

Corrigendum: State of Energy Policy 2026

Issued: April 2026

Link to report: <https://www.iea.org/reports/state-of-energy-policy-2026>

On page 16, the paragraph below

The energy sector has historically accounted for a relatively small share of government budgets, averaging around 1% in most countries. Over the past **five** years, however, government spending on energy **has than doubled** compared with 2019 levels, reaching around 1.4% of total direct government expenditure in 2025. Levels have varied by country, with some reaching up to 5% of general expenditure. Although spending fell from its peak in 2023, disbursements in 2024 and 2025 remained significantly higher than in the 2010s, reaching respectively around USD 370 billion and USD 405 billion. Other economic sectors saw more modest growth: spending on areas such as health and social protection rose broadly in line with general total expenditure, by around 1.4 times over the same period, compared with more than doubling for energy.

Was replaced with this updated paragraph

The energy sector has historically accounted for a relatively small share of government budgets, averaging around 1% in most countries. Over the past **six** years, however, government spending on energy **has more than doubled** compared with 2019 levels, reaching around 1.4% of total direct government expenditure in 2025. Levels have varied by country, with some reaching up to 5% of general expenditure. Although spending fell from its peak in 2023, disbursements in 2024 and 2025 remained significantly higher than in the 2010s, reaching respectively around USD 370 billion and USD 405 billion. Other economic sectors saw more modest growth: spending on areas such as health and social protection rose broadly in line with general total expenditure, by around 1.4 times over the same period, compared with more than doubling for energy.

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The largest share of government spending on energy has flowed to power generation and grid infrastructure, more than doubling since 2015 and reaching USD 135 billion in 2025. Recent years, however, have seen declines in spending locally, largely driven by shifts towards market-based mechanisms, with more than ten countries launching capacity auctions for solar PV and wind over the past five years. Notably, China reduced its renewables subsidies and phased out feed-in tariffs for new projects in 2025. Similarly, Germany's corresponding budget position was paused in 2022 and 2023 due to high electricity prices, and the United States enacted legislation in July 2025 to end its solar and wind tax credits for new projects starting in 2026. In contrast, the United Kingdom allocated an all-time high **allocation** to the Low Carbon Contracts Company, managing the **contract-for-difference** in the country, with USD 56 billion in 2025 alone.

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However, not all countries followed this trend. In 2025, India increased its initial solar budget to USD 2.5 billion and raised urban transit and metro spending to USD 4 billion, while Japan allocated around USD 585 million in 2025 alone to next-generation nuclear technology development. The United Kingdom increased its total initial budget to a record USD 97 billion in 2025, although last spending estimates in Spring 2026 are significantly lower, with a 30% decrease in allocation for the LCCC, responsible for **contract for differences** in the country, and a reduced number of contracts being signed for green hydrogen.

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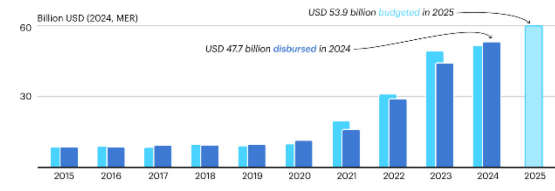
On page 66, the figure below

Buildings

Energy demand **20.3% (2015)** > **19.4% of total energy supply (2024)**
 CO₂ emissions **8.3% (2015)** > **7.3% of total energy supply (2024)**

Government spending

Government spending on building energy efficiency measures escalated from 2020 before slowing down in 2023. The measures accounted for around 13% of total energy sector government spending in 2024.



Main disbursed programmes in 2024:

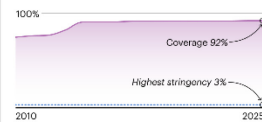
- Promotion of energy efficiency and renewable energy measures in the building sector
Germany (USD 15.3 billion)
- Superbonus
Italy (USD 6.7 billion)
- Credit for residential energy-efficient property
United States (USD 6.4 billion)

Notes: MEPS = minimum energy performance standards. Government spending includes energy-efficient retrofit, appliance and heat pumps programmes. Highest stringency coverage includes countries with an Energy Efficiency Coverage and Stringency Indicator higher than 75 out of 100. For air conditioners, this implies cooling energy demand covered by MEPS higher than 72 kWh/m² ISO CSP1. For boilers, this implies heating energy demand covered by a MEPS for gas boilers requiring an efficiency rate above 91%.

Regulations

The coverage and stringency of key energy performance standards in the buildings sector have plateaued since 2015.

Cooling demand covered by MEPS



Heating demand covered by MEPS



6/85
countries
adopted or revised
MEPS for air
conditioners in
2025

0/85
countries
adopted or revised
MEPS for boilers in
2025

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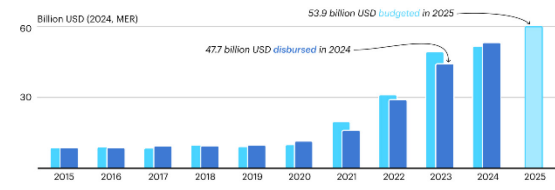
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Buildings

Energy demand **28.6% (2015)** > **26.0% of total final consumption (2024)**
 CO₂ emissions **14.5% (2015)** > **13.6% of total final consumption (2024)**

Government spending

Government spending for buildings energy efficiency measures escalated since 2020 before slowing down in 2023. They account for about 13% of total energy sector government spending in 2024.



Main disbursed programmes in 2024:

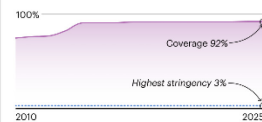
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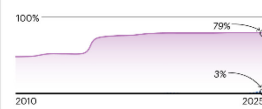
Regulations

The coverage and stringency of key energy performance standards in the building sectors plateaued since 2015.

Cooling demand covered by a MEPS



Heating demand covered by a MEPS



6/85
countries
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a MEPS for air
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0/85
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2025

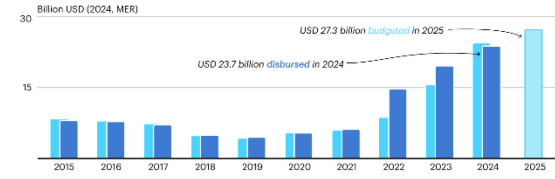
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Industry

Energy demand **26.9% (2015)** > **26.6% of total energy supply (2024)**
 CO₂ emissions **25.3% (2015)** > **23.7% of total energy supply (2024)**

Government spending

Government spending in the industry sector has risen since 2021, reaching almost USD 24 billion in 2024, of which 54% was allocated to advanced manufacturing. The sector accounted for 6% of total energy sector government spending in 2024.



Main disbursed programmes in 2024:

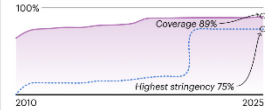
- **Advanced manufacturing investment credit**
United States (USD 3.2 billion)
- **Exploration, mining and preparation of other resources**
China (USD 1.9 billion)
- **Battery manufacturing supply chain resilience support project**
Japan (USD 1.5 billion)

Notes: MEPS = minimum energy performance standards. Government spending includes advanced manufacturing, energy efficiency and decarbonisation industry programmes. Highest stringency coverage includes countries with an Energy Efficiency Coverage and Stringency Indicator higher than 75 out of 100. For industrial motors, this implies industry energy demand covered by International Efficiency ratings 3 and 4. For carbon pricing instruments, highest stringency coverage includes countries' industry greenhouse gas emissions from fuel combustion covered by an explicit carbon price above USD 63/t CO₂, which corresponds to the lower end of the price range recommended by the High-Level Commission on Carbon Prices.

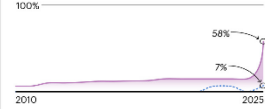
Regulations

The coverage and stringency of carbon pricing instruments in the industry sector significantly increased in 2025.

Industrial motors electricity demand covered by MEPS



Industry emissions covered by a carbon price



2/85 countries

adopted or revised MEPS for industrial motors in 2025

1/85 countries

adopted or revised a carbon pricing instrument in 2025

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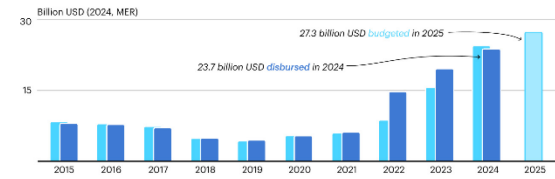
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Industry

Energy demand **37.6% (2015)** > **38.5% of total final consumption (2024)**
 CO₂ emissions **44.4% (2015)** > **43.8% of total final consumption (2024)**

Government spending

Government spending in the industry sector has risen since 2021, reaching almost USD 24 billion in 2024, of which 54% were allocated to advanced manufacturing. The sector accounted for 6% of total energy sector government spending in 2024.



Main disbursed programmes in 2024:

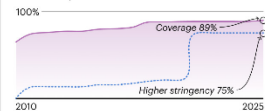
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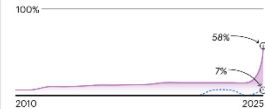
Regulations

The coverage and stringency of carbon pricing instruments in the industry sector significantly increased in 2025.

Industrial motors electricity demand covered by a MEPS



Industry emissions covered by a carbon price



2/85 countries

adopted or revised a minimum energy performance standard for industrial motors in 2025

1/85 countries

adopted or revised a carbon pricing instrument in 2025

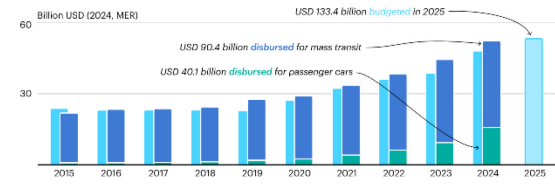
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Transport

Energy demand **19.8% (2015)** > **19% of total energy supply (2024)**
 CO₂ emissions **22% (2015)** > **21.9% of total energy supply (2024)**

Government spending

Government spending grew to reach an all-time high in 2024, accounting for about 35% of total energy sector government spending. Mass and alternative transit programmes represent the vast majority (69%).



Main disbursed programmes in 2024:

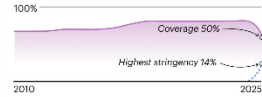
- Tax credit for clean vehicles
United States (USD 16 billion)
- Auto trade-in subsidy programme
China (USD 12.5 billion)
- Purchase tax
China (USD 2.2 billion)

Notes: LDV = Light-duty vehicles, HDV = heavy-duty vehicles. Government spending estimates include direct investments, grant schemes and tax credits for mass and alternative transit (urban transit, rail) and passenger cars. Highest stringency coverage implies energy demand covered by a fuel economy standard higher than 21.6 km/l, for LDVs and a fuel economy standard implying a relative reduction of at least 25% compared to 2010 levels for HDVs.

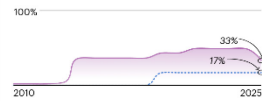
Regulations

The coverage of fuel economy standards dropped in 2025, while few jurisdictions enacted more stringent regulations for both cars and trucks.

LDV energy demand covered by a fuel economy standard



HDV energy demand covered by a fuel economy standard



2/85 countries

adopted or revised a fuel economy standard for light-duty vehicles in 2025

3/85 countries

adopted or revised a fuel economy standard for heavy-duty vehicles in 2025

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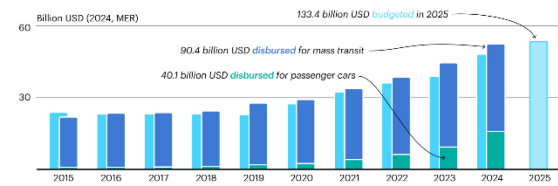
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Transport

Energy demand **27.9% (2015)** > **27.5% of total final consumption (2024)**
 CO₂ emissions **38.7% (2015)** > **40.5% of total final consumption (2024)**

Government spending

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Main disbursed programmes in 2024:

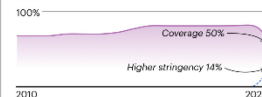
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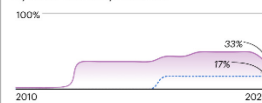
Regulations

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LDVs energy demand covered by a fuel economy standard



HDVs energy demand covered by a fuel economy standard



2/85 countries

adopted or revised a fuel economy standard for light-duty vehicles in 2025

3/85 countries

adopted or revised a fuel economy standard for heavy-duty vehicles in 2025