France

Summary

France ranks second out of the G20 Organisation for Economic Cooperation and Development (OECD) member countries due to its strong commitments and relatively low levels of support for coal, oil, and gas production per unit of GDP. However, France continues to heavily support fossil fuel-based power through state-owned enterprise (SOE) investments and consumers of fossil fuels through tax expenditures. In addition, progress in ending support has been very poor, with France increasing public finance to fossil fuels by 87% relative to the 2014–2016 average.

BIGGEST RED FLAG → France continues to provide high levels of support for fossil fuel consumption by industry, transport, and households, at USD 8.4 billion annually (2017–2019 average) through tax expenditures.

PROGRESS → France's overall support for fossil fuels increased by 17% relative to the 2014–2016 average, mostly due to an increase in support for consumers of fossil fuel through tax expenditures.

Public finance for fossil fuels has jumped dramatically by 87% relative to the 2014–2016

Overall ranking and score *(out of 11 countries)*	2nd	55/100
1. Transparency	**3rd** / Mediocre	**$19.4 billion** total government support to fossil fuels, 2017–2019 average, USD ($26 million direct transfers, $8.7 billion tax expenditure, $830 million public finance, $9.8 billion SOE investment)
2. Pledges and commitments	**1st** / Very strong	
3. Scale of support for coal exploration, production, processing, and transportation	**3rd** / Very low	**$90,000** of support to coal exploration, production, processing and transportation
4. Scale of support for oil and gas exploration, production, refining, and transportation	**1st** / Low	**$1.2 billion** of support to oil and gas exploration, production, refining and transportation
5. Scale of support for fossil fuel power	**9th** / Medium	**$9.8 billion** of support to fossil fuel-based power
6. Scale of support for fossil fuel use	**6th** / High	**$8.4 billion** of support to fossil fuel use
7. Progress in ending support for fossil fuels	**11th** / Very poor	**87% increase** in public finance for fossil fuels relative to the 2014–2016 average

See Table 2 in the main report for score descriptions and their relationship to numerical scores. Estimates in the table are in USD ($) and are annual averages based on the following sources:

- *For direct transfers and tax expenditure: OECD (2020) data, 2017–2019 averages*
- *For induced transfers: International Energy Agency (2020) data, 2017–2019 averages*
- *For public finance: Oil Change International (2020) data collected from several sources, 2017–2018 averages*
- *For SOE investment: capex data collected by Overseas Development Institute (2020) from annual reports, 2017–2019 averages*

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average, mostly due to an increase in support for oil and gas production. Unlike for coal, the French government has not made any commitments to phase out public finance for oil and gas production, which represents most of the fossil fuel projects backed by the French export credit agency (Novethic, 2019). The Réseau Action Climat estimates that export credit guarantees alone for oil and gas public financing amounted to more than USD 10 billion between 2009 and 2019 (Réseau Action Climat, 2020).

MAIN UNACCOUNTED FOR AND UNQUANTIFIED SUPPORT → State-backed loans and equity injections to companies remain poorly documented in response to the COVID-19 crisis, and France's support levels are most likely underestimated in this work (Réseau Action Climat, 2020).

COVID-19 GOVERNMENT SUPPORT → France has bailed out its national airline, Air France, allocating almost USD 8 billion in state-backed and direct loans, under the condition that it reduces emissions, such as by ending short-haul flights (IISD et al., 2020).

TRANSPARENCY & PEER REVIEWS → France publishes annual tax expenditure budgets, and the Ministry of Environment reports on environmentally harmful subsidies and environmental taxation. At least half of France's public finance institutions do not report transaction-level data. France committed to performing the G20 OECD fossil fuel subsidy peer review with India in 2019; however, this process has not yet begun (OECD, 2019).

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