

# U.S.

## Annex I party

After reinserting the U.S. in the Paris Agreement, President Joe Biden hosted a global climate summit in April 2021 where he announced the country's new 2030 CO<sub>2</sub> reduction target. The pledge to cut emissions 50-52% below 2005 levels is significantly more ambitious than the prior U.S. goal and will be challenging to achieve. In particular, further policies will be needed to decarbonize the transportation and industrial segments of the economy.

- In terms of fossil-fuel support, the U.S. was the third lowest on a per-capita basis in 2019 among the G-20 countries. But from 2015-19, the U.S. posted the third-highest rate of growth (37%) among the G-20. The rise was driven by a 170% jump in public finance for oil and gas production, along with continued tax breaks for the sector.
- Biden's 'Made in America Tax Plan', released on April 7, proposes to end tax breaks and other direct subsidies for fossil-fuel producers. The plan needs approval from a very divided Congress, however.
- The U.S. has no federal-level carbon-pricing policies in place, but a number of states have implemented their own. The largest scheme is the Regional Greenhouse Gas Initiative (RGGI), which covers power plants in 11 Northeast and Mid-Atlantic states. Pennsylvania is due to join RGGI by 2022. Prices in 2020 were relatively low, averaging \$7 per metric ton – some \$10 below the price in California's carbon market.
- The U.S. has a very large pool of TCFD supporters even though the federal government only started to recommend using the framework for climate-risk disclosure in April 2021. At the G-7 summit in June 2021, the U.S. said it supported "moving towards" climate-risk disclosure.
- The U.S. does not mandate ESG disclosures from companies and investors but that could soon change. In May 2021, President Biden ordered his administration to create a strategy to quantify the risks posed by climate change to both public and private financial assets. The U.S. recently joined the NGFS initiative.

## Fossil-fuel support

Total (2015-19)

Share spent on coal (2019)

Share targeted at producers & utilities (2019)

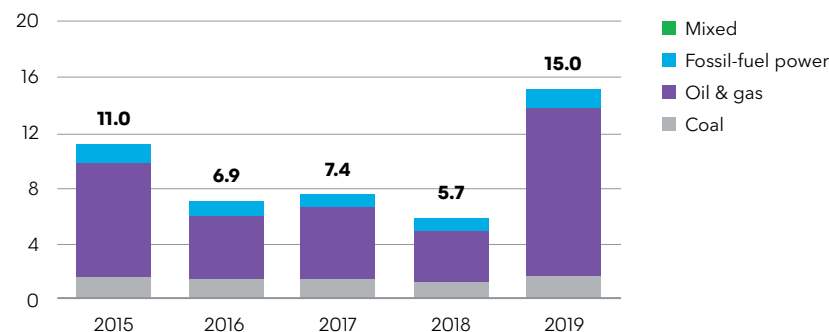


\$46 billion

9.6%

60%

## Fossil-fuel support (\$billion)



Source: OECD, IEA, Oil Change International, ODI, IISD, BloombergNEF.

## Carbon pricing

Carbon-pricing policy

National emissions covered by carbon price

Average carbon price (2020)



State-level only

8%

\$5/metric ton

## Climate risk disclosure

Mandatory TCFD policy

Corporate, financial and government TCFD supporters

Investor climate-risk policy

Central bank climate-risk stress-testing

Environmental taxonomy



Under discussion **X**

**310**

**X**

**X**

**X**

# Assumptions

## Definitions used for ranking G-20 countries

Priority area		Right direction	Mixed	Wrong direction
Fossil-fuel support	Change in total support, 2015-19	Decrease of 10% or more (G-20 average)	Decrease of less than 10%	Increase
	Per-capita support, 2019	Lowest tercile of G-20	Middle tercile	Highest tercile
Carbon pricing	Emissions covered	Over 66%	33-65%	Less than 33%
	Average price	\$18 (G-20 mean) or more	\$1-17	Less than \$1
Climate-risk disclosure		Specific climate-risk policies in place	Only generic environmental disclosure rules	No significant policies in place

## Fossil-fuel support

The figures in this report cover direct support for the production and consumption of coal, natural gas and oil, together with fossil-fuel-fired electricity by the national governments or state-owned organizations of the 19 individual country members of the G-20. For the U.S., Australia and Canada, support provided by state-level governments was also included. For full methodology, please consult the data source in the table.

In general, these figures are likely to be an underestimate because countries and states vary in the transparency of their reporting. For example, no data was published on public finance for fossil fuels by Turkey's government-owned banks and export credit agencies.

Public finance was attributed to the country where the institution is headquartered not the location of the project/initiative. No public finance data was recorded for China in 2019, compared with \$18 billion in 2018. We therefore assumed that it maintained the historical trend over 2015-18 out to 2019.

Regarding investment by state-owned enterprises, where aggregate estimates at the project level differed substantially from project-level reporting, we used the former, as was the case for Export Development Canada, for example.

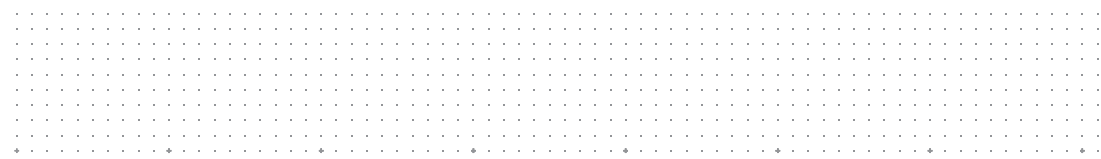
## Data sources for fossil-fuel support

Type	Data source
Direct budget transfers and tax breaks	<a href="#">OECD Inventory of Support Measures for Fossil Fuels</a>
Support to consumer energy prices	<a href="#">IEA Energy Subsidies Database</a>
Support from public finance institutions	<a href="#">Oil Change International's 'Shift the Subsidies' Database</a>
Investment by state-owned enterprises	<a href="#">Overseas Development Institute, International Institute for Sustainable Development and OCI</a>

## Carbon pricing

To rank the countries, only international, national or state/province-level carbon-pricing policies were included.

The price is the average over the last year or latest available. France and Germany have the EU ETS and a national carbon price in place, while the U.S. has multiple state- or province-level policies. In such cases, the price was a weighted average based on the emissions of each pricing scheme. For Canada, we used the backstop federal standard.



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