UNITED KINGDOM

Summary

The United Kingdom (U.K.) ranks last, tied with Mexico and Turkey, out of the G20 OECD member countries. It lacks transparency and continues to provide significant support for consumers of fossil fuels by foregoing tax revenue of USD 9.2 billion annually. Despite reducing its overall support to fossil fuels by 21% relative to 2014–2016, it increased its support to coal production by 86% and public finance by 96%.

BIGGEST RED FLAG → The U.K. increased its public financial support to fossil fuels by 96% relative to the 2014-2016 average. U.K. Export Finance (UKEF), the U.K.'s export credit agency, provided 97% of its energy support from 2010 to 2017 to fossil fuels. Its 2018–2019 annual report suggests that it provided USD 2.6 billion to fossil fuels in the 2018–2019 U.K. fiscal year alone, an 11-fold increase in fossil fuel support from the previous fiscal year, mostly directed at the oil and gas sector (Tucker et al., 2020). Updated figures show that UKEF provided USD 970 million to fossil fuels in 2019–2020, and the early indication for 2020–2021 is that fossil fuel support will increase, with UKEF reportedly signing off on

Overall ranking and score *(out of 11 countries)*	**11th**	48/100
1. Transparency	**11th** / Opaque	**$16.4 billion** total government support to fossil fuels, 2017–2019 average, USD ($2.1 billion direct transfers, $12.7 billion tax expenditure and $1.7 billion public finance)
2. Pledges and commitments	**3rd** / Strong	
3. Scale of support for coal exploration, production, processing, and transportation	**8th** / Medium	**$2.1 million** of support to coal exploration, production, processing, and transportation
4. Scale of support for oil and gas exploration, production, refining, and transportation	**9th** / Medium	**$4.5 billion** of support to oil and gas exploration, production, refining, and transportation
5. Scale of support for fossil fuel power	**3rd** / Low	**$635 million** of support to fossil fuel-based power
6. Scale of support for fossil fuel use	**7th** / Very high	**$9.2 billion** of support to fossil fuel use
7. Progress in ending support for fossil fuels	**9th** / Very poor	**96% increase** in public finance for fossil fuels relative to 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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a USD 1.27 billion support package to a liquefied natural gas terminal in Mozambique (Collett-White, 2020; Elliott, 2020).

PROGRESS → Despite committing to phasing out coal completely by 2025 (Gencsu et al., 2019), the U.K. increased its support for coal production, both domestically and internationally, by 86% relative to 2014–2016, to USD 2.1 million annually. It also increased its support to fossil fuel-based power by 403%, to USD 635 million annually. The U.K. electricity market features a capacity mechanism where it is estimated that two thirds of payments in 2018–2035 will be directed to fossil fuel-based power (Worrall, 2018).

COVID-19 GOVERNMENT SUPPORT → The U.K. government has confirmed it will support a road-building and repair program worth around USD 35 billion (Holder, 2020; International Institute for Sustainable Development et al., 2020). While the aim of the program is to upgrade more of the road network, increase capacity where needed, and create jobs, it could also cancel out much of the emissions savings that could have been achieved with low-emission and electric vehicles.

TRANSPARENCY & PEER REVIEWS → The U.K. lacks transparency, denying that it provides any fossil fuel subsidies (under its government's own definition), and there is little transparency around UKEF's fossil fuel projects (Gencsu et al., 2019; Tucker et al., 2020; Whitley et al., 2018). The U.K. has not committed to performing a G20 OECD peer review (OECD, 2019).

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