

UNDER EMBARGO until 09:00 BST 2nd August 2023

Top researchers state that governments need to stop “propping up” the oil and gas industry and start driving fossil fuel phase-out

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New research published today by the Stockholm Environment Institute (SEI) and Climate Strategies shines a spotlight on the action needed to reduce oil and gas extraction, and emphasises that governments must take a leading role in phasing out oil and gas. This research comes as UK Prime Minister Rishi Sunak announces at least 100 new oil and gas licenses.

Leading SEI researchers examining oil and gas transitions in the UK, Denmark and Norway have published their final report today: *Lessons from Oil and Gas Transitions in the North Sea*. This research is part of the Oil and Gas Transitions (OGT) programme which aims to accelerate just transitions amongst North Sea producers.

The new report highlights that declining exploration and extraction in the North Sea, as well as economic slumps caused by crises such as Covid-19 and the Russian invasion of Ukraine, have prompted governments to adjust fiscal and regulatory conditions in favour of the fossil fuel industry. This established pattern of state intervention locks in emissions for decades to come and maintains global dependency on finite oil and gas resources.

This new research has been published just as UK Prime Minister Rishi Sunak [announces big expansion plans for North Sea oil and gas drilling](#), with at least 100 new oil and gas licenses due to be issued. Similarly, the Norwegian Government offered [47 new production licenses on the Norwegian continental shelf in January](#) and [plans a record high number of exploration blocks in vulnerable Arctic areas](#).

Researchers conclude that, rather than “propping up” the oil and gas industry with fiscal and regulatory measures, governments should play a central role in phasing out fossil fuels. Long-sighted political leadership is needed for governments to take decisive first steps such as scaling up investments into clean energy and transition technologies while removing fossil fuel subsidies and skewed taxation policies. The energy and cost of living crises unleashed by recent oil and gas price volatility and the deadly impacts of global warming provide a glimpse at the long-term cost of inaction.

The report stipulates that, while outlining the measures needed to reduce oil and gas extraction is possible, public support will be vital for such measures to work. Governments need to establish participatory planning processes which include a range of stakeholders in order to chart the way forward and overcome resistance to the transition amongst the public and within the oil and gas industry itself.

Felipe Sanchez, Policy Fellow at SEI Headquarters – Climate Energy and Society Unit, said:

“Doubling down on oil and gas dependence is an unfolding tragedy of short-sighted political leadership, with long-term detrimental impacts for humanity. Our research shows that pathways ahead are conceivable when people are brought together, and that transparent

and inclusive participatory processes are key to ensuring a just transition away from oil and gas.”

Tessa Khan, renowned climate litigator and member of the OGT Advisory Group, said:

“North Sea producers must lead the way in phasing out fossil fuels - not only do they have the resources to ensure a just transition, but they also have an obligation to lead on climate action. Given the huge economic opportunities that renewable energy and green industries provide, it is also in their domestic interest to embrace the transition.”

Poul Thøis Madsen, Associate Professor and member of Sustainable Energy Planning Research Group at Aalborg Universitet, said:

“The UK decision [to grant at least 100 new oil and gas licences in the North Sea] might be regarded as necessary but, despite similar pressures on the Danish government, it has chosen to stick to the plan of phasing out oil and gas in Denmark by 2050. This has been possible because the public sector, the oil and gas industry, the renewables industry and the labour market are pursuing a just transition.”

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Notes to editor

Oil and Gas Transitions (OGT) programme

Co-led by Climate Strategies (CS) and the Stockholm Environment Institute (SEI), OGT is an evidence-based programme which aims to generate evidence and co-produce pathways for policy action to accelerate oil and gas just transitions in the UK, Denmark and Norway. For more information visit: www.oilandgastransitions.org

Stockholm Environment Institute

Stockholm Environment Institute is an international non-profit research and policy organization that tackles environment and development challenges. It connects science and decision-making to develop solutions for a sustainable future for all. Its work spans climate, water, air, and land-use issues, and integrates evidence and perspectives on governance, the economy, gender and human health. Across eight centres in Europe, Asia, Africa and the Americas, SEI engages with policy processes, development action and business practice throughout the world. Find out more at sei.org

Climate Strategies

Climate Strategies works at the science-policy interface, advancing climate policy through meaningful interactions between decision-makers and researchers across Europe and internationally. It is an international, not-for-profit research network with an expansive network of world-leading researchers as members. Find out more at climatestrategies.org.

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