



The Government of Canada is committed to investing in a strong, sustainable economic future that will deliver good, middle-class jobs, clean air, and energy security for generations to come.

The Minister of Environment and Climate Change has released the *Inefficient Fossil Fuel Subsidies Government of Canada Self-Review Assessment Framework* and the *Inefficient Fossil Fuel Subsidies Government of Canada Guidelines*. Eliminating inefficient fossil fuel subsidies and redoubling our focus on clean energy is a key step in building Canada's net zero economy by 2050 and supporting good-paying jobs for Canadians for generations to come.

The Assessment Framework and Guidelines support the decarbonization of Canada's oil and gas sector and support a strong future for workers in the industry while making real progress to fight climate change. Our commitment to eliminating inefficient fossil fuel subsidies signals both greater support for clean technology as well as emission reductions across the economy. This will help create and secure middle-class jobs from coast to coast to coast while protecting the environment.

The Assessment Framework will be used to determine which tax and non-tax measures constitute an inefficient fossil fuel subsidy. Subsidies will be considered inefficient unless they meet one or more of the following six criteria:

- 1) Enable significant net greenhouse gas emissions reductions in Canada or internationally in alignment with Article 6 of the Paris Agreement
- 2) Support clean energy, clean technology, or renewable energy
- 3) Provide essential energy service to a remote community
- 4) Provide short-term support for emergency response
- 5) Support Indigenous economic participation in fossil fuel activities

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- 6) Support abated production processes, such as carbon capture, utilizations, and storage (CCUS), or projects that have a credible plan to achieve net zero emissions by 2030.

The Guidelines are effective immediately and apply to all federal departments and agencies.

Canada is also committed to phasing out public financing of the fossil fuel sector. The Government's work will identify current public financing by 2024 and announce by Fall 2024 the implementation plan to phase out public financing of the fossil fuel sector.

Canada is the only G20 country to phase out inefficient fossil fuel subsidies ahead of the 2025 deadline. We are the first country to release a rigorous analytical guide that both fulfills our commitment and transparently supports action. By eliminating inefficient fossil fuel subsidies, the Government of Canada is enabling greater support for clean technology, clean growth, and accelerated efforts to decarbonize important Canadian industries, including the oil and gas sector, which continue to play an important role in the Canadian economy.



[Inefficient Fossil Fuel Subsidies - Canada.ca](https://www.canada.ca/en/government/publications/inefficient-fossil-fuel-subsidies)

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