Each year, at least US$100 billion goes to support the production and consumption of oil, gas and coal, according to a major new study published on Monday (4 June). That is despite a promise from all G7 and G20 members to stop subsidising fossil fuels by 2025.

The United States ranked lowest in the study due to its continued support for exploration and production of oil gas and coal, according to the study, performed by researchers at the Overseas Development Institute, Oil Change International, the International Institute for Sustainable Development, and the Natural Resources Defense Council .

Under President Trump, the US also backtracked on previous pledges to end support to fossil fuels, the researchers said, explaining America's poor showing in the ranking. France, meanwhile, came highest due to its commitment to stop coal mining and ending support for fossil fuel exploration.

G7 leaders are meeting in Charlevoix, Canada, on 8–9 June amid growing pressure to deliver on their pledge to tackle climate change and phase out fossil fuel subsidies by 2025 – a promise they first made back in 2009. Last December, the World Bank committed to ending its finance for oil and gas extraction.

But despite those pledges, G7 governments provided at least US$80.62bn in fiscal support and US$19.54bn in public finance for fossil fuels in 2015 and 2016, the report found. 64% of the support was used in transport, households, industry and other sectors.

"G7 countries are continuing to subsidise oil, gas and coal, fuelling dangerous climate change with tax-payers' money," said Shelagh Whitley, head of the Climate and Energy Programme at ODI.

"This scorecard addresses the current gap in accountability and, for the first time, tracks progress by each of the G7 countries in phasing out fossil fuel subsidies. While some progress has been made in recent years, overall it is a grim picture with not one country scoring highly," Whitley said.

The campaign to end fossil fuel subsidies gained momentum when the G20 created the Task Force on Climate-Related Financial Disclosures in December 2015 under the chairmanship of Michael Bloomberg, the former mayor of New York.

The task force issued final recommendations in June last year, urging investors to better understand their financial exposure to climate risk and help companies disclose this information in a clear and consistent way.

If the task force recommendations were followed through, it would divert trillions of dollars away from fossil fuels, as investors pull their money out of polluting industries and flee for the long-term security of clean technology assets like renewables energies.

But while European countries do better on average when it comes to phasing out support for fossil fuels, all G7 government still provided new public finance for oil and gas exploration and production since 2016 when the Paris Agreement came into force, according to the study by ODI and the other NGOs.

"The most consistent country is France, which ranks in the top 4 in all categories," said one NGO activist who preferred not being named. "Whereas Germany does well in terms of pledges and commitments, but ranks only 6th in ending support for fossil fuel-based power and fossil fuel use. Italy does even worse in these two categories," the activist said.

Below are the report's highlights when it comes to European countries:

France has committed to shrink the taxation gap between diesel and petrol by 2021 (enshrined in national legislation). Despite phasing out domestic exploration, France's public finance institutions have recently committed to financing new fossil fuel exploration overseas (e.g. in 2017 in Mozambique);

Germany continues to provide significant public finance for fossil fuel-based power (at home and abroad). It provides ongoing fiscal support to the use of diesel in transport;

Italy provides significant levels of fiscal support to the transport sector, the vast majority of which goes towards the use of diesel fuel;

The UK is seen in the NGO report as having "extremely poor transparency": it does not publish specific reports on fiscal support to fossil fuels, nor has it participated in a peer review process under the G20. In addition, despite the strong high-level commitments and calls to end subsidies, the government denies that it provides any fossil fuel subsidies (under the government's own definition).

In Brussels, a group of financial experts set up by the European Commission has urged the EU to stop all public funding for fossil fuel industries such as coal, oil and gas. It said public money should be geared towards "only supporting renewable energy and energy and resource efficiency."

Source: euractiv.com