

Advancing a Fair and Funded Transition Away from Fossil Fuels at COP30

Policymakers briefing

At the 28th United Nations Climate Change Conference (COP28) in 2023, countries for the first time agreed to "transition away from fossil fuels in energy systems, in a just, orderly and equitable manner." Yet, since then, global fossil fuel production and use has continued to increase, while energy transition finance (currently USD 2.2 tn/yr) has fallen far short of needs (\$5.7 tn/yr).¹ The outsized responsibility of Global North countries is clear: Oil Change International analysis shows that just four Global North countries, the U.S., Canada, Australia, and Norway, increased their oil and gas production by nearly 40% since the Paris Agreement while production in the rest of the world combined declined by 2%.² It is essential that countries turn the commitment to transition away from fossil fuels into action, especially those most responsible for causing the climate crisis and with the biggest economic means to address it.

Advancing a full, fair and funded fossil fuel phase-out is not only key for avoiding runaway climate change, but also for advancing energy security, affordability and resilience amidst growing global geopolitical instability. Transitioning to renewable energy and increasing energy efficiency reduces countries' exposure to volatile oil and gas markets,³ lowers energy bills, creates jobs and supports green industrialization and climate-resilient development. To ensure all countries and regions reap these benefits and no one is left behind, international cooperation and government planning and funding that supports an equitable fossil fuel phase-out and a just transition for affected workers and communities are crucial. This is illustrated by today's rapid but unequal renewable energy deployment that is failing to close the energy access gap, while oil and gas phaseout plans are notably absent in the Nationally Determined Contributions (NDCs) submitted to date.⁴ The overhyping of the potential of private finance to cover the energy transition bill not only disregards developed countries'⁵ obligations to provide public finance, it sets the world up for energy transition failure: it is not delivering the scale, quality, or distribution of funding needed,⁶ and is worsening unsustainable debt levels in Global South countries. This is particularly the case in today's global economic system that structurally disadvantages the Global South and locks countries into fossil fuel dependence.

In a context of overseas development aid (ODA) budget cuts, a climate finance target adopted in Baku that falls short of needs, rising military spending and costs-of-living and debt crises, it is important to realize that governments have the tools to raise the funds needed for the energy transition. Global North countries can raise at least \$6.6 tn/yr in public finance to support climate action and other public priorities at home and abroad by ending fossil fuel subsidies, making polluters pay, taxing the ultra-wealthy and changing unfair global financial rules.⁷

To drive a full, fair and funded transition away from fossil fuels, we recommend that countries take the below outlined actions at COP30 and beyond.

¹ https://oilchange.org/wp-content/uploads/2025/06/Just_Transition_Report_Private-Fantasies-Public-Realities.pdf

² <https://oilchange.org/publications/paris-agreement-planet-wreckers/>

³ <https://www.eco-business.com/news/iea-renewables-have-cut-fossil-fuel-imports-for-more-than-100-countries/>

⁴ <https://www.e3g.org/publications/ndc-3-0-energy-commitments-tracker/>

⁵ The list of countries included in Annex 1 of the UNFCCC labeled as 'developed countries' have an obligation to provide climate finance to developing countries (non Annex 1 countries under the UNFCCC).

⁶ https://oilchange.org/wp-content/uploads/2025/06/Just_Transition_Report_Private-Fantasies-Public-Realities.pdf

⁷ <https://oilchange.org/publications/we-can-pay-for-it/>

Recommendations:

Governments must be in the driver's seat to ensure a fossil fuel phase-out, especially one that is rooted in justice and equity and happens at the pace and scale needed. An equity based approach means Global North countries moving first and fastest in phasing out fossil fuels; meeting their legal obligations to provide public climate finance at a level that meets needs;⁸ and supporting a just transition for affected workers and communities.

To implement the Paris Agreement and the COP28 commitment to transition away from fossil fuels, Global North countries must:

Halt their fossil fuel expansion and plan a phase-out in line with 1.5°C, by:

- Putting an immediate halt to issuing new licenses for fossil fuel exploration and extraction;
- Incorporating domestic fossil fuel phase out plans in their NDCs, including equitable phaseout timelines in line with the 1.5°C global heating limit and just transition support for affected workers and communities;
- Making fossil fuel companies responsible for winding down their non-Paris aligned activities, including paying for the decommissioning of fossil fuel infrastructure, site clean-up and transition support for affected workers and communities;
- Avoiding dangerous distractions that offer a lifeline to the fossil fuel industry or outsource emission reduction to other countries. This means excluding public funding or policies supporting carbon credits, carbon capture and storage (CCS), carbon dioxide removal (CDR) technologies (including in marine environments), fossil fuel based hydrogen or ammonia (including co-firing).

Deliver on their legal obligations to provide climate finance for a just energy transition in the Global South and support changes to global finance rules that act as a barrier to transition, by:

- Presenting new grant-based and highly concessional climate finance commitments reflecting fair shares;
- Freeing up public funds for a just energy transition and other climate action by ending fossil fuel handouts, making polluters pay, taxing the ultra-wealthy, and cancelling unfair debts;
- Supporting financial and trade system reform to address structural inequities that disadvantage the Global South and lock in fossil fuels, including in the ongoing UN Tax Convention negotiations and through supporting calls to form a UN Framework Convention on Sovereign Debt.

To advance a fair, full and funded fossil fuel phase-out at COP30, all governments must:

Support the operationalization of the COP28 commitment to transition away from fossil fuels by launching a formal process for countries to:

- Establish global fossil fuel phaseout pathways aligned with the objectives of the Paris Agreement, and operationalizing the equity principle of CBDR-RC;

⁸ <https://www.icj-cij.org/sites/default/files/case-related/187/187-20250723-adv-01-00-en.pdf>

- Establish equitable national timelines for transitioning away from fossil fuels, with Global North countries moving first and fastest, informed by fair shares methodologies and rooted in countries socio-economic differences, historical responsibilities and development, poverty reduction, energy access and industrialization aspirations;
- Accelerate multilateral efforts to address the systemic barriers to countries diversifying their economies away from fossil fuels, such as the need for finance, debt cancellation, technology transfer, and changing unfair trade practices.

Increase good quality public funding for a just energy transition as well as other mitigation priorities, adaptation, and loss & damage, including by:

- Supporting a resolution on the Article 9.1 agenda item proposal that secures a dedicated, negotiated space on public provision obligations going forward;
- Adopting a climate finance definition that excludes carbon credits, fossil fuel investments, false solutions and commercial loans from climate finance, and ensures all climate finance is 1.5°C aligned;
- Adopting reporting and accounting standards that mandate reporting on the grant-equivalent value of climate finance;
- Developing concrete plans for tripling the outflows of the Multilateral Climate Funds (MCFs) (paragraph 16 of the NCQG);
- Scaling up adaptation finance to meet finance needs under the Global Goal for Adaptation (GGA);
- Defining a concrete role for the UNFCCC in advancing financial architecture reform to address structural economic barriers, like debt, that prevent countries from meeting climate goals as part of a renewal of the Article 2.1(c) mandate.

End fossil fuel finance and make polluters pay through:

- Agreeing to a timeline and developing national roadmaps for ending domestic and international fossil fuel subsidies and finance, including for 'dangerous distractions' and taxing big polluters, with developed countries leading under Article 2.1(c);
- Agreeing to regulate private finance in line with the goals of the Paris Agreement under Article 2.1(c);
- Advancing fossil fuel levies and wealth taxes, including through Article 2.1(c) implementation and the ongoing UN Tax Convention negotiations.

Support a just transition for affected workers and communities and build inclusive, equitable and resilient energy and industrial futures by:

- Agreeing to establish a Belem Action Mechanism (BAM)⁹ to accelerate and support efforts to transition: making funding, technology transfer, and technical support more accessible, and taking action to address barriers to the transition, such as unfair trade and debt rules, and build a global network for shared learning and collaboration;
- Recognize just transition policies as eligible for climate finance, acknowledging their critical role in enabling higher ambition;
- Agreeing to uphold sectoral just transition planning and principles across multiple industries. For the energy sector this should encompass: the role of transitional minerals; deployment of clean energy and related technologies; technology transfer and capacity

⁹ https://drive.google.com/file/d/1VH_LZhGk4x0LNzhMr_DclqOT-Ai2EBmm/view?usp=sharing

building; and the free prior and informed consent of Indigenous peoples, impacted communities, and workers.

Strengthen the effectiveness of the UNFCCC in supporting a just energy transition by:

- Committing to advance an Accountability Framework that ensures that COP30, and all future COPs, are protected against polluting industries undermining climate action;¹⁰
- Committing to a strong accountability process for progress on transitioning away from fossil fuels and meeting climate finance obligations through linking up the second Global Stocktake (GST2) and progress tracking on the NCQG by the Standing Committee on Finance (SCF) in 2028, and planning a global climate finance contributions summit in 2027;
- Recognizing and implementing the recent Advisory Opinions issued by the international courts (ICJ, IACHR, ITLOS) on climate change that strengthen legal accountability towards climate goals;
- Governments using their participation in energy transition focused leadership coalitions to support the above-outlined COP30 outcomes and help build multilateral trust, including through showcasing domestic progress. These coalitions include the Beyond Oil and Gas Alliance (BOGA); Clean Energy Transition Partnership (CETP); Coalition on phasing-out Fossil Fuel Incentives and Subsidies (COFFIS); Powering Past Coal Alliance (PPCA); and High Ambition Coalition (HAC).

This briefing has been written by Laurie van der Burg (laurie@oilchange.org), Shady Khalil (shady@oilchange.org), Romain Ioulalalen (romain@oilchange.org) and Bronwen Tucker (bronwen@oilchange.org). We are happy to discuss these COP30 recommendations to advance a fair and funded transition away from fossil fuels at COP30 in more detail, including in Belém.

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¹⁰ https://corporateaccountability.org/wp-content/uploads/2022/08/Joint-civil-society-submission-on-COI-Aug-17-2022_.pdf