

Cross-cutting political action needed to eradicate fossil fuel subsidies and make better use of taxpayers' money

A new report launched today by CAN Europe outlines how [fossil fuel](#) subsidies have infiltrated all sectors of our economy and are now pervasive, multiform and massive. The report observes how over the past years fossil fuel subsidies have been on the rise, especially since 2021 as a response to the Covid-19 pandemic and then to the war in Ukraine, directly hindering the efforts to transition to 100% [renewable energy](#).

"Fossil fuel subsidies are pervasive, **multiform and massive** in [Europe](#). Ending them will require robust and urgent action in nearly all fields, it won't be easy but it's possible. Last week's IPCC report says it loud and clear: phasing out fossil fuels is key to tackle climate change, it's just a question of political will", said Chiara Martinelli, Director of CAN Europe. The new report highlights new fossil fuel subsidies adopted since 2021. To cushion the economic impact of the pandemic, several Member States – for example Germany and France – included financial support to carbon-intensive industries as part of their national recovery packages, but too often failed to condition support to environmental requirements. More recently, in response to the fossil fuel crisis exacerbated by the war in Ukraine, many national governments adopted tax breaks and subsidies to protect companies and households against energy price increase. While this was necessary, these measures were often not targeted to those in need nor accompanied by flanking measures to help them engage in the energy transition.

In addition, recently adopted EU legislation opens the door again to fossil fuel subsidies for oil and gas infrastructure that would lock us in fossil fuels for many years, while gas boilers remain eligible for support in several EU funds. And while many **EU** institutions and Member States have been moving in the right direction to phase out international public finance for fossil fuels, there are worrying signs of backsliding from some.

CAN Europe is raising the alarm bell as fossil fuel combustion – coal, oil and gas – is by far the largest contributor to **global climate change**, accounting for 80 percent of greenhouse gas emissions globally. In this report, the CAN Europe network of over 180 member organisations representing **40 million** people across Europe, presents recommendations to end fossil fuel subsidies in a socially just manner. Among other measures, CAN Europe urges to end subsidies benefiting the wealthiest without further delay, and to support people working in the sectors impacted in the transition.

Job growth in new [energy transition](#) sectors, more than offsets a decline in traditional fossil fuel supply sectors. However, state schemes should ensure the working conditions do not deteriorate, collective bargaining should organise the transition to **new jobs** and the role of

trade unions needs to be promoted and protected in the new green sectors.

“The **hidden cost** of fossil fuels for the [environment](#), climate and public health requires urgent action in many areas, from international finance to trade, fisheries, agriculture, transport, industry, taxation, budget, finances, state aid, housing, social protection, education and skilling, and energy and climate of course. **Ending fossil fuel subsidies is everyone’s business in each and every national ministry and at EU level”** concluded **Chiara Martinelli**.

Source: [CAN](#)