

# France

## G20 coal subsidies



Majority state-owned Electricité de France invests significantly in coal-fired power abroad

### Coal and France's economy

US\$42,104



GDP per capita, PPP  
(2016–2017 average)

8,067



2016 imports  
(kilotonne oil equivalent)

56



2016 exports  
(kilotonne oil equivalent)

2%



Share in power mix  
(by generation)

### Key findings

- France has ended most subsidies to coal mining since the closure of its coal mines in the 1980s, but fiscal support of €457,000 (US\$486,170) per year (2016–2017 average) is provided for research and development in coal mining. While the amount is unquantified, the government also continues to support retired miners through its National Agency to Guarantee Miners' Rights (ANGDM).
- France ended public finance for thermal coal internationally in 2015.
- President Macron's government has committed to phasing out coal-fired power by 2021, but still provides €87 million (US\$94 million) per year of fiscal support for coal and coal-fired power production and use (2016–2017 average).
- Electricité de France (EDF), France's majority state-owned energy company, is estimated to invest over €1 billion (US\$1.1 billion) per year in coal-fired power (2016–2017 average), mostly in the United Kingdom, and has separately invested in coal plants in China.

### Prominence of fossil fuels and subsidy phase-out commitments

- France produces 2% of its electricity from coal, and 9% from all fossil fuels (IEA, 2019). The government still provides support towards production and consumption of all fossil fuels and fossil fuel-powered electricity (Gençsü et al., 2017).
- As a member of the G20, France has committed to phase out inefficient fossil fuel subsidies over the medium term (as agreed in 2009), and as a G7 member to do so with a 2025 deadline (G20, 2009; G7, 2016). France has also committed to phase out environmentally harmful subsidies, including those to fossil fuels, by 2020 as part of the European Union and a signatory to the Convention on Biological Diversity (Aichi Target 3) (UN, 1992; European Commission, 2011).

## Government support to coal production

- The only budgetary support identified for coal mining is for research and development, amounting to €457,000 (US\$486,170) per year (2016–2017 average).

## Government support to coal-fired power production

- In 2018 President Macron announced the phase-out of coal-fired power domestically by 2021 – a commitment that may not be met (White, 2018; Friends of the Earth France, 2019). France continues to provide fiscal support for coal-fired power through excise tax exemptions for biomass co-generation.
- France introduced a capacity mechanism<sup>1</sup> in January 2017 to ensure supply during peak demand, with five old coal-fired power plants eligible for payments (European Commission, 2016; Tuddé, 2017).
- France has committed to ending international public finance for coal-fired power, and no domestic or international public finance was identified for coal (between 2016–2017).
- However, EDF continues to invest an estimated €1 billion (US\$1.1 billion) per year in coal-fired power (2016–2017 average), with 95.6% of its thermal coal electricity generation in the UK and the remainder in France. EDF also has significant investments in Chinese companies developing new coal plants (EDF Asia, n.d.(a); n.d.(b); n.d.(c)).
- Government support for coal is also provided through energy company ENGIE, but this is not included in our data as the government’s share is 24% (less than 50%).

## Government support to coal and coal-fired power consumption

- France continues to provide tax relief towards the consumption of coal-fired power by industry.
- No fiscal support was identified for coal consumption (low-income households are eligible for the ‘energy cheque’ system to pay for coal for heating, but the amount is likely to be small) (Ministry for Ecological and Inclusive Transition, n.d.).

### France’s government support to coal and coal-fired power production and consumption

€, 2016–2017 annual average

Instrument	Coal production <sup>i</sup>	Coal-fired power	Coal consumption <sup>ii</sup>	Transition support <sup>iii</sup>
<b>Fiscal support</b> (budgetary transfers and tax exemptions)	457,000	14,000,000	72,877,754	not quantified <sup>iv</sup>
<b>Public finance</b>	none identified	none identified	none identified	none identified
<b>State-owned enterprise investment</b>	none identified	1,037,974,000 <sup>v</sup>	none identified	none identified

Note: for more detail and sources see the France data sheet available at [odi.org/g20-coal-subsidies/france](https://odi.org/g20-coal-subsidies/france).

<sup>i</sup> This category includes support for coal exploration, mining, processing and transportation.

<sup>ii</sup> This category includes support for consumption of coal-fired power, and of coal other than for its use for coal-fired power generation (or for co-generation of power and heat).

<sup>iii</sup> This category includes support for closing down mining sites, and for workers and communities in their transition away from coal and coal-fired power.

<sup>iv</sup> Support for retired miners continues to be provided by L’Agence Nationale pour la Garantie des Droits des Mineurs (ANGDM) but the amount could not be determined.

<sup>v</sup> 95.6% of EDF’s thermal coal electricity generation is in the UK, and the other 4.4% is in France. The resulting support for coal is therefore estimated based on the percentage of coal in the electricity generation mix for EDF’s UK operations.

1 A capacity mechanism is ‘an administrative measure to ensure the desired level of security of supply by remunerating generators for the availability of resources’ (Erbach, 2017: 2).

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## Government support to the transition away from coal and coal-fired power

- A fund has been set up to compensate local authorities following the expected closure of the coal power plants (French Government, 2018).
- While support for rehabilitation of mining sites has been phased out following the closure of coal mines in the 1980s, in 2004 the responsibility for benefits to former miners was transferred to L'Agence Nationale pour la Garantie des Droits des Mineurs (ANGDM) (French Senate, 2019; OECD, 2019). The amount of support provided by ANGDM could not be determined.

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**This country study is one in an 18-part series.** The country findings are collated in the summary report, which you can find at [odi.org/g20-coal-subsidies](http://odi.org/g20-coal-subsidies) along with full references, acknowledgements and further information about methodology and data sources.

Unreferenced information in this summary is from the analysis conducted for this report, available in the France data sheet at [odi.org/g20-coal-subsidies/france](http://odi.org/g20-coal-subsidies/france).

Author: Ipek Gençsü

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