



## Production Gap Report 2023

**For Prelims:** [Production Gap report](#), [UN Environment Programme \(UNEP\)](#), [Paris Agreement](#), [India's NDC](#)

**For Mains:** Production Gap Report, Environmental Pollution & Degradation, Mineral & Energy Resources

**Source:** [TH](#)

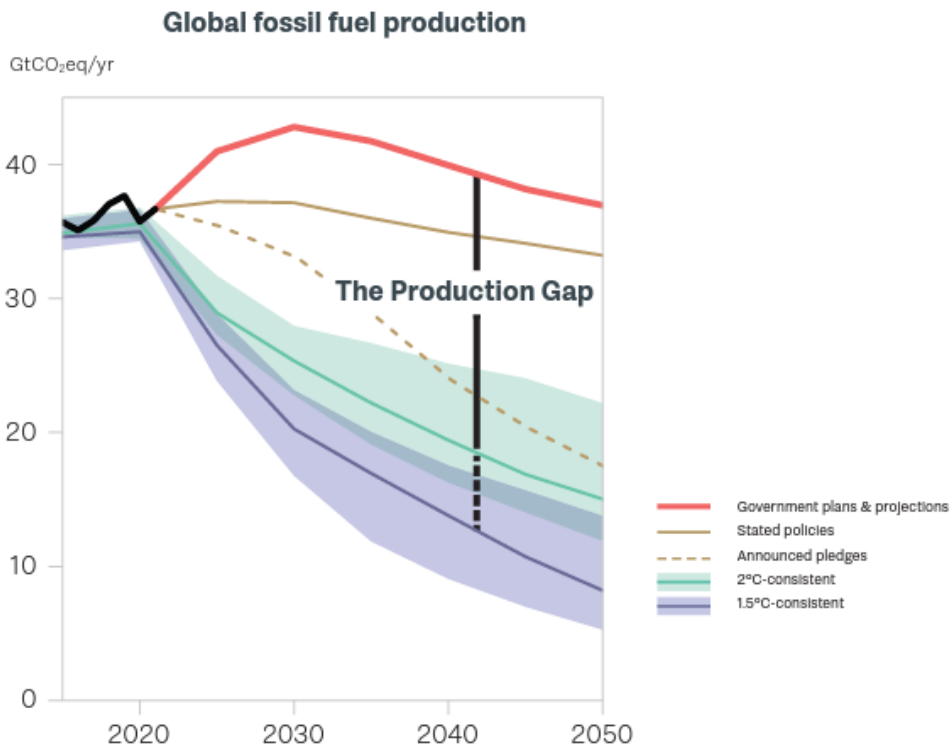
### Why in News?

Recently, [Production Gap report 2023](#) has been published by the **Stockholm Environment Institute (SEI)**, Climate Analytics, E3G, International Institute for Sustainable Development (IISD) and the [UN Environment Programme \(UNEP\)](#).

- The report assesses governments' planned and projected production of coal, oil, and gas against global levels consistent with the [Paris Agreement's](#) temperature goal.
- The production gap is the difference between governments' planned fossil fuel production and global production levels consistent with **limiting global warming to 1.5°C or 2°C**.

**Figure ES.1**

The fossil fuel production gap — the difference between governments' plans and projections and levels consistent with limiting warming to 1.5°C and 2°C, as expressed in units of greenhouse gas emissions from fossil fuel extraction and burning — remains large and expands over time. (See details in Chapter 2 and Figure 2.1.)



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## What are the Key Findings of the Production Gap Report?

- **Projected Increase in Fossil Fuels Production:** Governments are planning to produce twice as much fossil fuel in 2030 than is compatible with the 1.5°C warming limit.
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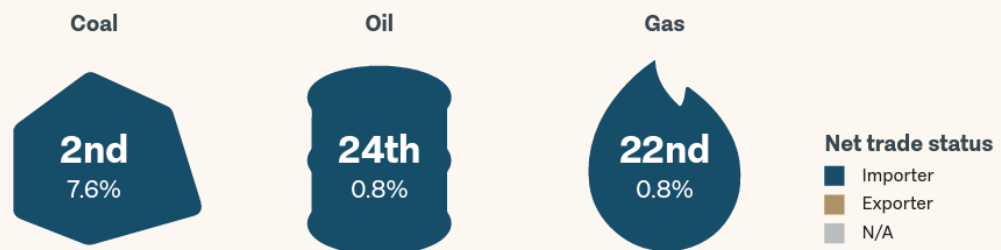
- This projection exceeds the 2°C target by 69%, emphasizing the pressing need for more ambitious climate action.
- Taken together, government plans and projections would lead to an increase in global coal production until 2030, and in global oil and gas production until at least 2050.
- This conflicts with government commitments under the Paris Agreement, and clashes with expectations that global demand for coal, oil, and gas will peak within this decade even without new policies.
- Major producer countries have pledged to achieve net-zero emissions and launched initiatives to reduce emissions from fossil fuel production, but none have committed to reduce coal, oil, and gas production in line with limiting warming to 1.5°C.

▪ **India Specific Findings:**

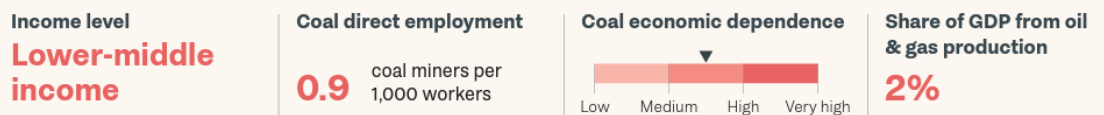
◦ **India's Updated NDCs:**

- **Emission Reduction:** [India's NDC](#) aims to cut emissions intensity by 45% compared to 2005 levels by 2030.
- **Renewable Energy Share:** It targets 50% non-fossil power capacity by 2030.
- **Long-term Vision:** The updated NDC is a stride toward the 2070 **net-zero emissions goal**.

**Rank of country in, and share of, global production, and net trade status**



**Fossil fuel transition capacity and dependence indicators**



◦ **Government's Stance on Fossil Fuel Production:**

- **Low-Carbon Transition with National Scale:** The Long Term-Low Emission Development Strategy (LT-LEDS) released during [COP27](#) commits to a low-carbon shift that preserves development needs.
  - Emphasis is placed on maintaining energy security, access, and employment.
- **Support for Domestic Fossil Fuel:** An emphasis on self-reliance calls for the expansion of coal production to generate state income and job opportunities.
  - Plans include scaling up domestic oil and gas exploration to meet increasing demand as the country's **demand for gas** is expected to rise by over 500% by 2030.
  - The government has set up rolling electronic auctions of mining blocks to increase domestic coal production and is encouraging **foreign direct investment** in the oil and gas sector.
  - While investing in green energy, India maintains its commitment to fossil fuels, primarily coal.
  - **ONGC Videsh Ltd (OVL)**, a subsidiary of India's national oil company, has stakes in 33 oil and gas projects in 15

## What are the Recommendations?

- **Transparency in Plans:** Governments should be more transparent in their plans, projections, and support for fossil fuel production and how they align with national and international climate goals.
- **Adopt Fossil Fuels Reduction Targets:** There is a strong need for governments to adopt near- and long-term reduction targets in fossil fuel production and use to complement other climate mitigation targets and to reduce the risks of stranded assets.
- **Phase out of Fossil fuels:** Countries should **aim for a near total [phase-out of coal](#) production and use by 2040** and a **combined reduction in oil and gas production and use by three-quarters by 2050 from 2020 levels**, at a minimum.
- An equitable transition away from fossil fuel production **must recognize countries' differentiated responsibilities and capabilities**. Governments with greater transition capacity should aim for more ambitious reductions and help finance the transition processes in countries with limited capacities.

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