

Submission to the U.N. Special Rapporteur on Climate Change

Input: Fossil fuel-based economy and human rights

Oil Change International (OCI) is a non-profit organization dedicated to research, communications, and advocacy campaigns that expose the impacts of fossil fuels on people and the environment. We provide reliable data and analysis on the scale and risks of fossil fuel finance, leveraging our expertise in the oil and gas industry, energy policy, and finance to respond rapidly to global policy and industry developments.

We hereby submit this document in the hope that the information provided will support the U.N. Special Rapporteur in assessing the impact of public finance within the current international legal framework relevant to the fossil fuel-based economy. Specifically, we highlight how public finance hinders the protection of human rights in the context of the transition away from fossil fuels and the phase-out of fossil fuel subsidies.

1. What is the full range of human rights impacts of the fossil fuel-based economy? What are the systemic causes of these impacts? Who is disproportionately affected by these impacts and why?

The fossil fuel-based economy has widespread human rights impacts, affecting civil, political, economic, social, cultural, and environmental rights. These impacts arise at every stage of fossil fuel extraction, production, transportation, and consumption, disproportionately harming marginalized communities and particularly those living and working closest to fossil fuel infrastructure, who are being exposed more directly to harms and environmental risk factors such as air and water pollution.¹ Fossil fuel projects endanger lives in the short term through industrial accidents and environmental damage, and in the long term through toxic pollution, displacement, climate disasters and loss of biodiversity.

The range of human rights impacted by the fossil fuels based economy includes the Right to Life and Health, Right to a Healthy Environment, Right to Food and Livelihood, Right to Water and Sanitation, Right to Work and Economic Development (including self-development), Indigenous Rights, Right to Participation and Access to Information, Right to Security and Protection, Right to Climate Justice, and Intergenerational Equity, among others. **These examples are not exhaustive**, and the Rapporteur's review should not be limited to these brief summaries.

¹ See recent explosions at two oil collection stations in Rivers State, Nigeria. "Explosions at oil collection stations in Nigeria highlight the ongoing danger of fossil fuels to frontline communities"
<<https://oilchange.org/news/explosions-at-oil-collection-stations-in-nigeria-highlight-the-ongoing-danger-of-fossil-fuels-to-frontline-communities/>>

At a systemic level, the business model of the fossil fuel industry is incompatible with upholding human rights. **The fossil fuel² industry and its enablers in government have already licensed, permitted, and constructed more oil and gas fields, coal mines and other fossil fuel infrastructure than is compatible with a livable climate.** The IPCC’s synthesis report warned that, “*projected CO₂ emissions from existing fossil fuel infrastructure without additional abatement would exceed the remaining carbon budget for 1.5°C.*”³ The IEA concludes that in its scenario that maintains a 50% chance to limit global heating to 1.5°C, there are no further investments in new oil, gas and coal production⁴. In addition, no further LNG infrastructure investments are required in such scenarios, and even under construction LNG projects exceed what is compatible with 1.5°C.⁵ According to the IEA’s NZE there is *no need* for production and infrastructure expansion given the rate of clean energy growth and fossil fuel demand reduction required under the 1.5°C limit. **The phase-out from fossil fuel production and use in order to align with the 1.5°C limit is not only necessary but is also a responsibility of States in the context of the protection and guarantee of the rights to life and to personal integrity.**⁶

Beyond driving the climate crisis and its impacts across the world, the industry has both historical entwinement with and ongoing culpability in **colonialism, violent conflict, the displacement** of Indigenous Peoples, and drives an **extractivist growth model that puts profit over community well-being and just development.**⁷ In Africa, export-driven fossil fuel extraction has enriched private interests, primarily in the Global North, while externalizing costs onto local communities. Those living near extraction sites face displacement, job losses as farmlands and fisheries are destroyed, severe health risks, and environmental degradation, issues currently unfolding in Mozambique. Furthermore, exploitative contracts, corporate-friendly subsidies, debt traps, corruption, and multinational corporate control have prevented fossil fuel production from fostering just development, energy access, or resource sovereignty.^{8,9} These dynamics are far from unique to Africa. Multinational corporations seeking

² Fossil Fuel: Includes the oil, fossil gas, and coal sectors across their whole life cycle. This includes exploration and appraisal, development, extraction, preparation, transport, power plant construction and operation, distribution, and decommissioning. It also includes energy efficiency projects where the energy source(s) involved are primarily fossil fuels.

³ IPCC, 2023: Summary for Policymakers. In: Climate Change 2023: Synthesis Report. Contribution of Working Groups I, II and III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [Core Writing Team, H. Lee and J. Romero (eds.)]. IPCC, Geneva, Switzerland, pp. 1-34, doi: 10.59327/IPCC/AR6-9789291691647.001

⁴ IEA (2023), *Net Zero Roadmap: A Global Pathway to Keep the 1.5 °C Goal in Reach*, IEA, Paris, p. 16, <<https://www.iea.org/reports/net-zero-roadmap-a-global-pathway-to-keep-the-15-0c-goal-in-reach>>

⁵ IEA (2023), *World Energy Outlook 2023*, IEA, Paris, p. 139, <<https://www.iea.org/reports/world-energy-outlook-2023>>

⁶ IACtHR interpretation and scope of Articles 4(1) and 5(1) of the American Convention on Human Rights

⁷ David Tong and Kelly Trout, *Big Oil Reality Check (BORC)*, *Oil Change International*, pp 46-47 <https://www.oilchange.org/wp-content/uploads/2024/05/big_oil_reality_check_may_21_2024.pdf>

⁸ Kate DeAngelis, “Report from the Field: Perspectives and Experiences of Mozambican Communities and Civil Society on Liquefied Natural Gas Exploitation,” *Friends of the Earth Issue Brief*, September 2016, https://1bps6437gg8c169i0y1drtgzwpengine.netdna-ssl.com/wp-content/uploads/2017/12/2016.09.14_Mozambique_LNG_Trip_Report.pdf.

⁹ Ilham Rawoot, “Gas-rich Mozambique May Be Headed for Disaster,” *Al Jazeera*, February 24, 2020, <http://aljazeera.com/opinions/2020/2/24/gas-rich-mozambique-may-be-headed-for-a-disaster>.

protection from the government, historically have contributed to social tensions and conflict¹⁰. In Colombia, oil companies, in an attempt to consolidate their presence and to protect their long-term investment, followed a pronged strategy that contributed to the civil war dynamics.¹¹

Vulnerable groups are disproportionately affected, generally people living in poverty, women, children, disabled, indigenous communities, elderly, uninsured workers and environmental defenders. In the words of scientists, “these groups can become even more vulnerable due to adaptation actions that are not equitable.”¹² The enhancement of hazards and increase in vulnerability, depend on complex political, economic and cultural processes.¹³ Studies in the United States document both public health harms and the disproportionate impacts of the fossil fuel life cycle, which predominantly affect Black, Brown, Indigenous, and low-income communities throughout the supply chain.¹⁴

2. What are the current and likely human rights impacts of a transition away from fossil fuels and of the phase out of fossil fuel subsidies? What are the causes of these actual and potential impacts? Who is likely to be disproportionately affected by these impacts and why?

As outlined above, a failure to transition away from fossil fuels or end fossil fuel subsidies leads to widespread human rights impacts, whilst phasing out fossil fuels brings significant benefits, particularly in reducing greenhouse gas emissions.¹⁵ Limiting the temperature rise will prevent millions of premature deaths, improve food security by avoiding crop losses, the recovery and protection of vital ecosystems, reducing the risk of dangerous and irreversible climate tipping points, and making significant contributions to achieving the 2030 Agenda for Sustainable Development. Yet, **the transition away from fossil fuels must follow the principles of justice, equity, fairness and common but differentiated responsibilities, following national capabilities and circumstances**. A just transition to clean energy must centre on three core principles: Shared prosperity, Human rights and social protection and Fair negotiations.¹⁶

¹⁰ See Richani, N. (2003). Multinational Corporations and the War System’s Economy. In *The Interface Between Domestic and International Factors in Colombia’s War System* (pp. 11–16). Clingendael Institute. <http://www.jstor.org/stable/resrep05426.6>

¹¹ Ibid. page 11

¹² Ibid page 657

¹³ Marleen C. de Ruyter, Anne F. van Loon, The challenges of dynamic vulnerability and how to assess it, *Science*, Volume 25, Issue 8, 2022, 104720, ISSN 2589-0042, <https://doi.org/10.1016/j.isci.2022.104720>. (<https://www.sciencedirect.com/science/article/pii/S2589004222009920>)

¹⁴ Timothy Q. Donaghy, Noel Healy, Charles Y. Jiang, Colette Pichon Battle, Fossil fuel racism in the United States: How phasing out coal, oil, and gas can protect communities, *Energy Research & Social Science*, Volume 100, 2023, 103104, ISSN 2214-6296, <https://doi.org/10.1016/j.erss.2023.103104>. (<https://www.sciencedirect.com/science/article/pii/S2214629623001640>)

¹⁵ Fossil fuels account for 91% of CO2 emissions globally in 2022.

Dr Zeke Hausfather, Prof. Pierre Friedlingstein. “Analysis: Global CO2 emissions from fossil fuels hit record high in 2022” 11 Nov. 2022. Carbon Brief

<<https://www.carbonbrief.org/analysis-global-co2-emissions-from-fossil-fuels-hit-record-high-in-2022/#:~:text=Global%20carbon%20dioxide%20emissions%20from,by%20the%20Global%20Carbon%20Project>>

¹⁶ Business and Human Rights Energy Resource. “Just energy transition principles for human rights in business and investment”.

To mitigate potential negative impacts from transitioning away from fossil fuels and ending fossil fuel subsidies, it is key that States actively manage this transition in a just and democratic way. They can do so through providing social protection, supporting affected workers and communities, and building new economies that repair, rather than replicate, the harms of the fossil fuel-based system. **This also requires wealthy countries paying the finance they promised and owe to Global South countries to enable a just transition and investment in new development pathways.**¹⁷ Our Factsheet “We Can Pay For It”¹⁸ shows that it is possible for wealthy countries to mobilize public funds at scale to pay their fair share on fair terms for climate action both domestically and abroad, which is required to ensure the phaseout of fossil fuels occurs in a way that reverses systemic inequalities and delivers decent living standards for all.

3. Which areas of international law are relevant to the protection of human rights in the context of the fossil fuels-based economy? In what ways do they support or hinder the protection of human rights in international law that would arise in the transition away from fossil fuels and the phase out of fossil fuel subsidies?

Due to its global nature, climate change gives rise to States’ duties under multiple bodies of law, including international customary law, human rights law, and environmental law. Human rights law imposes obligations on States and other actors to prevent corporate abuses, including those committed by fossil fuel companies. Recent and forthcoming advisory opinions from ITLOS, the Inter-American Court, and the ICJ are strengthening legal arguments for State accountability in climate action.

OCI commissioned a legal opinion¹⁹ that assessed the international law obligations of States in relation to the fossil fuel finance provided by their Export Credit Agencies (ECAs)²⁰. While primarily focused on export finance, it provides broader insights into the international legal regime governing fossil fuels, which are relevant for the Rapporteur’s review. Noting that fossil fuels are the main driver of the climate crisis and because the climate crisis has far reaching human rights impacts, the lawyers conclude that ECAs and the States that oversee them could be in violation of international customary law, human rights law and the Paris Agreement if they

<https://www.business-humanrights.org/en/big-issues/natural-resources/just-energy-transition-principles-for-human-rights-in-business-and-investment-2/>

¹⁷ See the “Ten Principles for the Rapid, Equitable, and Just Transition to Renewable Energy Systems”, from The Equitable Just Energy Transition. Available at:

<https://equitablejustenergytransition.org/ten-principles-renewable-energy/>

¹⁸ <https://www.oilchange.org/wp-content/uploads/2024/09/Fact-Sheet-We-can-pay-for-it-1.pdf>

¹⁹ Jorge Viñuales and Kate Cook. “International Obligations Governing the activities of Export Credit Agencies in connection with the continued financing of fossil fuels-related activities”. 24 March 2021. <https://oilchange.org/wp-content/uploads/2021/05/Legal-opinion-K.-Cook-_-J.-Vinuales-FINAL.pdf>

²⁰ ECAs can be government institutions or private companies operating on behalf of governments, typically providing finance products such as loans, loan guarantees, and insurance to help eliminate some of the uncertainty of exporting abroad. ECAs play a critical role in stepping in to provide financing where private finance may not be available for high-risk industries. Without this government-backed finance, often concessional, fossil fuel projects and infrastructure would often be too risky for the private sector to finance alone. For more information see: <https://www.eca-watch.org/>

do not “stop financing new fossil fuel activities, decrease existing support within a clear timeframe dictated, first and foremost, by scientific considerations and the temperature goals of the Paris Agreement, as a reflection of a global consensus; and make proactive efforts to avoid “locking-in” fossil fuel-related projects/activities which may use up a significant part of the remaining carbon budget”.

However, there are also parts of the international legal regime that present an obstacle to States fulfilling their duties to transition away from fossil fuels. For instance, under Investment and Trade law, fossil fuel companies use Investor-State Dispute Settlement (ISDS) to sue governments when they attempt to phase out fossil fuel projects, allowing corporations to claim billions in compensation if states cancel oil, gas, or coal projects²¹.

The Paris Agreement recognizes the need for a just transition and protection of human rights in climate policies, and reaffirms that developed countries should take the lead in providing financial assistance to countries that are less endowed and more vulnerable. The Escazú Agreement strengthens access to justice and protects environmental defenders. Due diligence duties, firmly rooted in customary international law and recognised by the International Courts²² also applies in the context of transboundary environmental pollution.²³

4. Are there good practices or lessons learned in regulating the fossil fuel-based economy that can support a just transition away from fossil fuels? Are there lessons from other sectors that can provide transferable insights for the transition away from fossil fuels?

Indigenous, Global South, frontline communities, and other social movements have defined principles and approaches to managing the energy transition in a just and equitable way that repairs rather than repeats harms of the fossil fuel economy.²⁴ This includes the need for

²¹ IISD, “Investor-state disputes threaten the global green energy transition” May, 2025.

<<https://www.iisd.org/articles/iisd-news/investor-state-disputes-threaten-global-green-energy-transition>>

²² The Case Concerning Pulp Mills on the River Uruguay, Argentina v. Uruguay, ICJ Rep. (2010) p. 14

²³ Corfu Channel case (UK v. Albania), ICJ Reports 1949, p. 4, at 22 ; Pulp Mills on the River Uruguay (Argentina v. Uruguay), Judgment, ICJ Reports 2010, p. 14, paragraph 197

²⁴ For reference, see:

- “Ten Principles for the Rapid, Equitable, and Just Transition to Renewable Energy Systems”, from Global Working Group on Principles for a Rapid, Equitable, and Just Transition to Renewable Energy Systems, 2025, <https://equitablejustenergytransition.org/ten-principles-renewable-energy/>.
- “Letter to Leaders at COP28: For a Globally Just Energy Transition, We Need to Transform Public Finance,” December 2023, <https://oilchange.org/wp-content/uploads/2023/12/Letter-on-transformative-public-finance-at-COP28.pdf>.
- Just Transition Africa, “Just Transition: A Climate, Energy and Development Vision for Africa,” 2023, https://justtransitionafrica.org/wp-content/uploads/2023/05/Just-Transition-Africa-report-ENG_single-pages.pdf.
- Indigenous Environmental Network, “Just Transition: Indigenous Environmental Network,” n.d., <https://www.ienearth.org/justtransition/>.
- Feminist Action Nexus, “Concept and Key Demands,” 2022, https://wedo.org/wp-content/uploads/2022/05/ActionNexus_KeyDemands_EN.pdf.
- Life After Coal, “Just Transition Open Agenda,” May 2022, <https://lifeaftercoal.org.za/about/just-transition/open-agenda>.
- World People’s Conference on Climate Change and the Rights of Mother Earth, “People’s Agreement of Cochabamba,” April 24, 2010, <https://pwccc.wordpress.com/2010/04/24/peoples-agreement>.

publicly funded and community-led solutions, built on transforming public finance institutions to be equitable, democratic, rights-upholding, feminist, sustainable, and transparent, and writing new financial architecture rules that ensure Global North governments and corporations pay their fair share.²⁵

5. Are there gaps or barriers in the domestic regulation of business activities in the fossil fuel-based economy that prevent the protection of human rights? Are there specific examples of State regulation of a just transition away from fossil fuels and/or fossil fuel phase out? To what extent do these examples provide rights-based, gender-responsive, age-sensitive, disability-inclusive and risk-informed approaches to a just transition away from fossil fuels that prevent discrimination?

There are significant gaps and barriers in the domestic regulation of business activities in the fossil fuel-based economy that hinder the protection of human rights. These **gaps often allow corporate impunity, environmental degradation, and social injustices to persist**. At the same time, a number of leading countries have introduced policies aimed at supporting a just phase-out of fossil fuels and have in some cases organized themselves in diplomatic initiatives (see the answer to question 8). As the founder for the Beyond Oil And Gas Alliance (BOGA), Denmark has adopted a licensing ban and a phaseout date for its fossil fuel production. As the founder of the Clean Energy Transition Partnership (CETP), the UK in 2021 adopted a groundbreaking policy that ends its international public finance for fossil fuels. California has a health and safety setback for new oil drilling creating a buffer zone between oil wells and communities, and Spain in 2019 adopted a comprehensive Just Transition Strategy.²⁶ OCI is not aware of comprehensive analyses that assess to what extent these are rights-based, gender-responsive, age-sensitive, disability-inclusive and risk-informed approaches to a just transition away from fossil fuels that prevent discrimination.

Investment protection and trade agreements, access to justice and information, accountability, failure to uphold Indigenous Peoples rights to Free, Prior and Informed Consent, and failure to uphold the polluter pays principle, and require corporate polluters to repair and compensate for environmental damage, **appear to be main gaps and barriers in domestic regulation of business activities**. This includes gaps in regulation that allow companies to pass the costs of cleaning up and decommissioning their assets onto the public, and to skirt cleanup obligations by selling polluting assets onto other companies.²⁷

²⁵ "Letter to Leaders at COP28: For a Globally Just Energy Transition, We Need to Transform Public Finance," December 2023, <https://oilchange.org/wp-content/uploads/2023/12/Letter-on-transformative-public-finance-at-COP28.pdf>.

²⁶ See Spanish Just Transition Strategy <https://www.miteco.gob.es/content/dam/miteco/es/ministerio/planes-estrategias/transicion-justa/Just%20Transition%20Strategy_ENG.pdf>

²⁷ See Shell's attempt to sell off onshore Nigerian assets without taking responsibility for cleaning up its toxic legacy of pollution or safe decommissioning of oil infrastructure. "Shell's reckless divestment from Niger Delta" SOMO. <<https://www.somo.nl/shells-reckless-divestment-from-niger-delta/>>

A Climate Analytics study²⁸ assessed that, if the largest 25 oil and gas ‘carbon majors’ were held partially responsible for climate loss and damages caused by their cumulative carbon emissions from 1985 to 2018 alone, they would owe about USD 20 trillion. By comparison, these 25 companies earned roughly USD 30 trillion over the same time period.

6. Are there specific examples of business conduct supporting a just transition away from fossil fuels and/or fossil fuel phase out? To what extent do these examples ensure the protection of human rights and the prevention of non-discrimination? On the other hand, are there specific barriers in the context of business conduct that undermine efforts to transition away from fossil fuels? How can these barriers be addressed?

The world’s largest fossil fuel companies have for decades knowingly and systematically blocked, delayed, and undermined efforts to transition away from fossil fuels, in addition to being linked to human rights abuses and conflict.²⁹ OCI’s *Big Oil Reality Check* report³⁰ shows that none of the eight major oil and gas companies assessed is pledging to do even the bare minimum to align with international climate targets. The history and current evidence shows that fossil fuel companies will not and should not lead a transition; rather, governments must intervene to force an end to new fossil fuel infrastructure and hold companies accountable for climate damages and cleaning up polluting assets.

7. How can States, business and U.N. bodies contribute to the achievement of the Sustainable Development Goals, in particular Goals 13³¹ and 14,³² in the context of a just transition away from fossil fuels and fossil fuel phase out?

Governments play a crucial role in overcoming barriers to a just transition. Immediate actions should include³³:

- **Phasing Out Fossil Fuels:** End new licensing and permitting for fossil fuel extraction and infrastructure, and set a 1.5 degrees Celsius (°C)-aligned phase-out date, with Global North producers moving first and fastest.
- **Ending Fossil Fuel Finance:** Eliminate subsidies and public financing, including for technologies like CCS that extend industry pollution.

²⁸ See Carl-Friedrich Schleussner, Marina Andrijevic, Jarmo Kikstra, Richard Heede, Joeri Rogelj, Holly Simpkin, and Sylvia Schmidt. “Carbon majors’ trillion dollar damages”. Climate Analytics. Nov. 16 2023
<<https://climateanalytics.org/publications/carbon-majors-trillion-dollar-damages>>

²⁹ This is documented in the Philippines Commission on Human Rights’s National Inquiry on Climate Change [report](#) and is reflected in a rising number of climate damages lawsuits being brought against large oil and gas companies including allegations of fraud. See: “Big Oil In Court,” Oil Change International and Zero Carbon Analytics, 2024, <https://oilchange.org/wp-content/uploads/2024/09/Big-Oil-in-Court.pdf>.

³⁰ Oil Change International, “Big Reality Check : Oil and Gas Companies Failing on Climate”, May 21, 2024
<https://www.oilchange.org/wp-content/uploads/2024/05/big_oil_reality_check_may_21_2024.pdf>

³¹ Take urgent action to combat climate change and its impacts

³² Conserve and sustainably use the oceans, seas and marine resources.

³³ A more detailed framework for key types of government policies required to phase out oil and gas production, in line with a just transition, is available in: Silje Ask Lundberg, Rosemary Harris, and Kelly Trout. “Troubled Waters”. Oil Change International. March 2024. <<https://oilchange.org/wp-content/uploads/2024/03/Troubled-Waters-Report.pdf>>

- **Tax & Fiscal Policies:** Implement taxes to disincentivize new fossil fuel investments and mobilize public funds for a just transition and climate justice.
- **Ensuring a Just Transition:** Establish policies to: (i) Hold companies accountable for cleanup, restoration, and decommissioning. (ii) Require reparations for impacted communities. (iii) Strengthen legal protections for human rights and Indigenous Peoples, ensuring access to justice.

Additional actions for Global North Governments include corporate accountability, holding oil and gas majors accountable for human rights violations, environmental damages, and just transition costs. In addition to paying their fair share for loss and damage, adaptation, and mitigation by exceeding existing pledges, negotiating ambitious finance goals, and reforming global financial systems that entrench fossil fuel dependence.

International human rights bodies and experts have affirmed that to respect human rights and prevent foreseeable threats to human rights from climate change, States and businesses must urgently reduce emissions including phasing out fossil fuels.³⁴ U.N. human rights bodies and experts have identified states' exploitation, export, and continued reliance on fossil fuels, and increase in extractive activities, as contrary to their commitment under the Paris Agreement to limit global warming in line with a 1.5°C pathway and at odds with their human rights obligations. **U.N. bodies can provide guidance, monitoring, and support to resource-limited countries while pushing developed nations to adopt and implement more ambitious commitments.**

- 8. Are there proposals to scale up national, regional or global action a just transition away from fossil fuels and fossil fuel phase out? And how do these proposals take into account the principle of equity and common but differentiated responsibilities and respective capabilities, in the light of different national circumstances and in the context of sustainable development and efforts to eradicate poverty, all in pursuit of the objectives of the Convention and the Paris Agreement?**

Some countries are taking action to end fossil fuel production and finance. In 2021 at COP26 in Glasgow, a group of countries, led by Costa Rica and Denmark, launched the Beyond Oil and Gas Alliance (BOGA), committing to end new oil and gas licensing. The initiative supports “a socially just and equitable global transition to align oil and gas production with the objectives of the Paris Agreement, and commits the signatories to work together to facilitate effective measures to this end in line with the Paris Agreement and national climate neutrality targets”.³⁵

Also at COP26, 34 countries and 5 institutions pledged to end direct international public finance for unabated fossil fuels by the end of 2022 and prioritize their public finance fully for the clean

³⁴ U.N. WG on BHR, Info Note on Climate Change, para. 19(b); see also U.N. WG on BHR, Communication to SMBC (stating “we would like to express our most serious concern regarding the adverse impacts on human rights caused by activities such as the exploitation of fossil fuels which contribute to climate change”).

³⁵ Beyond Oil and Gas Alliance, “Who We Are,” <<https://beyondoilandgasalliance.org/who-we-are/>>

energy transition.³⁶ This commitment, called the Clean Energy Transition Partnership (CETP), was the first international political commitment that focused on ending public finance for oil and gas in addition to coal.³⁷ Signatories recognize that aligning their international public support with a clean energy transition “will help stimulate sustainable, resilient and inclusive economic development globally, and support a just transition for affected communities”.³⁸ The initiative has had a global impact. In part thanks to the fossil fuel finance restrictions adopted by signatories³⁹ international public finance for fossil fuels has dropped by two-thirds compared to pre-CETP flows, a drop of USD 15 billion a year.⁴⁰ More progress is needed as some signatories continue to finance fossil fuels in violation of their commitment and the drop in fossil fuel finance is not matched by a similar increase in renewable energy finance.

The Civil Society Equity Review provides a reference framework for how the phaseout of fossil fuel extraction can be guided by principles of equity and common but differentiated responsibilities. Wealthy nations, characterized by lower dependence on fossil fuel revenues and greater historical responsibility for the climate crisis, have a legal and moral obligation to take the lead. They must commit to the earliest and most ambitious phaseout timelines while mobilizing their fair share of public finance to facilitate just and equitable transitions in resource-constrained countries with higher dependence on fossil fuel revenues.⁴¹ OCI analysis shows how it is possible for wealthy countries to mobilize public funds at scale to pay their fair share on fair terms for climate action both domestically and abroad.⁴²

The Amazon Cooperation Treaty, Fossil Fuel Non-Proliferation Treaty and the Global Plastic Treaty (which are all at different stages of ideation and negotiation) are also examples aimed at scaling up national, regional or global action to support a just transition away from fossil fuels and fossil fuel phase out.

These initiatives are an important step in the right direction, but more concrete actions are needed to ensure States fulfill their duty to phase out fossil fuel production and use in order to meet the 1.5°C limit.

February 28, 2025

³⁶ The Glasgow Statement on International Public Support for the Clean Energy Transition (2021) (hereinafter the Glasgow Statement) <<http://bitly.ws/CeJL>>

³⁷ Clean Energy Transition Partnership: www.cleanenergytransitionpartnership.org

³⁸ See OCI Reports, Tracking implementation of commitments
<<https://oilchange.org/wp-content/uploads/2022/10/Leaders-Laggards-July-2024.pdf>>

³⁹ <https://oilchange.org/wp-content/uploads/2022/10/Leaders-Laggards-July-2024.pdf>

⁴⁰ <https://www.iisd.org/publications/report/countries-underdelivering-fossil-clean-energy-finance-pledge>

⁴¹ See Report on “An Equitable Phase Out of Fossil Fuel Extraction”
<https://www.equityreview.org/extraction-equity-2023>

⁴² <https://www.oilchange.org/wp-content/uploads/2024/09/Fact-Sheet-We-can-pay-for-it-1.pdf>