Climate Action Network

Submission to the COP30 Presidency Roadmap for Transitioning Away from Fossil Fuels (TAFF)

March 2026

Climate Action Network (CAN) is a global network of more than 2500 civil society organisations in over 130 countries driving collective and sustainable action to fight the climate crisis and to achieve social and racial justice.

1. Introduction

The decision adopted at COP28 under the first Global Stocktake (GST) calls on Parties to transition away from fossil fuels in energy systems in a just, orderly, and equitable manner, while accelerating action in this critical decade to achieve fossil fuel phase out by mid-century. As Parties move toward the second Global Stocktake (GST2), it is essential that this political commitment is translated into concrete, time-bound national and regional implementation pathways that are explicitly designed to be consistent with 1.5°C-compatible trajectories and that enable ongoing assessment of progress towards this goal. In this context, the COP30 Presidency Roadmap for Transitioning Away from Fossil Fuels (TAFF) should serve as a key instrument for operationalizing the GST outcomes and informing enhanced ambition under GST2.

This submission identifies key structural barriers, proposes policy levers, and highlights enabling actions to support the transition, with particular attention to equity and differentiation in line with the principle of Common But Differentiated Responsibilities and Respective Capabilities (CBDR-RC).

2. Barriers to Transitioning Away from Fossil Fuels

2.1 Despite growing recognition of the need to transition away from fossil fuels, significant **systemic barriers** continue to slow progress, further adding to the already dangerous atmospheric accumulation of harmful greenhouse gas emissions in the atmosphere.

These constraints are unevenly distributed, shaped by countries' positions as net exporters or importers. In exporting states, fossil fuels underpin fiscal stability and employment, but capacities to transition vary sharply. And among importers, the divide is similarly pronounced.

2.2 A primary barrier is the **continued expansion of fossil fuel production**, particularly among developed/high-income producer countries.

The United States, Canada, Australia, and Norway have increased oil and gas production by nearly 40% since the adoption of the Paris Agreement, while production in the rest of the world combined declined by approximately 2%. This expansion is inconsistent with 1.5°C-aligned pathways, which require a rapid decline in fossil fuel production this decade[1].

2.3 Existing fossil fuel infrastructure and associated financial investments have created **structural lock-in across energy systems.** Long-lived assets such as pipelines, power plants, and fossil fuel export and import terminals incentivise continued fossil fuel use, delaying investment in renewable resources and energy alternatives.

These dynamics are reinforced by regulatory frameworks and financial systems that continue to prioritise fossil fuel projects.

2.4 **The fossil fuel industry maintains significant influence over policy processes** at both national and international levels. This influence contributes to continued high levels of fossil fuel subsidies[2], regulatory advantages for fossil fuel producers, spreading of misinformation about the causes and impacts of the climate crisis, to limiting economic sovereignty when fossil fuel companies sue States directly over just transition policies including measures to phase out coal, oil, and gas, protect the environment (under Investor-State Dispute Settlement (ISDS) and the promotion of technologies that risk prolonging fossil fuel use rather than enabling a rapid phase-out).

2.5 **Missing, insufficient or inadequate legislative frameworks and support measures for the rapid development of renewable energy technologies**, in all energy and fossil fuel using sectors and beyond the power sector, de facto hinder the displacement of fossil fuels by renewable energy. While countries also need large scale renewables for industrial centers and densely populated cities, decentralised solutions in particular (such as rooftop solar panels and mini-grids) have been and will continue to be key to displacing fossil fuels in many countries and will be crucial to overcome energy poverty in developing countries. In developing countries, structural barriers further delay the rollout of renewable energy deployment, especially where policies must also account for sustainable development needs, including energy access and poverty eradication.

2.6 **Structural inequalities within the global financial system** create substantial barriers for many developing countries seeking to transition away from fossil fuels.

Many countries in the Global South face:

[1] Oil Change International, Planet Wreckers: Global North Countries Fueling the Fire Since the Paris Agreement, 2025.
[2]According to the IMF explicit fossil fuel subsidies reached $725 billion and implicit $6.7 trillion in 2024, or 6.4% of global GDP, almost four times the amount of total investments in clean energy

- Unsustainable sovereign debt burdens[3]
- Significantly higher borrowing costs for renewable energy projects - renewable energy projects in developing countries often face capital costs two to three times higher than those in developed economies, significantly slowing renewable energy deployment[4].
- Limited access to concessional climate finance
- Unequal access to energy
- Unequal decision making power in key international financial institutions

In practice, these constraints operate on two levels. Firstly, they undermine the bankability of renewable energy projects, shaping investment patterns toward large-scale or export-oriented initiatives with foreign currency revenue streams, rather than distributed systems that would improve domestic energy access. Secondly, they constrain the fiscal and policy space available to developing country governments—limiting their ability to provide sovereign guarantees, absorb currency risk, subsidise critical infrastructure, or implement the ambitious policy reforms needed to phase out fossil fuels in a just and equitable manner. Addressing these structural financial barriers is essential for enabling more targeted and effective transition pathways across different developing country contexts.

International financial institutions (IFIs), particularly the IMF and multilateral development banks (MDBs), play a central role in reinforcing these structural barriers. IFI lending practices deepen debt burdens: debt sustainability analyses lack a climate lens, IMF-imposed austerity undermines just transition investment, and loan programmes have pressured countries to expand fossil fuel extraction to service debts. MDBs continue to finance fossil infrastructure, promote gas as a “transition fuel”, and back large-scale, export-oriented energy projects that fail to deliver energy access or community benefits. Debt pressures create perverse incentives for fossil fuel extraction, as IFI programmes treat fossil expansion as a route to macroeconomic stability, locking countries into carbon-intensive development pathways and undermining efforts to avoid new fossil fuel projects. Furthermore, global financial governance remains skewed towards creditor countries and large polluters, mirrored in IFI board composition, while the IMF refuses to recognise its Paris Agreement obligations altogether.

2.7 **Current climate policy frameworks rely heavily on private finance and unfettered market-based solutions to drive clean energy transition investments.** While private finance does play a complementary role in developing countries, the way it has been shaping transition pathways in these countries is often misaligned with development needs, particularly in contexts where high risk perceptions and return expectations constrain investments. This dynamic is reinforced by MDBs’ “private sector first” approach, which prioritises private profit above decentralised, people-centred renewable energy and puts private returns ahead of development outcomes. MDB “Paris alignment” and climate finance definitions remain off-track from 1.5°C, enabling continued fossil finance and deepening the debt-climate-fossil vicious cycle.

[3] United Nations Conference on Trade and Development (UNCTAD), The rising cost of debt is squeezing development prospects in many countries, 2026.
[4] International Energy Agency (IEA), *“Reducing the Cost of Capital: Executive Summary,”* 2024

Historically, successful energy transitions[5] depend on strong public investment, conditionalities on support to the private sector, industrial policy, and strategic economic planning as well as robust Just Transition strategies. Without strengthened public finance mechanisms and institutions, and increased international support, the scale and speed of investment required for the transition to renewables, energy efficiency, transit, economic diversification plans for exporters, worker and community support will remain insufficient. As currently just 15% of global energy transition investment is going to the global majority living outside of the Global North and China, and key solutions like impacted worker support, universal energy access, energy efficiency, and public transit are each receiving less than a ¼ of the global annual investment needed[6].

2.8 **Limited rapid scaling of successful, proven models towards mass-scale adoption** remains a key challenge. In many contexts, this is driven not by a lack of available technologies, but by system-wide constraints, including inadequate grid infrastructure, limited transmission capacity, and challenges related to system integration. Weak planning frameworks and limited institutional capacity to manage variable renewable energy further inhibit scale-up, underscoring the structural bottleneck that continues to constrain deployment despite the availability of viable solutions. These challenges are compounded by external constraints, including trade barriers and restrictive intellectual property regimes, which can limit access to renewable energy and increase their cost. Tariffs, local content requirements, and supply chain dependencies may slow cross-border diffusion, while patent protections can restrict technology transfer or licensing on affordable terms, particularly for developing countries. Together, these factors illustrate that the barrier to scale is not purely technological, but embedded in a broader political economy shaped by infrastructure, governance, trade, and innovation systems.

3. Key Levers for Accelerating the Transition

3.1 **Countries should develop time-bound, socially-equitable national plans to transition away from fossil fuels production and consumption aligned with the 1.5 °C goal,** in line with the principles of CBDR-RC and equity**.** These plans should include moratoria on new fossil fuel exploration and licensing, legally binding timelines for fossil fuel production decline, strategies for economic diversification in fossil fuel-dependent regions and providing support for workers and communities in the transition, fossil fuel consumer and producer subsidy phaseout frameworks, and the expansion of renewable energy and energy efficiency. Such plans should be built in an inclusive and rights-based framework and ensure that all human rights, including Indigenous Peoples' rights, are fully respected both in the phase out of fossil fuels as well as in the phase in of renewable energies, building on COP30 decision on Just Transition[7].

[5] International Energy Agency (IEA), *Financing Clean Energy Transitions in Emerging and Developing Economies*, 2021.
[6] Oil Change International, *Private Fantasies: Fossil Fuel Expansion, Climate Finance, and the Myth of Private Sector Solutions*, 2023.
[7] https://unfccc.int/sites/default/files/resource/cma2025L_L14_adv.pdf

A key policy mechanism for implementing such plans is the **establishment of government-led transition planning bodies inclusive of rightholders' voices,** with autonomy and decision making authority, such as national commissions, task forces, or transition authorities responsible for coordinating fossil fuel phase-out strategies. These bodies enable governments to align energy, trade, industrial, labour, fiscal and financial policies while ensuring that the transition supports broader development objectives, including universal energy access, decent job creation, sustainable development, and the eradication of poverty. Such committees can be mandated to develop national phase-out pathways, planning processes, coordinate just transition strategies including employment and social protection measures, and guide investments in renewable energy and low-carbon industries.

Each country should include a context-specific transition pathway, grounded in local data and conditions rather than global averages. This should reflect country-specific cost dynamics—including where global assumptions on declining technology costs, such as solar, do not fully apply—and anticipate economic and social impacts of the transition, helping to identify key priorities, trade-offs and just transition pathways.

3.2 **Public institutions must play a central role in coordinating the transition.** National development banks, public investment funds, state-owned enterprises can mobilise large-scale investments in renewable energy infrastructure (including decentralised technologies), grid modernization, and green industrial development. National governments should also use their voice and vote as shareholders on the boards of MDBs to advance fossil fuel phase-out, align MDB energy sector strategies with 1.5°C pathways, and ensure that national export credit agencies and development finance institutions adopt binding fossil fuel exclusion policies

Such strategies should also support domestic and regional value chains, including for renewable technologies and transition minerals, enabling countries, particularly in the Global South, to capture greater economic value from the extraction, processing, and manufacturing of natural resources needed for the energy transition. This should also reflect the principles to guide critical energy transition minerals towards equity and justice outlined in the UNSG-led panel report on CETMs (2024)[8]. Developing inclusive and sustainable transition value chains will help ensure that the shift away from fossil fuels contributes to economic diversification, technology development, and job creation.

3.3 **Reforms to the global financial architecture** are essential to enable equitable energy transitions.

Priority measures include:

- Fair and transparent sovereign debt cancellation and restructuring mechanisms, notably via the adoption of a UN Framework Convention on Sovereign Debt[9]

[8] United Nations, *"Critical Minerals for the Energy Transition,"* 2024
[9] See for example Eurodad, *UN framework convention on sovereign debt - Building a new debt architecture for economic justice* (2024).
https://www.eurodad.org/un_framework_convention_on_sovereign_debt

- Join and steward the set-up of the Borrower's Platform on debt agreed as a key outcome of the Sevilla Commitment at the 4th Financing for Development conference in 2025, as a dedicated platform for indebted countries that elevates the collective voice of borrowers, safeguards their interests and provides a repository of knowledge.
- Integrate climate considerations and risks into Debt Sustainability Analysis (DSAs), including just transition investment needs and the fiscal costs of climate impacts, to ensure that debt restructuring processes do not further constrain the policy space needed for equitable energy transitions.
- Reforms to international tax cooperation (including via the ongoing negotiations to establish a UN Framework Convention on International Tax Cooperation), as a critical way to curb tax avoidance, tackle illicit financial flows, and strengthen domestic resource mobilization.
- Exclusion of ISDS and/or the termination of treaties with ISDS - that constrain the policy space for energy transition strategies.
- Increased means of implementation for developing countries, such as capacity building, technology transfer and grant-based public climate finance, including for mitigation and Just Transition policies. Secure a strong outcome on Article 9 Work Program - with a clear focus on Article 9.1 of the Paris Agreement.
- Adopt common definition and/or exclusion on climate finance, notably by excluding commercial loans and highly debt inducing instruments, and fossil fuel finance.
- Targeted measures to close the cost of capital gap between developed and developing countries, including insurance regulations, credit rating agency, concessional finance, guarantees, currency risk mitigation, and reform of risk assessment framework.
- Reallocating a share of the over USD 2.7 trillion in annual global military spending to climate action could significantly expand funding for renewable energy, just transition measures, and remediation, while reducing fossil fuel dependence and supporting cooperation and trust.
- Reform of IMF Special Drawing Rights (SDRs) and IMF quota allocations is also essential to expand fiscal space for developing countries by channelling finance with low interest rates without conditionalities. This should include more regular and larger SDR issuances, as well the rechanneling of unused SDRs from high income to low and middle income countries. Reform of IMF lending practices and conditionality is essential to end fossil fuel lock-in and create fiscal space for a just transition. This should include aligning all programme design with 1.5°C pathways, ending the promotion of fossil fuel expansion as a route to debt sustainability, and integrating climate and just transition investment needs into debt sustainability frameworks.
- MDBs should end all direct and indirect financing for fossil fuel exploration, extraction, transport and power generation, including via financial intermediaries, as well as for false solutions such as carbon capture and fossil gas as a “transition fuel”. Energy lending should instead prioritise decentralised, community-centred renewable energy with robust safeguards and Free, Prior and Informed Consent (FPIC) for Indigenous Peoples.
- The IMF and MDBs should formally recognise their Paris Agreement obligations and strengthen Paris-alignment methodologies to close fossil fuel loopholes. IFI governance should also be reformed for greater Global South representation, with shareholder

governments using their voice and vote on MDB boards to advance fossil fuel phase-out in line with Article 2.1(c).

3.4 **Governments should implement fiscal measures ensuring fossil fuel companies are held accountable** for their contribution to climate change and contribute to the costs of the transition while removing policies that perpetuate fossil fuel dependence.

Key measures include:

- Phasing out all direct, indirect and implicit fossil fuel subsidies, starting with/prioritising production subsidies; through adoption of public inventories and timebound phaseout plans; redirecting subsidies to renewables and energy efficiency, just transition programs, and social safety nets. Recognising distributional impacts by linking subsidy reform to the expansion of social protection systems and affordable energy alternatives, given that customer subsidies often function as social protection; and redirecting subsidies to renewable energy, energy efficiency, and just transition measures
- Implementing higher and permanent profit taxes on fossil fuel companies
- Introducing fossil fuel extraction levies
- Adopt windfall profit taxations
- Increasing taxes on the super rich who are also the biggest emitters
- Strengthening financial regulation to restrict fossil fuel investment
- Regulating companies, including through liability regimes, to uphold legal obligations in relation to remediation to environmental, social and human rights harms caused by fossil fuels extraction
- Continued advocacy for support for renewable energy from all levels of government

3.5 **Two-tier-multilateralism and the negotiation of international cooperation mechanisms** can help coordinate the global phase-out of fossil fuels and support countries implementing transition strategies.

The COP30 Presidency has shown support for “two-tier-multilateralism”, including complementing the existing institutional speed of the UNFCCC, anchored in consensus and providing legitimacy, universality, legal clarity and collective direction, with a new track of multilateralism focused on implementation, through more agile, action-oriented coalitions capable of mobilising resources and deploying solutions at scale.

Emerging initiatives, including a growing bloc of countries participating in the development of a Fossil Fuel Treaty, the Santa Marta conference in April 2026 and many others, highlight the growing recognition of the need for international governance frameworks to manage a fast, fair and financed transition away from fossil fuel production and expansion. To be effective, such initiatives should remain inclusive and aligned with equity principles, ensuring they do not marginalise countries with more limited capacity or constrain their policy space. Strengthened international cooperation frameworks will also be essential to support technology transfer, finance mobilization, terminate legal barriers (such as ISDS) and coordinated policy development across countries pursuing fossil fuel phase-out pathways.

The relevance of regional energy systems and cross-border infrastructure should also be recognised, as regional integration can support renewable energy deployment by balancing supply and demand, improving system reliability, and reducing costs. This broadens cooperation beyond global agreements and strengthens the operational relevance of the roadmap.

4. Differentiation, Equity and Just Transition

4.1 **The transition away from fossil fuels must be guided by principles of equity, climate justice, and CBDR-RC.** We recommend using the Civil Society Equity Review[10] and Climate Action Network (CAN), *NDC Guidelines*, 2024[11] as a reference.

Developed/High-income countries with their high historical responsibility for emissions should:

- Phase out fossil fuels use and production more rapidly
- Provide substantial support for developing countries (Including financial, technological transfer, capacity building and other technical support).

4.2 **Developing/Lower income countries require enhanced international support to pursue and accelerate fossil fuel transitions while addressing sustainable development needs.** This support outlined in Section 3.3 above, should be aligned with national development priorities and tailored to different stages of transition, with clear sequencing of actions.

4.3 **Transition policies must be built on Just transition strategies**, intentionally connecting a transition away from fossil fuels with prosperity pathways required to secure workers and communities' livelihoods. Building on the Just Transition decisions taken at COP30, Just Transition approaches imply the meaningful inclusion of a range of rightholders (including workers affected by transitions, informal workers, people in vulnerable situations, Indigenous Peoples, local communities, migrants and internally displaced persons, people of African descent, women, children, youth, elderly people and persons with disabilities) and the respect and promotion of human rights (including labour rights, the right to a clean, healthy and sustainable environment, the right to health, the rights of Indigenous Peoples including including the rights to self-determination and the rights and protections for Indigenous Peoples in voluntary isolation and initial contact, the right to development, gender equality, empowerment of women and intergenerational equity) .

Just transition strategies should prioritise:

- Respect for labour rights, and decent work and quality jobs, in accordance with International Labour Organisation (ILO) Conventions

[10] Civil Society Equity Review, *Inequity, Inequality, Inaction: A Civil Society Equity Review of the post-Paris climate regime and the new NDCs, with a focus on mitigation, the role of climate finance, and equity and fair shares across and within countries*, 2025.
[11] Climate Action Network (CAN), *Guidelines for Nationally Determined Contributions (NDCs)*, May 2024.

- Human rights and social protection, including social and environmental safeguards for renewables, protection of workers' individual and collective rights, FPIC of Indigenous Peoples, public participation and protection of civic freedoms in policymaking
- Meaningful and effective social dialogue
- Broad and meaningful participation and inclusion of all rightholders
- Education systems and skills development
- Equitable economic opportunities
- Equitable access to energy
- Energy and resource sovereignty including the elimination and dismantling of colonial occupations, imperialism, and wars driven by resource extraction, as fundamental prerequisites for enabling self-determined transition pathways.
- Transition policies and strategies must be based on respect for civic freedoms, as essential prerequisites to build and retain public trust. Governments must ensure that human rights and environmental defenders, raising concerns or dissent over national policies and plans and/or specific projects, are protected from attacks.

4.4 **Equity must guide the design and implementation of transition timelines**, from Civil Society Equity Review[12] and Climate Action Network (CAN), *NDC Guidelines*, 2024, reflecting different national circumstances, development needs, and historical responsibilities in line with CBDR-RC. This requires that developed countries take the lead through earlier and deeper emissions reductions, alongside the provision of scaled-up, predictable, and grant-based finance, technology transfer, and capacity-building. Transition pathways should therefore be differentiated in pace and sequencing while ensuring alignment with 1.5°C pathways[13].

4.5 In this context, **developed countries should achieve economy-wide phase out of fossil fuels by 2040 at the latest,** while **developing countries should phase-out by 2050** with adequate support such as in the fiscal transition including developing countries dependant on fossil fuel revenues, industrial development, technology transfer, capacity building, and other structural frameworks that reduce burden as outlined in Section 3 and 4 herein. All countries should contribute to at least tripling renewable energy capacity by 2030 and transitioning to 100% renewable, sustainable, and human rights–compliant energy systems by 2050, with developed countries achieving these milestones earlier. NDCs and transition roadmaps should include clear quantitative 2030 targets, sectoral pathways, and investments in enabling infrastructure such as grids and storage, alongside measures to accelerate renewable deployment across power and end-use sectors aligned with 1.5°C[14].

4.6 As affirmed by the International Court of Justice, every State has an obligation to use all means at its disposal to prevent harm to the climate system and protect human rights from climate impacts. This includes regulating the conduct known to cause harm, which must begin

[12] Civil Society Equity Review, *Inequity, Inequality, Inaction: A Civil Society Equity Review of the post-Paris climate regime and the new NDCs, with a focus on mitigation, the role of climate finance, and equity and fair shares across and within countries*, 2025.
[13] Climate Action Network (CAN), *Guidelines for Nationally Determined Contributions (NDCs)*, May 2024.
[14] International Energy Agency (IEA), *Global Methane Tracker / Net Zero by 2050 Scenario*, various years.

with the fossil fuel activities that are the primary source of greenhouse gas emissions driving climate change. **The Court was clear: "Failure of a State to take appropriate action to protect the climate system from GHG emissions — including through fossil fuel production, fossil fuel consumption, the granting of fossil fuel exploration licences or the provision of fossil fuel subsidies — may constitute an internationally wrongful act." .** This obligation must be understood in light of the principles of equity and common but differentiated responsibilities, under which developed states, given their historical contributions to climate change and greater financial capacity, bear enhanced duties. These include not only the obligation to mitigate emissions domestically, but also provide financial resources to developing countries for mitigation, adaptation, and loss and damage. **When States breach one or more of their international obligations, they have a duty to cease the wrongful conduct, provide guarantees of non-repetition, and provide full reparation for any resulting harm.**[15]

4.7 **All countries should end new fossil fuel power plant development**, with developed countries phasing out coal by 2030 and gas by 2035, and developing countries phasing out fossil fuels in the power sector by 2040 with support. In parallel, all countries must end new fossil fuel exploration and mining immediately, and adopt phase-out pathways for all fossil fuel production and use aligned with 1.5°C by mid-century[16].

[END]

[15] International Court of Justice, *Advisory Opinion on Obligations of States in respect of Climate Change* (2024), https://www.icj-cij.org/case/187

[16] SEI, Climate Analytics & IISD (2025) *The Production Gap Report 2025*. Stockholm Environment Institute, Climate Analytics, and International Institute for Sustainable Development. .