

Press release

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Governments' fossil fuel production plans dangerously out of sync with Paris limits

The 2021 Production Gap Report, by leading research institutes and the UN Environment Programme (UNEP), finds that despite increased climate ambitions and net-zero commitments, governments still plan to produce more than double the amount of fossil fuels in 2030 than what would be consistent with limiting global warming to 1.5°C.

The report, first launched in 2019, measures the gap between governments' planned production of coal, oil, and gas and the global production levels consistent with meeting the Paris Agreement temperature limits. Two years later, the 2021 report finds the production gap largely unchanged.

Over the next two decades, governments are collectively projecting an increase in global oil and gas production, and only a modest decrease in coal production. Taken together, their plans and projections see global, total fossil fuel production increasing out to at least 2040, creating an ever-widening production gap.

"The devastating impacts of climate change are here for all to see. There is still time to limit long-term warming to 1.5°C, but this window of opportunity is rapidly closing," says Inger Andersen, Executive Director of UNEP. "At COP26 and beyond, the world's governments must step up, taking rapid and immediate steps to close the fossil fuel production gap and ensure a just and equitable transition. This is what climate ambition looks like."

The 2021 Production Gap Report provides country profiles for 15 major producer countries: Australia, Brazil, Canada, China, Germany, India, Indonesia, Mexico, Norway, Russia, Saudi Arabia, South Africa, the United Arab Emirates, the United Kingdom, and the United States. The country profiles show that most of these governments continue to provide significant policy support for fossil fuel production.

"The research is clear: global coal, oil, and gas production must start declining immediately and steeply to be consistent with limiting long-term warming to 1.5°C," says Ploy Achakulwisut, a lead author on the report and SEI scientist. "However, governments continue to plan for and support levels of fossil fuel production that are vastly in excess of what we can safely burn."

The report's main findings include:

- The world's governments plan to produce around 110% more fossil fuels in 2030 than would be consistent with limiting warming to 1.5°C, and 45% more than consistent with 2°C. The size of the production gap has remained largely unchanged compared to our prior assessments.
- Governments' production plans and projections would lead to about 240% more coal, 57% more oil, and 71% more gas in 2030 than would be consistent with limiting global warming to 1.5°C.
- Global gas production is projected to increase the most between 2020 and 2040 based on governments' plans. This continued, long-term global expansion in gas production is inconsistent with the Paris Agreement's temperature limits.

- Countries have directed over USD 300 billion in new funds towards fossil fuel activities since the beginning of the COVID-19 pandemic — more than they have towards clean energy.
- In contrast, international public finance for production of fossil fuels from G20 countries and major multilateral development banks (MDBs) has significantly decreased in recent years; one-third of MDBs and G20 development finance institutions (DFIs) by asset size have adopted policies that exclude fossil fuel production activities from future finance.
- Verifiable and comparable information on fossil fuel production and support — from both governments and companies — is essential to addressing the production gap.

“Early efforts from development finance institutions to cut international support for fossil fuel production are encouraging, but these changes need to be followed by concrete and ambitious fossil fuel exclusion policies to limit global warming to 1.5°C”, says Lucile Dufour, Senior Policy Advisor, International Institute for Sustainable Development (IISD).

“Fossil-fuel-producing nations must recognize their role and responsibility in closing the production gap and steering us towards a safe climate future,” says Måns Nilsson, executive director at SEI. “As countries increasingly commit to net-zero emissions by mid-century, they also need to recognize the rapid reduction in fossil fuel production that their climate targets will require.”

The report is produced by the Stockholm Environment Institute (SEI), International Institute for Sustainable Development (IISD), ODI, E3G, and UNEP. More than 40 researchers contributed to the analysis and review, spanning numerous universities, think tanks and other research organizations.

Reactions to the 2020 Production Gap Report

“Recent announcements by the world’s largest economies to end international financing of coal are a much-needed step in phasing out fossil fuels. But, as this report starkly shows, there is still a long way to go to a clean energy future. It is urgent that all remaining public financiers as well as private finance, including commercial banks and asset managers, switch their funding from coal to renewables to promote full decarbonization of the power sector and access to renewable energy for all.”

- António Guterres, UN Secretary General

“This report shows, once again, a simple but powerful truth: we need to stop pumping oil and gas from the ground if we are to meet the goals of the Paris Agreement. We must cut with both hands of the scissors, addressing demand and supply of fossil fuels simultaneously. That is why, together with Denmark, we are leading the creation of the Beyond Oil and Gas Alliance to put an end to the expansion of fossil fuel extraction, plan a just transition for workers and start winding down existing production in a managed way.”

- Andrea Meza, Minister for Environment and Energy of Costa Rica

“The 2021 Production Gap Report once again demonstrates in no uncertain terms that we need significant reductions in the production of fossil fuels if we are to reach the goals of the Paris Agreement. In response, Denmark has taken the decision to cancel all future licensing rounds for oil and gas, and completely phase out our production by 2050. With Costa Rica we encourage all governments to undertake similar measures and join the Beyond Oil and Gas Alliance to promote a managed and just phase out of fossil fuel production.”

- Dan Jørgensen, Minister for Climate, Energy and Utilities, Denmark

Notes to Editors

About the Production Gap Report

Modelled after the UNEP's Emissions Gap Report series — and conceived as a complementary analysis — this report conveys the large discrepancy between countries' planned fossil fuel production and the global production levels necessary to limit warming to 1.5°C and 2°C.

About the Stockholm Environment Institute

[Stockholm Environment Institute](#) is an independent, international research institute that has been engaged in environment and development issues at local, national, regional and global policy levels for more than a quarter of a century. SEI supports decision making for sustainable development by bridging science and policy.

About the United Nations Environment Programme (UNEP)

UNEP is the leading global voice on the environment. It provides leadership and encourages partnership in caring for the environment by inspiring, informing and enabling nations and peoples to improve their quality of life without compromising that of future generations.

About the International Institute for Sustainable Development

[The International Institute for Sustainable Development](#) (IISD) is an award-winning, independent think tank championing research-driven solutions to the world's greatest environmental challenges. Our vision is a balanced world where people and the planet thrive; our mission is to accelerate the global transition to clean water, fair economies and a stable climate. With offices in Winnipeg, Geneva, Ottawa and Toronto, our work impacts lives in nearly 100 countries.

ODI

[ODI is an independent, global think tank, working to](#) inspire people to act on injustice and inequality. Through research, convening and influencing, ODI generates ideas that matter for people and planet.

About E3G

[E3G](#) is an independent European climate change think tank accelerating the transition to a climate safe world. E3G is made up of world leading strategists on the political economy of climate change, dedicated to achieving a safe climate for all. E3G builds cross-sectoral coalitions to achieve carefully defined outcomes, chosen for their capacity to leverage change. E3G works closely with like-minded partners in government, politics, business, civil society, science, the media, public interest foundations and elsewhere. E3G is making the necessary possible.

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