

Summary

Argentina ranks second among the G20 non-Organisation for Economic Cooperation and Development (OECD) member countries due to its relatively good transparency and relatively low support for fossil fuel use. However, it continues to provide large SOE investments in oil and gas production.

BIGGEST RED FLAG → Argentina continues to provide significant support for oil and gas production at USD 29 billion annually (2017–2019 average). This is mostly through SOE investments of USD 27 billion annually. Argentina's state-owned oil and gas companies, YPF S.A., and Integración Energética Argentina (IEASA, formerly ENARSA), made some of the largest SOE investments in oil and gas production (per unit of GDP) among the G20 countries. Argentina also supports oil and gas production through direct transfers and tax expenditures at USD 2 billion annually. The subsidies provided to the gas sector alone every year exceed the royalties received by the government from the sector (Fundación Ambiente y Recursos Naturales, 2019).

Overall ranking and score (out of 8 countries)

2nd

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1. Transparency	1st / Good	\$36.3 billion total government support to fossil fuels, 2017–2019 average, USD (\$4.3 billion direct transfers, \$1.3 billion tax expenditure, \$3.7 billion induced transfers, \$40 million public finance, \$27 billion SOE investment)
2. Pledges and commitments	2nd / Mediocre	
3. Scale of support for coal exploration, production, processing, and transportation	5th / Medium	\$133 million of support to coal exploration, production, processing, and transportation
4. Scale of support for oil and gas exploration, production, refining, and transportation	6th / High	\$29 billion of support to oil and gas exploration, production, refining, and transportation
5. Scale of support for fossil fuel power	2nd / Medium	\$3.5 billion of support to fossil fuel-based power
6. Scale of support for fossil fuel use	1st / Low	\$3.7 billion of support to fossil fuel use
7. Progress in ending support for fossil fuels	2nd / Mediocre	9% increase in SOE investments 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 data, 2017–2019 averages (OECD, 2020)
- For induced transfers: data, 2017–2019 averages (International Energy Agency, 2020)
- For public finance: data collected from several sources, 2017–2018 averages (Oil Change International, 2020)
- For SOE investment: capex data collected by Overseas Development Institute (2020) from annual reports, 2017–2019 averages

PROGRESS → While Argentina's overall government support to fossil fuels dropped by 17% relative to 2014–2016 averages, SOE investments, mostly in oil and gas production, increased by 9% over the period.

MAIN UNACCOUNTED FOR AND UNQUANTIFIED SUPPORT → Argentina's level of SOE investment, in particular, is likely much higher than that reported here. Due to poor transparency, the investment figures for the coal SOE Yacimientos Carboníferos Río Turbio were not available, and subnational level SOEs were out of scope of this work. Also, public finance provided by the Argentinian export credit agencies has not been included in this report due to limited public disclosure of activities by these public finance institutions (Tucker et al., 2020).

COVID-19 GOVERNMENT SUPPORT → The Energy Policy Tracker identified COVID-related support for Argentina, but this support could not be quantified at the deadline for data collection for this scorecard (August 12, 2020) (IISD et al., 2020).

TRANSPARENCY & PEER REVIEWS → Argentina committed to undergoing a G20 peer review of fossil fuel subsidies with Canada in 2018, but the review is significantly behind schedule, and there has been little transparency on what measures it will include (Rabson, 2019). A lack of transparency on some SOE investments and some public finance institutions' transactions mean that government support for fossil fuels has likely been underestimated in this report.

References

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