



ARGENTINA AND CANADA ANNOUNCE PEER REVIEW OF FOSSIL FUEL SUBSIDIES

Joint statement from Fundación Ambiente y Recursos Naturales (FARN), and Climate Action Network - Réseau action climat (CAN-Rac) on Canada and Argentina's G20 commitment to enter into a peer review of their fossil fuel subsidies.

FARN (Argentina) and CAN-Rac (Canada) congratulate both countries on their decision to undertake a collaborative review of their subsidies to oil, coal, and gas. Today the Ministers of Energy from Argentina and Canada announced the development of peer review process on their fossil fuel subsidies schemes in Bariloche, in the context of the G20 Energy Transitions Working Group Meetings.

"As respective 2018 presidents of the G7 and G20, Canada and Argentina have today pulled a critical issue to the forefront of the global agenda" said Catherine Abreu, Executive Director of CAN-Rac. "We can't invest properly in solutions to the climate crisis as long as we keep dumping money into the problem. Phasing out subsidies to fossil fuels is essential, and peer reviews such as the one announced today are a step in the right direction."

The G20 has reiterated a commitment to phase-out fossil fuel subsidies since 2009. Estimates indicate that G20 countries direct an average of \$72 billion USD in public finance to fossil fuels every year¹. In 2016, G7 countries put a date on subsidy phase-out, pledging to ditch these expensive handouts by 2025.

"It is very encouraging to see this announcement coming from both G7-G20 presidencies" said Enrique Maurtua Konstantinidis, Senior Climate Policy Advisor of FARN. "This is a key moment for Argentina and Canada to move forward on the clean energy transition. For many years, both countries have been subsidizing fossil fuels very heavily and stronger measures need to be undertaken in order to ensure the transition away from fossil fuels towards renewable energy while ensuring economic stability for people."

Last tuesday FARN published a study² with major findings on government support for public and private fossil fuel companies. The document addresses most of the elements the peer review

¹ <http://priceofoil.org/2017/07/05/g20-financing-climate-disaster/>

² <https://farn.org.ar/archives/25350>

will deal with and can contribute with this process. Meanwhile, polling undertaken by a group of organizations including CAN-Rac shows the majority of Canadians do not want their tax dollars going to climate polluters³.

Peer reviews are a tool to promote increasing transparency and accountability in the current commitment of many economies to reform subsidies acting against sustainable development. The process aims to share experiences between countries to identify best practices and challenges and look into subsidy reform, in order to be consistent with G20 and G7 commitments⁴. The process has already been conducted by United States and China in 2016, as well as Germany and Mexico in 2017, and is in the works for Italy and Indonesia.

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³<https://climateactionnetwork.ca/2018/06/11/new-poll-canadians-want-to-end-public-subsidies-for-oil-and-gas-companies/>

⁴ <http://www.iisd.org/sites/default/files/publications/guidebook-reviews-fossil-fuels-subsidies.pdf>