Germany

Summary

Germany ranks first out of the G20 Organisation for Economic Cooperation and Development (OECD) member countries due to its good transparency, strong commitments, and relatively low levels of support for oil and gas production, fossil fuel-based power, and fossil fuel consumption. It has also made progress in ending support to fossil fuels, with a drop in overall support of 35% relative to the 2014–2016 average.

BIGGEST RED FLAG → Germany continues to provide high levels of support for fossil fuel consumption by industry and transport, at USD 2.6 billion annually (2017–2019 average). Oil in the transport sector is heavily subsidized through tax relief to diesel fuel, as well as through tax exemptions for aviation and shipping.

PROGRESS → Germany's overall support for fossil fuels dropped 35% relative to the 2014–2016 average, mostly due to a drop in support for coal production and fossil fuel-based power. Germany ended hard coal mining and its subsidies in 2018 and plans to end lignite mining and coal-fired power by 2038 (Gencsu et al., 2019).

Overall ranking and score *(out of 11 countries)*		1st	71/100
1. Transparency	**1st** / Good	**$5.9 billion** total government support to fossil fuels, 2017–2019 average, USD ($2 billion direct transfers, $3.1 billion tax expenditure, $827 million public finance)	
2. Pledges and commitments	**1st** / Very strong		
3. Scale of support for coal exploration, production, processing, and transportation	**7th** / Medium	**$1.9 billion** to support coal exploration, production, processing and transportation	
4. Scale of support for oil and gas exploration, production, refining, and transportation	**1st** / Low	**$1.1 billion** to support oil and gas exploration, production, refining and transportation	
5. Scale of support for fossil fuel power	**3rd** / Low	**$387 million** to support fossil fuel-based power	
6. Scale of support for fossil fuel use	**1st** / Low	**$2.6 billion** to support fossil fuel use	
7. Progress in ending support for fossil fuels	**2nd** / Poor	**35% decrease** in total government support 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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Public finance for fossil fuels has decreased dramatically by 75% relative to the 2014–2016 average, mostly due to a drop in support for fossil fuel-based power.

UNACCOUNTED FOR PROGRESS → Support from the government for transitioning away from coal mining is expected for hard coal miners until 2027 and for other parts of the coal industry over the next 20 years (Gencsu et al., 2019). A recent new draft contract between the state and lignite operators setting out substantial compensation for operators to dismiss lignite has increased the likelihood that plants will come offline earlier than planned (Wettengel, 2020).

MAIN UNACCOUNTED FOR AND UNQUANTIFIED SUPPORT → Germany has a large number of municipal-level utilities that run coal-fired power plants and whose investments are not quantified in our data.

COVID-19 GOVERNMENT SUPPORT → The German government has approved a state-guaranteed USD 9.9 billion bailout to the Lufthansa airline in return for taking a 20% share in the company (International Institute for Sustainable Development et al., 2020).

TRANSPARENCY & PEER REVIEWS → Germany performed the G20 OECD fossil fuel subsidy peer review with Mexico in 2017 (OECD, 2019).

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