/petroceltic-gives-up-on-adriatic_b6bcbf75-a714-4bc0-9e97-73540d3e346c.html)

<sup>91</sup> Petroceltic gives up on Adriatic, Ansa Business 9 February 2016. Access Date: 10 March 2016. [http://www.ansa.it/english/news/business/2016/02/09/petroceltic-gives-up-on-adriatic\\_b6bcbf75-a714-4bc0-9e97-73540d3e346c.html](http://www.ansa.it/english/news/business/2016/02/09/petroceltic-gives-up-on-adriatic_b6bcbf75-a714-4bc0-9e97-73540d3e346c.html)

<sup>92</sup> OECD Countries Agree to Restrict Financing for Overseas Coal Power Plants, The Guardian 18 November 2015. Access Date: 25 February 2015. <http://www.theguardian.com/environment/2015/nov/18/oecd-countries-agree-to-restrict-financing-for-overseas-coal-power-plants>.

<sup>93</sup> Japan to Push Coal Technology Despite OECD Subsidy Cut, Japan’s Environment Minister Says, The Japan Times 26 November 2015. Access Date: 25 February 2015. <http://www.japantimes.co.jp/news/2015/11/26/national/politics-diplomacy/japan-push-coal-technology-despite-oecd-subsidy-cut-japans-environment-minister-says/#.VtKTddbrSp4>.

<sup>94</sup> Japan to Push Coal Technology Despite OECD Subsidy Cut, Japan’s Environment Minister Says, The Japan Times 26 November 2015. Access Date: 25 February 2015. <http://www.japantimes.co.jp/news/2015/11/26/national/politics-diplomacy/japan-push-coal-technology-despite-oecd-subsidy-cut-japans-environment-minister-says/#.VtKTddbrSp4>.

<sup>95</sup> Japan to Get More Coal-Fired Power Plants Thanks to Environment Ministry Policy Reversal, The Japan Times 2 February 2016. Access Date: 25 February 2015. [http://www.japantimes.co.jp/news/2016/02/09/national/japan-to-get-more-coal-fired-power-plants-thanks-to-environment-ministry-policy-reversal/#.VtI\\_N9brSp4](http://www.japantimes.co.jp/news/2016/02/09/national/japan-to-get-more-coal-fired-power-plants-thanks-to-environment-ministry-policy-reversal/#.VtI_N9brSp4).

<sup>96</sup> Japan to Get More Coal-Fired Power Plants Thanks to Environment Ministry Policy Reversal, The Japan Times 2 February 2016. Access Date: 25 February 2015. [http://www.japantimes.co.jp/news/2016/02/09/national/japan-to-get-more-coal-fired-power-plants-thanks-to-environment-ministry-policy-reversal/#.VtI\\_N9brSp4](http://www.japantimes.co.jp/news/2016/02/09/national/japan-to-get-more-coal-fired-power-plants-thanks-to-environment-ministry-policy-reversal/#.VtI_N9brSp4).

<sup>97</sup> Japan Environment Ministry’s Coal Plant Reversal Casts Doubt on CO2 Pledge, Reuters 23 February 2016. Access Date: 25 February 2015. <http://www.reuters.com/article/us-japan-emissions-idUSKCN0VW0EV>.

Japan has taken no action to reduce existing fossil fuel subsidies and did not provide any targeted support to the poor.

Thus, Japan has received a score of -1.

*Analyst: Olivier Li*

### **Korea: -1**

Korea has failed to comply with its commitment to rationalise and phase-out inefficient fossil fuel subsidies, over the medium term, while recognizing the need to support the poor.

On 30 November 2015, during the 21st session of the Conference of the Parties Climate Summit, President Park Geun-hye outlined the Korean government's strategies to reduce greenhouse gas emissions, implement new energy industries, and share new technologies and business models with the developing world including implementing "prosumer" markets which would enable the trade of electricity through new and renewable energy facilities.<sup>99</sup>

On 15 December 2015, Korea confirmed its intentions to continue with plans to build 20 new coal-fired power plants by 2021, despite cutting this number by four plants in accordance with its Paris Summit commitment.<sup>100</sup>

On 31 January 2016, Minister of Trade, Industry and Energy Joo Hyung-hwan announced that the Korean government has made an agreement with leading green energy companies, such that they will invest KRW1.5 trillion to fuel the development of Korea's renewable energy sector.<sup>101</sup>

While Korea has implemented strategies to increase development in the renewable energy sector, it has not taken any direct steps to phase-out its inefficient subsidies nor has it provided any support to vulnerable populations.

Thus, Korea has received a score of -1.

*Analyst: Anju Xing*

### **Mexico: -1**

Mexico has failed to comply with its commitment to rationalise and phase-out inefficient fossil fuel subsidies, over the medium term, while recognizing the need to support the poor.

On 30 November 2015, Mexico, along with 40 other countries endorsed the Fossil Fuel Subsidy Reform Communiqué presented to the United Nations Framework Convention on Climate Change (UNFCCC).<sup>102</sup> The Communiqué "calls on the international community to increase efforts to phase-out subsidies for fossil fuel production and use."<sup>103</sup>

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<sup>98</sup> This Country is Embracing Coal while the Rest of the World is Trying to Cut Emissions, Think Progress 1 April 2016. Access Date: 16 April 2016.

<http://thinkprogress.org/climate/2016/04/01/3765187/japan-coal-problem/>

<sup>99</sup> President stresses greenhouse gas reduction, Korea.net (Paris) 1 December 2015. Access Date: 20 February 2016. <http://www.korea.net/NewsFocus/Policies/view?articleId=131153>.

<sup>100</sup> Japan, S Korea stick to coal despite global climate deal, Reuters (Seoul/Tokyo) 15 December 2015. Access Date: 20 February 2016. <http://www.reuters.com/article/climatechange-summit-coal-idUSL3N1401N020151215>.

<sup>101</sup> Public firms investing 1.5 tln won in renewable energy, Yonhap (Seoul) 31 January 2015. Access Date: 20 February 2016. <http://english.yonhapnews.co.kr/business/2016/01/31/0502000000AEN20160131001800320.html>.

<sup>102</sup> Fossil-Fuel Subsidy Reform Communiqué Presented to UNFCCC (New Zealand) 30 November 2015. Access Date: 21 February 2016. <http://climate-l.iisd.org/news/fossil-fuel-subsidy-reform-communicue-presented-to-unfccc/>.

<sup>103</sup> Fossil-Fuel Subsidy Reform Communiqué Presented to UNFCCC (New Zealand) 30 November 2015. Access Date: 21 February 2016. <http://climate-l.iisd.org/news/fossil-fuel-subsidy-reform-communicue-presented-to-unfccc/>.

On 22 February 2016, at the opening address of the energy conference IHS CERAWEEK President Enrique Peña Nieto addressed upcoming energy reforms in Mexico.<sup>104</sup> He stated that they will allow Mexico to “maintain state ownership of sub-soil hydrocarbon resources and its profits and [allow] private sector participation across the entire hydrocarbons value chain.”<sup>105</sup> This reform has already incorporated 30 new companies “in areas of exploration and extraction, giving rise to a new oil industry.”<sup>106</sup> It will also expand the “national gas pipeline network” from 11,000 to 21,000 kilometers.<sup>107</sup>

President Nieto also announced that “Mexico will launch a deep water round — the country’s fourth — in early December.”<sup>108</sup> In its previous round of auctions, Mexico “attracted 40 companies willing to invest in oil and gas acreage” and awarded all 25 onshore areas.<sup>109</sup>

On 26 February 2016, Deputy Secretary of Energy for Hydrocarbons Lourdes Melgar, at the Mexico Ministry of Energy stated that “We’re working with Pemex as fast as we can to present ‘farm-outs.’ This is part of the strategy to strengthen Pemex.”<sup>110</sup> Petroleos Mexicanos or Pemex is the Mexican state-owned petroleum company. Melgar also stated, “Companies will be able to use Pemex pipelines and other equipment for gasoline or diesel exports if they pay a tariff to Pemex.”<sup>111</sup>

While Mexico has reaffirmed its commitment to phase-out fossil fuel subsidies through the Fossil Fuel Subsidy Reform communique, the government is continuing to subsidize and support its state-owned petroleum company, Pemex. It has plans to continue to expand its oil industry and thus has failed its commitment to rationalise and phase-out fossil fuel subsidies. There is also no evidence of any support to the poor.

Thus, Mexico has received a score of –1.

*Analyst: Cindy Ou*

#### **Russia: –1**

Russia has failed to comply with its commitment to rationalise and phase-out inefficient fossil fuel subsidies, over the medium term, while recognizing the need to support the poor.

On 22 December 2016, the Russian government approved an action plan for strategic investment in the Vostochny Petrochemical Complex.<sup>112</sup> A number of measures are planned, including “designing

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<sup>104</sup> The border: space for security, prosperity, Houston Chronicle (Houston) 22 February 2016. Access Date: 26 February 2016. <http://www.houstonchronicle.com/opinion/outlook/article/The-border-space-for-security-prosperity-6848126.php>.

<sup>105</sup> The border: space for security, prosperity, Houston Chronicle (Houston) 22 February 2016. Access Date: 26 February 2016. <http://www.houstonchronicle.com/opinion/outlook/article/The-border-space-for-security-prosperity-6848126.php>.

<sup>106</sup> The border: space for security, prosperity, Houston Chronicle (Houston) 22 February 2016. Access Date: 26 February 2016. <http://www.houstonchronicle.com/opinion/outlook/article/The-border-space-for-security-prosperity-6848126.php>.

<sup>107</sup> The border: space for security, prosperity, Houston Chronicle (Houston) 22 February 2016. Access Date: 26 February 2016. <http://www.houstonchronicle.com/opinion/outlook/article/The-border-space-for-security-prosperity-6848126.php>.

<sup>108</sup> Mexico Pushes Forward with Deepwater Round, Hart Energy (Houston) 22 February 2016. Access Date: 26 February 2016. <http://www.epmag.com/mexico-pushes-forward-deepwater-round-839611#p=1>.

<sup>109</sup> Mexico Pushes Forward with Deepwater Round, Hart Energy (Houston) 22 February 2016. Access Date: 26 February 2016. <http://www.epmag.com/mexico-pushes-forward-deepwater-round-839611#p=1>.

<sup>110</sup> Mexico sticks to plan in new cheap oil world, Yahoo Finance (San Francisco) 26 February 2016. Access Date: 26 February 2016. <http://finance.yahoo.com/news/mexico-sticks-plan-cheap-oil-182128483.html>.

<sup>111</sup> Mexico sticks to plan in new cheap oil world, Yahoo Finance (San Francisco) 26 February 2016. Access Date: 26 February 2016. <http://finance.yahoo.com/news/mexico-sticks-plan-cheap-oil-182128483.html>.

<sup>112</sup> Approving an action plan for the Vostochny Petrochemical Complex strategic investment project (Russia) 22 December 2015. Access Date: 20 February 2016. <http://government.ru/en/docs/21196/>.

and deploying facilities, building infrastructure facilities, including under government and federal targeted programmes, and ensuring the resource base.”<sup>113</sup>

On 22 January 2016, the Russian government submitted to the State Duma a “Draft law on ratifying the protocol to the agreement between the Russian and Chinese governments on cooperation on the Yamal LNG project.”<sup>114</sup> The project was signed in Beijing on 17 December 2015 and allows the Chinese government to purchase additional shares of Yamal LNG, a proposed natural gas plant to be built in Russia.<sup>115</sup> The agreement also “reaffirmed Russia’s commitment to purchase Yamal LNG bonds with the money from the National Wealth Fund.”<sup>116</sup>

Russia has increased investments in fossil fuel subsidies and has shown no evidence of providing support to the poor.

Thus, Russia has received a score of –1.

*Analyst: Jennifer Kou*

### **Saudi Arabia: 0**

Saudi Arabia has partially complied with its commitment to rationalise and phase-out inefficient fossil fuel subsidies, over the medium term, while recognizing the need to support the poor.

On 28 December 2015, the King of Saudi Arabia announced the country’s 2016 budget, which includes government plans to privatize “several sectors” and “amend the programs of oil, water and electricity subsidies through re-pricing them gradually over the coming five years.”<sup>117</sup> Muhammad bin Salman, the kingdom’s deputy crown prince has also stated that the Government of Saudi Arabia is thinking about listing shares in Saudi Aramco, the state-owned oil company that is the world’s biggest oil producer.<sup>118</sup>

The Government of Saudi Arabia stated that they are cutting subsidies for energy, water, and electricity for the domestic population, which has resulted in an 8.3 per cent increase in price for these commodities.<sup>119</sup> The former United States ambassador to Saudi Arabia has warned that the cut to domestic subsidies will “hurt every single Saudi in their pocketbook.”<sup>120</sup> The Saudi Arabian

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<sup>113</sup> Approving an action plan for the Vostochny Petrochemical Complex strategic investment project (Russia) 22 December 2015. Access Date: 20 February 2016. <http://government.ru/en/docs/21196/>.

<sup>114</sup> Draft law on ratifying the protocol to the agreement between the Russian and Chinese governments on cooperation on the Yamal LNG project submitted to the State Duma (Russia) 22 January 2016. Access Date: 20 February 2016. <http://government.ru/en/docs/21494/>.

<sup>115</sup> Draft law on ratifying the protocol to the agreement between the Russian and Chinese governments on cooperation on the Yamal LNG project submitted to the State Duma (Russia) 22 January 2016. Access Date: 20 February 2016. <http://government.ru/en/docs/21494/>.

<sup>116</sup> Draft law on ratifying the protocol to the agreement between the Russian and Chinese governments on cooperation on the Yamal LNG project submitted to the State Duma (Russia) 22 January 2016. Access Date: 20 February 2016. <http://government.ru/en/docs/21494/>.

<sup>117</sup> Saudi Arabia Plans Subsidy Cuts as King Reveals 2016 Budget, Bloomberg. 28 December 2015. Access Date: 26 February 2016. <http://www.bloomberg.com/news/articles/2015-12-28/saudi-arabia-aims-to-cut-spending-to-840-billion-riyals-in-2016>.

<sup>118</sup> Saudi Arabia is considering an IPO of Aramco, probably the world's most valuable company, The Economist (New York) 7 January 2016. Access Date: 26 February 2016. <http://www.economist.com/news/middle-east-and-africa/21685529-biggest-oil-all-saudi-arabia-considering-ipo-aramco-probably>.

<sup>119</sup> The Geopolitics of Cheap Oil: Economists said the market would save the planet. It didn't., Foreign Policy in Focus (Washington) 6 January 2016. Access Date: 23 February 2016. <http://fpif.org/geopolitics-cheap-oil/>.

<sup>120</sup> Saudi Arabia faces 'economic bomb' and hikes gas prices 50%, CNNMoney (New York) 5 January 2016. Access Date: 23 February 2016. <http://money.cnn.com/2016/01/05/news/economy/saudi-arabia-oil-budget-gas/>.

Government has also increased the domestic price of gas by 50 per cent, from 16 cents to 24 cents a litre.<sup>121</sup>

From December 2015 to January 2016, inflation within the country has rose from 2.3 per cent to 4.3 per cent, leading to a 12.6 per cent increase in transportation prices and a 5.5 per cent increase in healthcare costs, which is disproportionately felt by the poor.<sup>122</sup> Jason Tuvey, Middle East economist at Capital Economics in London noted that “the surge in Saudi inflation was almost entirely due to the subsidy cuts that were announced alongside the budget.”<sup>123</sup>

On 12 January 2016, the Government of Saudi Arabia stated that they plan to spend USD100 billion in renewable energy projects to meet the increasing energy demand within the country and to diversify the country’s energy sector.<sup>124</sup> If these projects are implemented, Saudi Arabia holds the region’s largest potential for both solar and wind energy use, which would reduce the country’s dependence on fossil fuels.<sup>125</sup> However, this would not occur in the medium term.<sup>126</sup>

On 4 April 2016, Bloomberg reported that the Saudi government will “accelerate subsidy cuts and impose more levies as part of its plan to boost non-oil revenue by USD100 billion annually by 2020.”<sup>127</sup>

Saudi Arabia has decreased oil subsidies but has not implemented policies to support the inflationary effects of subsidy cuts on the poor.

Thus, Saudi Arabia has received a score of 0.

*Analyst: Bojana Radan*

### **South Africa: –1**

South Africa has failed to comply with its commitment to rationalise and phase-out inefficient fossil fuel subsidies, over the medium term, while recognizing the need to support the poor.

On 23 November 2015, Eskom, the South African electricity public utility announced plans of a large expansion into the renewable energy sector with the goal that by 2030, the amount of energy for electricity would double from their current standing and that 42 per cent would be renewable energy.<sup>128</sup> However, this action will not take place in the medium term.

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<sup>121</sup> Saudi Arabia faces 'economic bomb' and hikes gas prices 50%, CNNMoney (New York) 5 January 2016. Access Date: 23 February 2016. <http://money.cnn.com/2016/01/05/news/economy/saudi-arabia-oil-budget-gas/>.

<sup>122</sup> Saudi Arabia inflation accelerates in January after subsidy cuts, The National (Washington) 23 February 2016. Access Date: 26 February 2016. <http://www.thenational.ae/business/economy/saudi-arabia-inflation-accelerates-in-january-after-subsidy-cuts>.

<sup>123</sup> Saudi Arabia inflation accelerates in January after subsidy cuts, The National (Washington), 23 February 2016. Access Date: 26 February 2016. <http://www.thenational.ae/business/economy/saudi-arabia-inflation-accelerates-in-january-after-subsidy-cuts>.

<sup>124</sup> Saudi Arabia to spend \$100bn on renewable energy, TradeArabia (Bahrain) 12 January 2016. Access Date: 23 February 2016. [http://www.tradearabia.com/news/OGN\\_298494.html](http://www.tradearabia.com/news/OGN_298494.html).

<sup>125</sup> Saudi Arabia to spend \$100bn on renewable energy, TradeArabia (Bahrain) 12 January 2016. Access Date: 23 February 2016. [http://www.tradearabia.com/news/OGN\\_298494.html](http://www.tradearabia.com/news/OGN_298494.html).

<sup>126</sup> Saudi Arabia to spend \$100bn on renewable energy, TradeArabia (Bahrain) 12 January 2016. Access Date: 23 February 2016. [http://www.tradearabia.com/news/OGN\\_298494.html](http://www.tradearabia.com/news/OGN_298494.html).

<sup>127</sup> Saudi Arabia plans international bond sale as early as September, Bloomberg 4 April 2016. Access Date: 18 April 2016. <http://www.bloomberg.com/news/articles/2016-04-04/saudi-arabia-plans-international-bond-sale-as-early-as-september>

<sup>128</sup> Nuclear and renewable: South Africa's ambitious new energy mix, The Japan Times (Paris) 23 November 2015. Access Date: 24 February 2016. <http://www.japantimes.co.jp/news/2015/11/23/business/nuclear-and-renewable-south-africas-ambitious-new-energy-mix/#.Vs1KHJwrLIU>.

On 11 February 2016, in the State of the Nation address, South African President Jacob Zuma stated that the government would be continuing its use of coal for energy and would be selecting preferred bidders for the creation of new coal independent power plants.<sup>129</sup>

On 24 February 2016, the South African government released the 2016 National Budget and announced a fuel levy, which will increase fuel costs by ZAR0.30 per litre, disproportionately affecting the poor.<sup>130</sup> The 2016 National Budget also stated that oil refineries would be able to write off capital expenditure over three years, instead of five, as they upgrade to comply with new fuel specifications providing them an advantage in the market.<sup>131</sup>

During the week of 22 to 26 February 2016, hundreds of oil and gas industry players will converge in Durban, South Africa, at the first Annual Maritime Summit to discuss Durban's "ocean economy" and the expansion and creation of offshore drilling ports.<sup>132</sup> This Maritime Summit is the first significant step in the South African government's commitment to drill at least 30 deep-water oil and gas exploration wells within the next 10 years.<sup>133</sup>

On 30 March 2016, South Africa "issued 14 oil and gas exploration licenses for blocks off the coast."<sup>134</sup>

South Africa has not taken any actions to reduce fossil fuel subsidies nor support the poor.

Thus, South Africa has received a score of -1.

*Analyst: Bojana Radan*

#### **Turkey: -1**

Turkey has failed to comply with its commitment to rationalise and phase-out inefficient fossil fuel subsidies, over the medium term, while recognizing the need to support the poor.

On 8 February 2016, Turkey's energy bill decreased by about USD17 billion compared to the previous year.<sup>135</sup> But, consumers faced significant hikes in many energy products and complementary transport services in January 2016.<sup>136</sup> Electricity prices were hiked by around 7 per cent, and natural

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<sup>129</sup> Address by Prime Minister Jacob Zuma at the State of the Nation Address, Office of the President (Cape Town) 11 February 2016. Access Date: 23 February 2016. <http://www.news24.com/SouthAfrica/News/full-speech-state-of-the-nation-address-2016-20160211>.

<sup>130</sup> Address by Minister of Finance Pravin Gordhan at 2016 Budget Speech, Cabinet Colleagues and Deputy Ministers (Cape Town) 24 February 2016. Access Date: 26 February 2016. <http://www.pwc.co.za/en/assets/pdf/budget-speech-2016.pdf>.

<sup>131</sup> Gordhan Targets South Africa's Wealthy to Boost Tax Revenue, Bloomberg Business (Washington) 24 February 2016. Access Date: 26 February 2016. <http://www.bloomberg.com/news/articles/2016-02-24/gordhan-targets-south-africa-s-wealthy-to-boost-tax-revenue>.

<sup>132</sup> City poised for future fuels boom, IOL (KwaZulu-Natal) 19 February 2016. Access Date: 26 February 2016. <http://www.iol.co.za/dailynews/news/city-poised-for-future-fuels-boom-1986774>.

<sup>133</sup> City poised for future fuels boom, IOL (KwaZulu-Natal) 19 February 2016. Access Date: 26 February 2016. <http://www.iol.co.za/dailynews/news/city-poised-for-future-fuels-boom-1986774>.

<sup>134</sup> South Africa's energy industry turns to gas, Oxford Business Group 30 March 2016. Access Date: 19 April 2016. <http://www.oxfordbusinessgroup.com/news/south-africa%E2%80%99s-energy-industry-turns-gas>

<sup>135</sup> Global energy plunge not producing lower prices in Turkey, Hurriyet Daily News 8 February 2016. Date of Access: 23 February 2016. <http://www.hurriyetaidailynews.com/global-energy-plunge-not-producing-lower-prices-in-turkey.aspx?pageID=238&nID=94857&NewsCatID=348>.

<sup>136</sup> Global energy plunge not producing lower prices in Turkey, Hurriyet Daily News 8 February 2016. Date of Access: 23 February 2016. <http://www.hurriyetaidailynews.com/global-energy-plunge-not-producing-lower-prices-in-turkey.aspx?pageID=238&nID=94857&NewsCatID=348>.

gas prices for residential areas were increased by 9 per cent.<sup>137</sup> The energy watchdog, EPDK, increased electricity prices by 6.7 per cent in industrial areas and 3.8 per cent in residential areas “because of necessary investments and the administrative costs of the electricity distribution companies.”<sup>138</sup>

On 14 February 2016, the Turkish Economy Minister’s budget plan for 2016 announced “a total of USD2.68 billion-worth of resources is planned to be allocated to Turkish Petroleum’s oil and natural gas searches and production this year.”<sup>139</sup>

In the same budget plan, it was announced that there will be “projects to develop new incentives and revise current incentives in electricity production plans, ultimately generation electricity through domestically mined coal.”<sup>140</sup> The plan also announced that “search and mining efforts for the discovery of local coal fields will be expedited.” The government will create a “new funding method”<sup>141</sup> that allows companies to benefit from large lignite coal fields.

Turkey has increased investment and subsidies to its coal, oil and natural gas industry. In addition, consumers faced an increase in energy prices that could affect the poor.

Thus, Turkey has received a score of –1.

*Analyst: Yalda Mehran*

### **United Kingdom: –1**

The United Kingdom has failed to comply with its commitment to rationalise and phase-out inefficient fossil fuel subsidies, over the medium term, while recognizing the need to support the poor.

On 30 November to 12 December 2015, at the UN Climate Change Conference, the UK government stated that they planned to phase-out unabated coal-fired power stations by the year 2025.<sup>142</sup> The UK further committed to this statement with their announcement of the closure of five coal-fired power plants in 2016.<sup>143</sup>

On 25 November 2015, the UK government announced that it was cutting a GBP1 billion grant for the development of carbon capture and storage (CCS) technology.<sup>144</sup> CCS is a process that attempts to reduce greenhouse gas emissions by capturing waste CO<sub>2</sub> from large source such as fossil fuel

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<sup>137</sup> Global energy plunge not producing lower prices in Turkey, Hurriyet Daily News 8 February 2016. Date of Access: 23 February 2016. <http://www.hurriyetdailynews.com/global-energy-plunge-not-producing-lower-prices-in-turkey.aspx?pageID=238&nID=94857&NewsCatID=348>.

<sup>138</sup> Global energy plunge not producing lower prices in Turkey, Hurriyet Daily News 8 February 2016. Date of Access: 23 February 2016. <http://www.hurriyetdailynews.com/global-energy-plunge-not-producing-lower-prices-in-turkey.aspx?pageID=238&nID=94857&NewsCatID=348>.

<sup>139</sup> \$2 billion worth of drilling from Turkish Petroleum, Daily Sabah (Istanbul) 14 February 2016. Access Date: 10 March 2016. <http://www.dailysabah.com/energy/2016/02/15/2-billion-worth-of-drilling-from-turkish-petroleum>

<sup>140</sup> Wider use of Turkish coal to decrease gas imports by \$7.2 billion, Daily Sabah (Istanbul) 23 February 2016. Access Date: 10 March 2016. <http://www.dailysabah.com/energy/2016/02/24/wider-use-of-turkish-coal-to-decrease-gas-imports-by-72-billion>

<sup>141</sup> Wider use of Turkish coal to decrease gas imports by \$7.2 billion, Daily Sabah (Istanbul) 23 February 2016. Access Date: 10 March 2016. <http://www.dailysabah.com/energy/2016/02/24/wider-use-of-turkish-coal-to-decrease-gas-imports-by-72-billion>

<sup>142</sup> Countdown to 2025: Tracking the UK coal phase out, Carbon Brief (London) 10 February 2016. Access Date: 22 February 2016. <http://www.carbonbrief.org/countdown-to-2025-tracking-the-uk-coal-phase-out>.

<sup>143</sup> Countdown to 2025: Tracking the UK coal phase out, Carbon Brief (London) 10 February 2016. Access Date: 22 February 2016. <http://www.carbonbrief.org/countdown-to-2025-tracking-the-uk-coal-phase-out>.

<sup>144</sup> UK government carbon capture £1bn grant dropped, BBC News (London) 25 November 2015. Access Date: 22 February 2016. <http://www.bbc.com/news/uk-scotland-scotland-business-34357804>.

power plants and trapping it in underground storage facilities.<sup>145</sup> Amber Rudd, the UK secretary of state for energy and climate change further admitted that the UK government could lose up to GBP300 million in funding from the EU to subsidize cleaner energy due to this CCS funding cut.<sup>146</sup>

On 25 November 2015, UK Chancellor George Osborne cut future funding for an energy scheme called the Energy Company Obligation (ECO), which helps reduce carbon emissions and cut family energy bills by the installation of efficient energy measures in the homes of poor and vulnerable consumers.<sup>147</sup> The cost of ECO has been forecasted to rise to GBP55 a year by 2020 but the cheaper version which the Chancellor has implemented will only cover roughly only half of the houses that it covered before the cuts.<sup>148</sup>

On 30 November 2015, the United Kingdom, along with 40 other countries endorsed The Fossil Fuel Subsidy Reform Communiqué presented to the United Nations Framework Convention on Climate Change (UNFCCC).<sup>149</sup> The Communiqué “calls on the international community to increase efforts to phase-out subsidies for fossil fuel production and use.”<sup>150</sup>

On 11 December 2015, the UK government awarded a GBP650 million subsidy to fossil fuel generators including GBP155 million for new diesel plants.<sup>151</sup> The government awarded this subsidy “to ensure sufficient back-up power is available when intermittent energy sources — such as solar or wind — do not produce enough power to meet demand.”<sup>152</sup>

On 17 December 2015, Secretary of State for Energy and Climate Change Amber Rudd announced a 65 per cent cut to renewable energy subsidies, as well as a cap for the total subsidy paid out in the renewable energy sector.<sup>153</sup> These renewable subsidies were expected to halve electricity bills for about 135,000 residents with an anticipated annual saving of GBP200 per household.<sup>154</sup>

On 28 January 2016, Prime Minister David Cameron announced that the UK government would invest GBP250 million in the UK City Deal, subsidizing costs for the oil and gas industry in North

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<sup>145</sup> UK government carbon capture £1bn grant dropped, BBC News (London) 25 November 2015. Access Date: 22 February 2016. <http://www.bbc.com/news/uk-scotland-scotland-business-34357804>.

<sup>146</sup> Carbon capture delay 'could add £20bn' to UK climate costs, Carbon Brief (London) 20 January 2016. Access Date: 22 February 2016. <http://www.carbonbrief.org/carbon-capture-delay-could-add-20bn-to-uk-climate-costs>.

<sup>147</sup> Families promised £30 energy bill savings as Chancellor slashes insulation scheme, The Telegraph (London) 25 November. Access Date: 23 February 2016. <http://www.telegraph.co.uk/news/earth/energy/12017361/autumn-statement-2015-30-energy-bill-saving-as-Chancellor-cuts-insulation.html>

<sup>148</sup> Families promised £30 energy bill savings as Chancellor slashes insulation scheme, The Telegraph (London) 25 November. Access Date: 23 February 2016. <http://www.telegraph.co.uk/news/earth/energy/12017361/autumn-statement-2015-30-energy-bill-saving-as-Chancellor-cuts-insulation.html>

<sup>149</sup> Fossil-Fuel Subsidy Reform Communiqué Presented to UNFCCC (New Zealand) 30 November 2015. Access Date: 21 February 2016. <http://climate-l.iisd.org/news/fossil-fuel-subsidy-reform-communique-presented-to-unfccc/>.

<sup>150</sup> Fossil-Fuel Subsidy Reform Communiqué Presented to UNFCCC (New Zealand) 30 November 2015. Access Date: 21 February 2016. <http://climate-l.iisd.org/news/fossil-fuel-subsidy-reform-communique-presented-to-unfccc/>.

<sup>151</sup> Government award £650 million to fossil fuel subsidies to keep the lights on, businessGreen (London) 11 December 2015. Access Date: 23 February 2016. <http://www.businessgreen.com/bg/analysis/2438907/government-awards-gbp650m-in-fossil-fuel-subsidies-to-keep-the-lights-on>

<sup>152</sup> Government award £650 million to fossil fuel subsidies to keep the lights on, businessGreen (London) 11 December 2015. Access Date: 23 February 2016. <http://www.businessgreen.com/bg/analysis/2438907/government-awards-gbp650m-in-fossil-fuel-subsidies-to-keep-the-lights-on>

<sup>153</sup> UK cuts to renewable energy makes a mockery of its pledge at Paris climate talks, The Guardian (London) 17 December 2015. Access Date: 23 February 2016. <http://www.theguardian.com/environment/damian-carrington-blog/2015/dec/17/uk-cuts-renewable-energy-make-a-mockery-of-its-pledge-paris-climate-talks>.

<sup>154</sup> Thousands of social tenants will lose out if solar subsidies cuts go ahead, The Guardian (London) 18 November 2015. Access Date: 23 February 2016. <http://www.theguardian.com/environment/2015/nov/18/thousands-social-tenants-lose-out-solar-subsidies-cuts-go-ahead>.

eastern Scotland.<sup>155</sup> This investment would be split among both the UK and Scottish governments, and would be used to help diversify the industry, further exploit any remaining North Sea reservoirs, and support oil and gas expansion into the Aberdeen harbour.<sup>156</sup>

On 28 January 2016, Secretary of State for Energy and Climate Change Amber Rudd announced a GBP20 million fund to unlock exploration activity on the UK Continental Shelf to discover new oil and gas resources and accelerate the drilling of new wells.<sup>157</sup> Amber Rudd further reported that “the UK government is backing our oil and gas industry, the hardworking people it employs and the families it supports.”<sup>158</sup>

Although the UK has stated that they plan to phase-out coal-fired plants and has reaffirmed their commitment in Paris, they have expanded the provision of fossil fuel subsidies and made funding cuts to an energy program that supports the poor.

Thus, the United Kingdom has received a score of -1.

*Analyst: Bojana Radan*

### **United States: +1**

The United States has fully complied with its commitment to rationalise and phase-out inefficient fossil fuel subsidies, over the medium term, while recognizing the need to support the poor.

On 30 November 2015, the United States, along with 40 other countries endorsed the Fossil Fuel Subsidy Reform Communiqué presented to the United Nations Framework Convention on Climate Change (UNFCCC).<sup>159</sup> The Communiqué “calls on the international community to increase efforts to phase-out subsidies for fossil fuel production and use.”<sup>160</sup>

On 19 February 2016, the US government issued cuts in its 2017 Department of Energy Budget for coal, oil, and gas tax deductions.<sup>161</sup> “Domestic Manufacturing Deduction for Hard Mineral Fossil Fuels” has been cut by USD11 million.<sup>162</sup> The Budget also issued a “repeal [of] Domestic Manufacturing Tax Deduction for Oil and Natural Gas Companies” by USD470 million.<sup>163</sup>

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<sup>155</sup> UK government confirms £250 million City Deal for Aberdeen, Department of Energy & Climate Change (London) 28 January 2016. Access Date: 22 February 2016. <https://www.gov.uk/government/news/pm-announces-further-boost-for-uk-oil-and-gas-industry>.

<sup>156</sup> PM announces further boost for oil and gas industry, Department of Energy & Climate Change (London) 28 January 2016. Access Date: 22 February 2016. <https://www.gov.uk/government/news/pm-announces-further-boost-for-uk-oil-and-gas-industry>.

<sup>157</sup> UK government shows support for local oil and gas industry, The Marine Professional (London), 01 February 2016. Access date: 22 February 2016. <http://www.imarest.org/themarineprofessional/item/2137-uk-government-shows-support-for-local-oil-and-gas-industry>.

<sup>158</sup> PM announces further boost for oil and gas industry, Department of Energy & Climate Change (London) 28 January 2016. Access Date: 22 February 2016. <https://www.gov.uk/government/news/pm-announces-further-boost-for-uk-oil-and-gas-industry>.

<sup>159</sup> Fossil-Fuel Subsidy Reform Communiqué Presented to UNFCCC (New Zealand) 30 November 2015. Access Date: 21 February 2016. <http://climate-l.iisd.org/news/fossil-fuel-subsidy-reform-communicue-presented-to-unfccc/>.

<sup>160</sup> Fossil-Fuel Subsidy Reform Communiqué Presented to UNFCCC (New Zealand) 30 November 2015. Access Date: 21 February 2016. <http://climate-l.iisd.org/news/fossil-fuel-subsidy-reform-communicue-presented-to-unfccc/>.

<sup>161</sup> Fiscal year 2017- Office of Management and Budget, Executive Office of the President 9 February 2016. Access Date: 19 February 2016. <https://www.whitehouse.gov/sites/default/files/omb/budget/fy2017/assets/budget.pdf>.

<sup>162</sup> Fiscal year 2017- Office of Management and Budget, Executive Office of the President 9 February 2016. Access Date: 19 February 2016. <https://www.whitehouse.gov/sites/default/files/omb/budget/fy2017/assets/budget.pdf>.

<sup>163</sup> Obama Proposes \$10 a barrel oil tax, BBC News (Washington) 9 January 2016. Access Date: 20 February 2016. <http://www.bbc.com/news/business-35535385>.

The Budget also proposes a USD10.25 per barrel tax on oil.<sup>164</sup> The burden is to be paid by oil companies to “boost spending on transportation infrastructure, including mass transit and high-speed rail, and autonomous vehicles.”<sup>165</sup> This is in accordance with President Obama’s 21<sup>st</sup> Century Clean Transportation Initiative, which will stimulate the job market.<sup>166</sup> Alongside transportation investments, the Budget notes “15 per cent of revenues would be allocated to provide assistance to families with burdensome energy costs, including a focus on supporting households in the Northeast as they transition from fuel oil for heating to cleaner forms of energy.”<sup>167</sup>

The US has committed itself to phasing out inefficient fuel subsidies through its taxation on oil and tax benefit cuts for other fossil fuels. It is also providing support to the poor during the transition period to cleaner energy.

Thus, the United States has received a score of +1.

*Analyst: Nidhi Varma*

### **European Union: -1**

The European Union has failed to comply with its commitment to rationalise and phase-out inefficient fossil fuel subsidies, over the medium term, while recognizing the need to support the poor.

In November 2015, the EU was reported to provide EUR4.2 billion to hydrocarbons, but only EUR1.5 billion to alternative sources of energy.<sup>168</sup> Similarly, the European Investment Bank has spent EUR3.2 billion on 17 fossil fuel projects between 2007 and 2014, and the European Bank for Reconstruction and Development spent EUR 409 million more on fossil fuels than it did on renewable sources of energy.<sup>169</sup> The EU provided over EUR 4.2 billion for hydrocarbons, in contrast to EUR1.5 billion for alternative sources of energy.<sup>170</sup> No evidence was found that suggests this development funding been phased-out during the compliance period.

On 18 November 2015, the EU’s energy commission invested in renewable and low carbon technology, which now cater to 78 million Europeans.<sup>171</sup> The commission plans to introduce a new Renewable Energy Directive and bioenergy sustainability policy in 2016.<sup>172</sup> This will outline the EU’s

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<sup>164</sup> Fiscal year 2017- Office of Management and Budget, Executive Office of the President 9 February 2016. Access Date: 19 February 2016. <https://www.whitehouse.gov/sites/default/files/omb/budget/fy2017/assets/budget.pdf>.

<sup>165</sup> Fiscal year 2017- Office of Management and Budget, Executive Office of the President 9 February 2016. Access Date: 19 February 2016. <https://www.whitehouse.gov/sites/default/files/omb/budget/fy2017/assets/budget.pdf>.

<sup>166</sup> Fiscal year 2017- Office of Management and Budget, Executive Office of the President 9 February 2016. Access Date: 19 February 2016. <https://www.whitehouse.gov/sites/default/files/omb/budget/fy2017/assets/budget.pdf>.

<sup>167</sup> Fiscal year 2017- Office of Management and Budget, Executive Office of the President 9 February 2016. Access Date: 19 February 2016. <https://www.whitehouse.gov/sites/default/files/omb/budget/fy2017/assets/budget.pdf>.

<sup>168</sup> European public money for the energy sector in countries of the European Neighbourhood Policy, CEE Bankwatch Network November 2015. Access Date: 23 February 2016. <http://bankwatch.org/sites/default/files/ENP-energy-exec-summary.pdf>.

<sup>169</sup> European public money for the energy sector in countries of the European Neighbourhood Policy, CEE Bankwatch Network November 2015. Access Date: 23 February 2016. <http://bankwatch.org/sites/default/files/ENP-energy-exec-summary.pdf>.

<sup>170</sup> European public money for the energy sector in countries of the European Neighbourhood Policy, CEE Bankwatch Network November 2015. Access Date: 23 February 2016. <http://bankwatch.org/sites/default/files/ENP-energy-exec-summary.pdf>.

<sup>171</sup> Communication from the Commission to the European Parliament, The Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank, European Commission 18 November 2015. Access Date: 23 February 2016. <https://ec.europa.eu/transparency/regdoc/rep/1/2015/EN/1-2015-572-EN-F1-1.PDF>.

<sup>172</sup> Communication from the Commission to the European Parliament, The Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank, European Commission 18 November 2015. Access Date: 23 February 2016. <https://ec.europa.eu/transparency/regdoc/rep/1/2015/EN/1-2015-572-EN-F1-1.PDF>.

plan for obtaining 27 per cent of energy from renewable sources by 2030, as well as push for a decrease in fossil fuel subsidies.<sup>173</sup> The EU Energy commission plans to publish prices and costs of energy, including taxes, levies and subsidies in 2016.<sup>174</sup>

On 19 January 2016, Member States agreed on a Commission proposal to invest EUR217 million in key trans-European energy infrastructure projects. In total, 15 projects were selected with the aim to increase energy security and help end the isolation of Member States from EU-wide energy networks. They will also contribute to the completion of a European energy market and the integration of renewables into the electricity grid.<sup>175</sup> Of the 15 proposals selected for funding nine are in the gas sector (financial aid worth EUR207 million) and six in electricity sector (EUR10 million) as well as 13 related to studies, such as environmental impact assessments (EUR29 million), and two to construction works (EUR188 million).<sup>176</sup> While some of this funding is allocated to energy efficient projects, some is allocated to the expansion of fossil fuel projects, thus representing noncompliance.

On 16 February 2016, the European Commission and Energy Union adopted the “Sustainable Energy Security Package,” making Liquefied Natural Gas the main backup in case of a gas supply crisis.<sup>177</sup> It was also announced that the transition to renewable energy sources could only be made gradually, and hence the EU would adopt a “decarbonisation plan” which entails using gas “intelligently” during the transition period until 2030.<sup>178</sup>

The EU has made plans to introduce a new sustainability police pushing for a decrease in fossil fuel subsidies, but is currently subsidising and investing in liquefied natural gas and gas transmission. Additionally, it has not provided any targeted support for the poor.

Thus, the European Union has received a score of -1.

*Analyst: Novera Khan*

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<sup>173</sup> Communication from the Commission to the European Parliament, The Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank, European Commission 18 November 2015. Access Date: 23 February 2016. <https://ec.europa.eu/transparency/regdoc/rep/1/2015/EN/1-2015-572-EN-F1-1.PDF>.

<sup>174</sup> Communication from the Commission to the European Parliament, The Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank, European Commission 18 November 2015. Access Date: 23 February 2016. <https://ec.europa.eu/transparency/regdoc/rep/1/2015/EN/1-2015-572-EN-F1-1.PDF>.

<sup>175</sup> Energy: EU invests €217 million in energy infrastructure, European Commission Press Release Database (Brussels) 19 January 2016. Access Date: 23 February 2016. [http://europa.eu/rapid/press-release\\_IP-16-94\\_en.htm](http://europa.eu/rapid/press-release_IP-16-94_en.htm).

<sup>176</sup> Energy: EU invests €217 million in energy infrastructure, European Commission Press Release Database (Brussels) 19 January 2016. Access Date: 23 February 2016. [http://europa.eu/rapid/press-release\\_IP-16-94\\_en.htm](http://europa.eu/rapid/press-release_IP-16-94_en.htm).

<sup>177</sup> Speech by Commissioner Miguel Arias Cañete at the Security of Supply Package Press Conference, European Commission Press Release Database (Brussels) 16 February 2016. Access Date: 23 February 2016. [http://europa.eu/rapid/press-release\\_SPEECH-16-326\\_en.htm?locale=en](http://europa.eu/rapid/press-release_SPEECH-16-326_en.htm?locale=en).

<sup>178</sup> Speech by Commissioner Miguel Arias Cañete at the Security of Supply Package Press Conference, European Commission Press Release Database (Brussels) 16 February 2016. Access Date: 23 February 2016. [http://europa.eu/rapid/press-release\\_SPEECH-16-326\\_en.htm?locale=en](http://europa.eu/rapid/press-release_SPEECH-16-326_en.htm?locale=en).