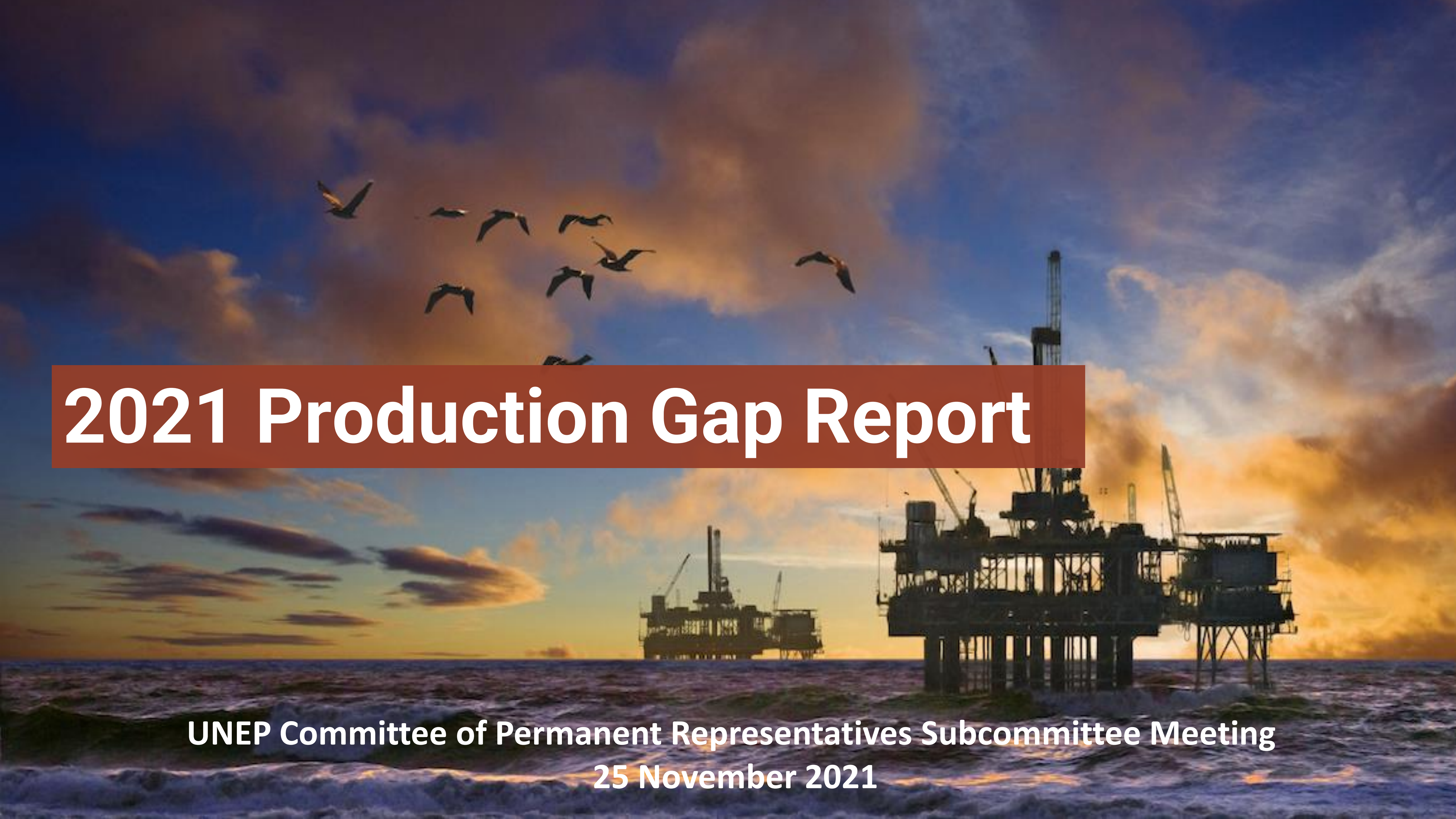
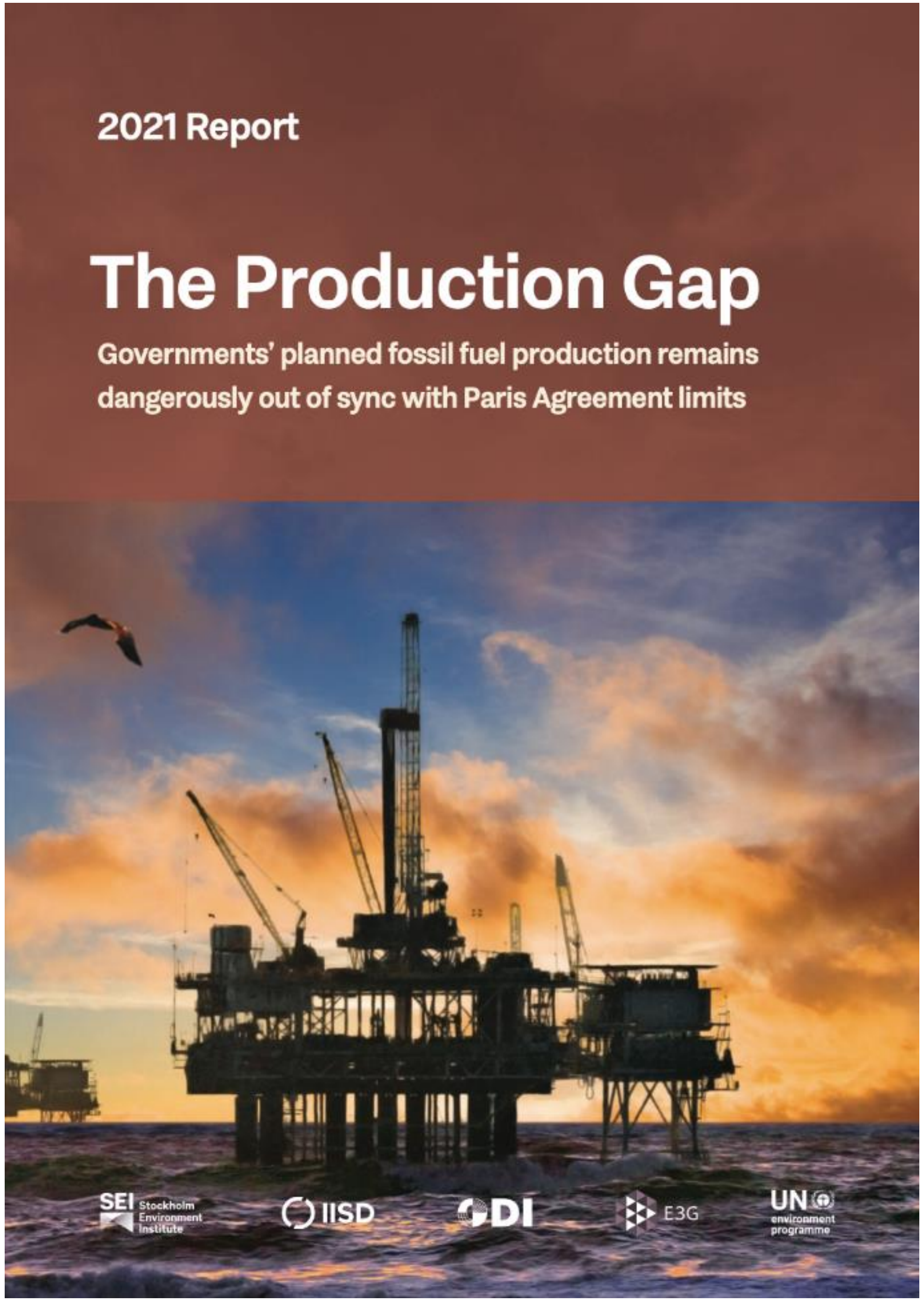


2021 Production Gap Report

UNEP Committee of Permanent Representatives Subcommittee Meeting
25 November 2021



First Production Gap Report launched in 2019, designed to complement UNEP's *Emissions Gap Report* Series.

Introduced the "fossil fuel production gap" as a new concept and metric.

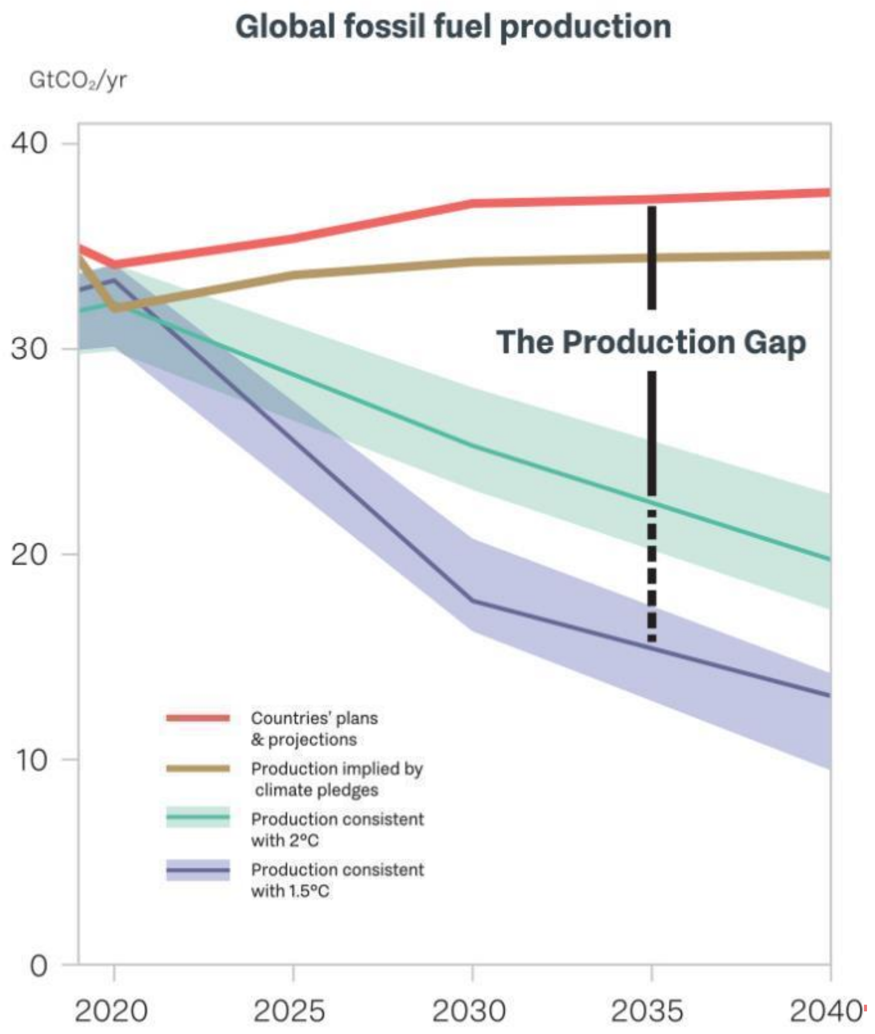
The 2021 report features:

- Focus on 15 key producers (75% of global extraction)
- Latest assessment of government spending and support for fossil fuel production
- A special chapter focused on the role of transparency

The Production Gap 2021: findings

The world's governments plan to produce more than double the amount of fossil fuels in 2030 than would be consistent with limiting warming to 1.5°C, and around 45% more than consistent with limiting warming to 2°C.

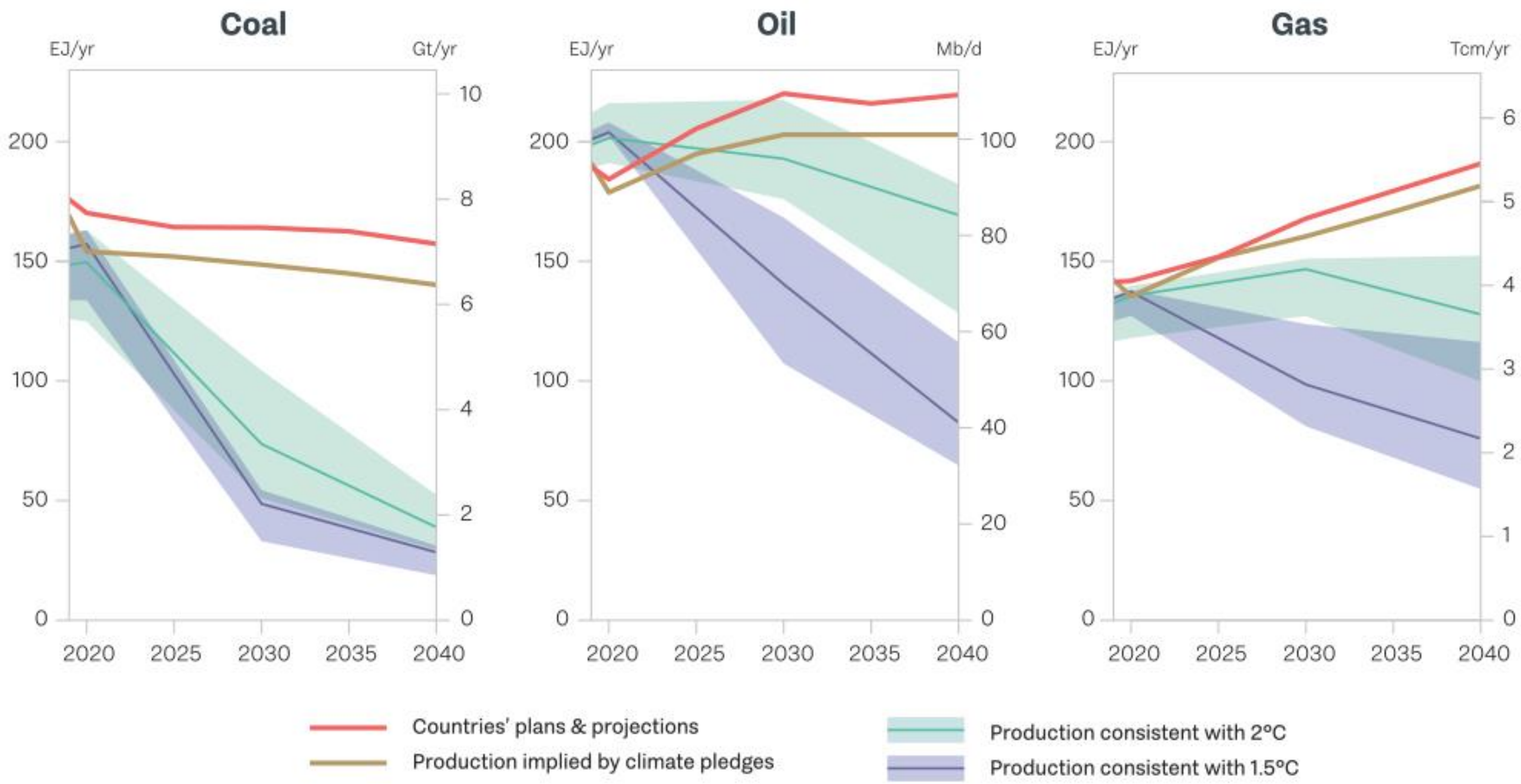
- The size of the production gap that has remained largely unchanged compared to our prior assessments.
- As countries set net-zero emission targets and increase their climate ambitions under the Paris Agreement, they have not explicitly recognized or planned for the rapid reduction in fossil fuel production that these targets require.



The production gap by fuel

In 2030, **governments' production plans and projections would lead to around 240% more coal, 57% more oil, and 71% more gas** than would be consistent with limiting warming to 1.5°C.

Global coal, oil, and gas production must start declining immediately and steeply to be consistent with limiting long-term warming to 1.5°C.



The production gaps for all fuels grow much wider by 2040 under both temperature limits.

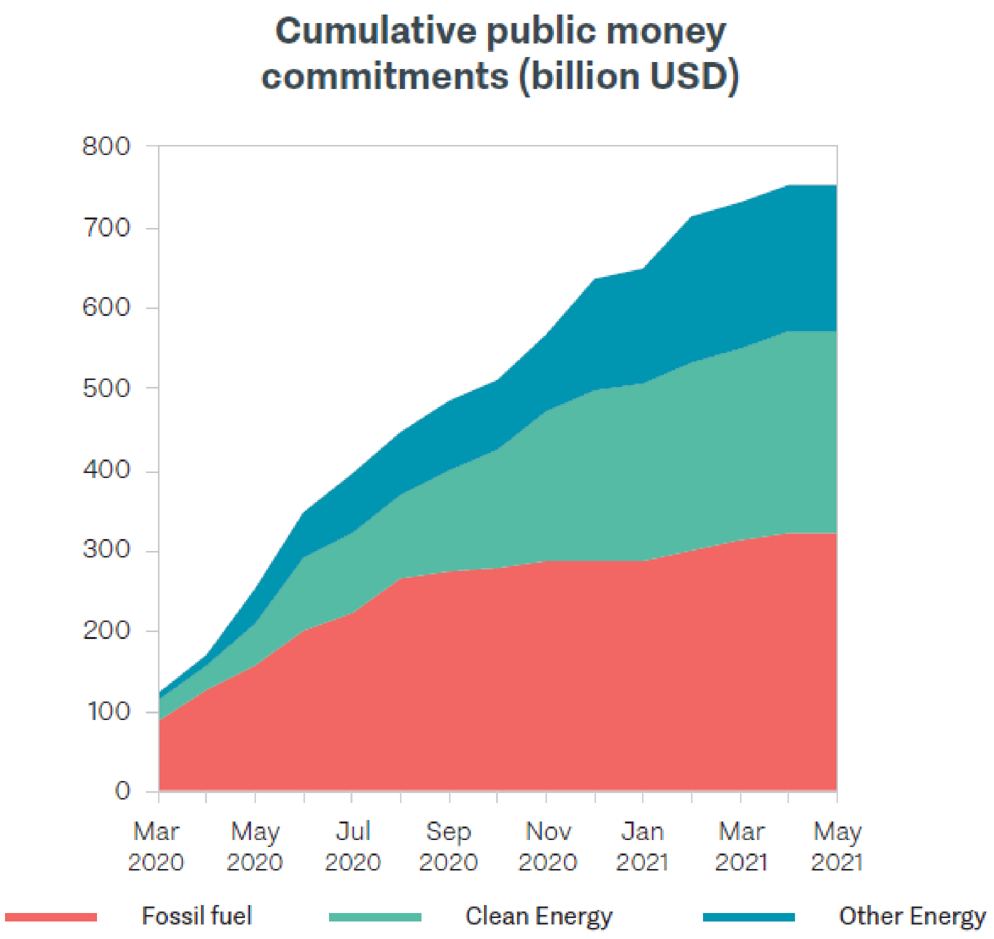
15 country profiles

National support to fossil fuels

Governments have long supported fossil fuel production through tax breaks, direct investments, public finance, exemptions from environmental and other regulations, and support to SOEs.

Governments are providing more public funds for fossil fuels than clean energy through their COVID-19 response.

- The “greening” of policies in late 2020 has not tipped the balance from fossil to clean



Multilateral and bilateral finance

Since the adoption of the Paris Agreement, public finance institutions have spent at least USD$294 billion supporting fossil fuels overseas.

- International public finance for fossil fuel production has, however, significantly decreased since 2017
- Uneven support is provided for coal, oil, and gas

A growing number of MDBs and DFIs have adopted policies excluding future investments in fossil fuel production.

- MDBs and G20 Institutions representing more than USD$2.1 trillion have adopted such policies
- Other public finance institutions, such as ECAs, still have to step up and adopt bold exclusion policies

Transparency

EITI Extractive Industries Transparency Initiative

iea

APEC EUROSTAT GECF IEA IEF OLADE OPEC UNSD JOINT ORGANISATIONS DATA INITIATIVE

Global Energy Monitor

… but available information is incomplete, often inconsistent & scattered across various, mostly voluntary, government-driven and non-governmental efforts

energypolicytracker.org

PUBLISH WHAT YOU PAY

FossilFuelSubsidyTracker.org

GRI

World Benchmarking Alliance

OECD

Carbon Tracker Initiative

Closing the production gap

- Increase transparency, reporting, and accountability

- Address the need for a just and equitable wind-down of fossil fuels, both for demand and production

- Restrict fossil fuel exploration and extraction

- Phase out producer subsidies and public finance and re-direct support to decarbonization and just and equitable transitions

- Increase international cooperation