



DCJ submission for COP30 Presidency roadmap on the Transition Away from Fossil Fuels in a Just, Orderly and Equitable Manner

Introduction and context setting

We welcome this call for submission by the COP30 Presidency for its roadmap on the Transition Away from Fossil Fuels in a Just, Orderly and Equitable Manner. The Global South's historical contributions to causing climate change is minimal while its capacity to deal with the impacts of climate change is constrained by several structural factors. Any transition away from fossil fuels must be firmly rooted in climate justice and guided by the core principles of UNFCCC and its Paris Agreement – equity and common but differentiated responsibility and respective capabilities. **It should also occur within the framework of a fair sharing of the global effort to limit warming to 1.5 equitably, wherein we immediately end expansion of fossil fuels (per IEA's "no new" fossil fuels needed), as historical emitters phase out first and fastest while providing adequate finance and technology.** Developing countries' policy and fiscal space for carrying out effective climate action and transition away from fossil fuels is acutely constrained by structural barriers and pressures stemming from the international monetary and financial system - built on colonial governance and financial subordination in which Global South countries are structurally disadvantaged and politically marginalised - that make extraction necessary to maintain financial stability.

The institutions, rules, norms and decision-making processes of this system are overwhelmingly controlled by developed countries. International cooperation will be key in addressing these barriers to enable countries to implement any kind of transition policies in a just, orderly, and equitable manner.

Further, DCJ encourages opening this process to more direct participation from civil society rather than just as observer organisations, including substantial discussion and consultation beyond Bonn's SB64 up to the roadmap's ultimate destination. The roadmap should result in an agreed outcome that aligns with and protects climate justice principles.

(a) What are the most critical barriers — whether physical, economic, financial, institutional, technological or social— preventing a transition away from fossil fuels?

The barriers that prevent a transition away from fossil fuels in a just manner are political in nature. Without acknowledging this and the need for addressing those barriers politically, efforts to implement any kind of transition will remain futile. Listed below are some of the most critical barriers:

Lack of climate reparations and public climate finance: Global North countries responsible for the majority of historical emissions have consistently failed to provide new, adequate, predictable, grant-based public climate finance in line with needs and science, without which many developing countries remain constrained in their ability to implement climate actions, including reducing their dependency on fossil fuels. Implementing a just energy transition would require countries to have in place adequate non-fossil fuel energy sources (as well as functional public services and social protection, education systems to re-skill workers, and state capacity for green industrial policy) which require major upfront investment. Together with other barriers such as high cost of capital, debt, and unfair tax and trade rules, the lack of adequate climate finance provision plays a major part in keeping Global South countries in a "climate investment trap".

Sovereign debt and fiscal constraints: Developing countries [paid out USD 741 billion more in principal and interest](#) on their external debt than they received in new financing between 2022-2024, the largest gap in at least 50 years. Current International financial architecture and institutions like the World Bank and International Monetary Fund have a long history of imposing austerity policies driven by creditor interests and today's extractive financial system, which increases the debt burden of developing



countries and raises the cost of capital for them, leaving little fiscal space to invest in public energy transitions or economic diversification away from fossil fuel dependency. Debt also locks in extractive models and prevents fossil producer countries from transitioning, as (fossil) commodity exports are their main source of generating the foreign currency required to repay their debt - which, again due to financial subordination, is usually denominated in USD.

International trade and investment regimes: Trade and investment agreements, including investor–state dispute settlement (ISDS) embedded in multiple bilateral investment treaties, allow fossil fuel corporations to challenge countries’ climate policies, including for loss of hypothetical “future profits”, essentially making the public purse liable for their stranded assets.. Any measures to shut down or even cancel planned fossil fuel projects can set off prohibitively expensive arbitration claims, while the reverse (countries suing companies for harmful actions) is not possible. The spectre of a costly arbitration award, negotiated at opaque tribunals with no public transparency, imposes a well-documented regulatory chill on governments and prevents them from pursuing fossil fuel transition policies.

Technology inequality and Intellectual Property barriers: Global South countries often face barriers to accessing renewable energy technologies due to WTO intellectual property rules enforcing monopolies, limiting technology transfer from the Global North to the Global South. Most climate related technology patents are concentrated in the Global North. This has serious implications for both technology transfer and development of technologies that are responsive to the needs of developing countries. Bilateral and regional trade agreements are also used by developed countries to constrain developing countries’ access to climate related technologies, hampering their ability to deliver meaningful climate actions.

Unilateral climate related trade measures: Developed countries are increasingly integrating their climate actions into their economic competitiveness agendas. Unilateral climate related trade measures like the carbon border adjustment mechanism (CBAM) are being imposed by several developed countries – externalising their own carbon reduction responsibility onto their trade partners. And constrain developing countries’ fiscal and policy space, besides forcing them to comply with “green standards” developed as per the requirements of the Global North.

Global North demand driving fossil fuel extraction: There is a lack of structured, equity-based cooperation on addressing fossil fuel supply globally. Much of the fossil fuel extraction occurring in the Global South is driven by Global North economies’ demand. Yet the Global North is failing to rapidly reduce consumption, while shifting mitigation burdens onto developing countries and locking them into fossil fuel dependent infrastructure and development pathways. Further, developed countries continue to provide harmful subsidies to their fossil fuel companies for expanding even more fossil fuel projects at home and abroad.

Financialisation of nature via Carbon Markets and technological distractions perpetuate climate colonialism: Carbon markets and nature-based financial instruments allow continued fossil fuel based extraction processes while shifting mitigation burdens onto land, forests, and communities in the Global South. Reliance on carbon offsets allows the Global North and big corporations to evade their responsibility of actually reducing their emissions and causing more harm to communities and the environment of the Global South. Similarly, the use and promotion of speculative, unproven, expensive geoengineering technologies in the name of large scale “carbon dioxide removal” or “reducing global temperatures”, using lands of Global South countries to test those technologies, are not only harmful to the environment and communities, they divert resources away from tackling the main cause of climate change: fossil fuels.. DCJ rejects false solutions including hydrogen, nuclear, hydropower and other techno-fixes that impact land rights and ocean rights.

Militarism and geopolitical conflict: Military spending, fossil-fuel-driven wars, and geopolitical competition divert resources from climate action and lock economies into fossil fuel dependency. Mining



for transition minerals replicates patterns of resource grabbing, environmental damage and establishes neocolonial practices.

Energy poverty and access: Hundreds of millions of people in the Global South lack reliable and affordable energy. Transitions cannot deepen inequality and must prioritise universal energy access and developmental needs in a people centric manner. Meanwhile the United States, the biggest historical polluter which has exited the Paris Agreement the second time and UNFCCC, is forcing developing countries to buy fossil fuels through trade agreements at terms that are favourable to the US, making it harder for developing countries to implement any kind of transition.

Corporate capture of climate and energy policy and Weak legal accountability frameworks: Fossil fuel corporations and financial institutions continue to shape energy policy, delaying phase-outs and promoting false solutions that prolong fossil fuel dependence. There are insufficient legal mechanisms to hold corporations and countries accountable for fossil fuel expansion, environmental damage, and climate harms.

(b) What potential levers, whether economic, financial, institutional, social or technological, exist for accelerating the implementation of the transitioning away commitment?

Climate finance delivery by the Global North: Compensation for the costs from climate change are due to Global South countries burdened by Global North nations who got rich first by burning fossil fuels. The ICJ and UNFCCC recognise “common but differentiated responsibilities” but fail to find ways to compensate countries. A “just transition from fossil fuels” must see historical polluters pay the costs of repairing harm, adapting economies and transitioning to fossil free societies. Developed countries must deliver on their legal obligation to provide public climate finance to developing countries in the form of new and additional grants. The trillions of dollars due can come from [six major sources of financial flows](#), including redirected Global North military budgets and fossil fuel subsidies, as well as new arrangements for international tax, trade and debt justice, including waivers on intellectual property rights for climate technologies. Together, these measures will expand fiscal space for Global South finances to secure reliable and affordable energy. These efforts can be discussed under the new climate finance work programme on Article 9.1 of the Paris Agreement. Efforts exist in all these areas yet lack any conscious, coherent and consistent work program by a group of governments committed to just transitions from fossil fuels.

Debt resolution: The UN has a long history of pursuing an intergovernmental process on sovereign debt architecture reform, particularly to create a multilateral debt resolution mechanism which is essential to effectively addressing the debt crisis trap in developing countries, along with debt cancellation calls to contribute to their fiscal space. The multilateral debt resolution mechanism could provide a fair, timely and comprehensive debt treatment from all lenders: bilateral, multilateral and private, and for all countries according to their needs. The Sevilla Commitment of last year’s FFD4 conference paves the way for an intergovernmental process towards such a mechanism, which countries should pursue with urgency.

Removing ISDS clauses from investment treaties: International cooperation is required for governments to remove ISDS clauses completely from all investment treaties and terminate/withdraw from existing investment agreements which have ISDS clauses to strengthen governments’ ability to regulate transnational fossil fuel corporations and ensure they adhere to social and environmental regulations designed by countries to deliver on their climate actions.

Promoting the use of flexibilities in the World Trade Organization’s Intellectual Property Rights (IPR) regime: Fairer trade rules free of IPRs is effective international cooperation for addressing urgent environmental goals like dealing with climate change and fossil phase-out. Countries must explore waiver of patent royalties and relaxation of the rules under the trade-related aspects of intellectual property rights



(TRIPS) of the WTO for climate related technologies to facilitate greater use of environmentally sound technologies. Developing countries could explore the use of flexibilities under the TRIPS Agreement of the WTO to promote and support climate-relevant technology transfers. Discussions should also ensue in a coordinated manner not to patent technology crucial for a just transition, so that its transfer and public use can be facilitated. Member states at the WTO and the UNFCCC should be supportive of such efforts and reforms.

Any push for increasing trade tariff liberalisation for environmental technologies in the WTO without addressing the need for eliminating Non-Tariff Barriers only works in favour of developed countries by increasing their market access and limiting developing countries' revenues from tariffs, and deepens the gap in technological capabilities of the North and South. Such measures must be rejected as they would not result in any substantial gains in the diffusion of environmentally sound technologies.

Credit Rating Agencies: It is essential to build on existing UN stipulations of responsible lending and borrowing, and innovative creations like a borrower's platform and reforms to Credit Rating Agency (CRA) methodology. Establishment of Multilateral credit rating agencies would help curb the monopolistic stronghold of existing CRAs. There should be strict measures to prevent conflict of interest embedded in the current 'issuer pays model' that CRAs operate, to ensure that interests of the financial clients who are paying CRAs for those assessments are not driving sovereign ratings. **Reforms to CRA methodology:** The current methodology is GDP centric and short term oriented, both of which tilt the balance against developing countries which have a high growth potential, though may have a low per capita GDP as compared to developed countries. Incorporating economic and social development variables along with adopting a medium to long term perspective can help in addressing these biases. **Reforms to climate vulnerability index:** Currently, this index downgrades ratings of countries when they experience a climate disaster increasing their cost of capital precisely when they require low cost financing. This index needs to be reformed by incorporating climate financing in risk assessments to build resilience and adaptation as core criteria to reduce risk.

Ensuring Price Stability for Just Transitions: Predictable and stable energy prices are essential for planning and implementing transitions at all levels, with affordable energy for consumers and reliable revenue for producers being a crucial benefit. Inflation hits hardest the poorest consumers, communities and countries, with traders and speculators being the biggest beneficiaries of wild swings in price volatility. International cooperation for price stability is needed by: 1) establishing adjustable price ranges within which energy can be exchanged to provide predictability; 2) enlisting producers to provide additional supplies, and consumers to release strategic reserves, in case of rising above upper range to return prices to within agreed range; and 3) enlisting consumers to purchase supplies for strategic reserves, and producers to restrain supplies, in case of dipping below lower range.

Coordinating supply and demand decreases: Any treaty on fossil fuels in future should ensure proactive producer-consumer coordination, both demand and supplies can be predictably decreased to facilitate a fast and fair phase out of fossil fuels. Among the internationally coordinated actions to take include: 1) collecting real time data on consuming countries' policies and measures aimed at reducing demand for fossil fuels, as well as updating figures on actual and forecast consumption trends; 2) communicating data to decisionmakers who oversee current production planning to prepare for proper reductions in output and revenues; and 3) coordinating placement of production with consumption destinations to minimize disruption.

Replacing revenue from fossil fuels exports by improved terms of trade: Countries can cooperate to enable fossil fuel exporters to enhance alternative sources of export revenue by balancing world trade rules: 1) governing agriculture and natural resources to end dumping and export subsidies; 2) eliminating tariff escalation practices punishing Global South exporters of processed goods; 3) aligning unilateral measures/carbon tariffs with pro-active efforts to transfer climate technologies.



Phasing out Fossil Fuel Subsidies without WTO: Reducing state support and all forms of subsidies for fossil fuels production by forging an international instrument — not under WTO — to identify production subsidies for scheduled reduction and removal with agreed targets and timetables by 2030.

(d) How can a just, orderly and equitable transition best reflect the diverse realities of countries at different stages of development and with different degrees of dependence on fossil fuels?

Climate justice, equity, CBDR-RC, and fair sharing of the global effort to limit warming to 1.5C equitably are the cornerstones for implementing a just, orderly and equitable transition that best reflects the diverse realities of countries, including their different development stages and varying degrees of dependence on fossil fuels. A fair sharing of the global effort is crucial for this transition to be just and equitable. According to the Intergovernmental Panel on Climate Change (IPCC), the amount of carbon budget remaining for limiting temperature rise to 1.5°C is 500 gigatonnes (Gt). Developed countries are responsible for 68% of the historical cumulative carbon dioxide (CO₂) emissions from 1850–2019 although they represented only 19% of the world’s population in 2019. Developing countries’ historical cumulative CO₂ emissions on the other hand totalled 32% for the same period, while they represented 81% of the global population in 2019. Developed countries owe a massive carbon debt to developing countries which they must repay by providing means of implementation to them.

Developed countries must take the lead in implementing the transition away from fossil fuels for it to be just. According to a [2020 study](#), an equitable sharing of the global effort requires wealthier countries with diversified economies like the United States, the United Kingdom, Canada, Germany and Norway to implement the transition away from fossil fuels the fastest. This study shows that the difficulties these countries would face in phasing out fossil fuels are much lower compared with those faced by developing countries. Its findings show that a country like Germany has sixteen times more resources compared to what is required in China for implementing the transition, and China would need twenty times longer than Germany to make the transition.

Another key aspect for ensuring the shift away from fossil fuels occurs in a just manner is that it does not replicate the current patterns of global inequalities based on extractive relations between the countries of the Global North and South. While renewable energy may be the most viable non fossil fuel energy sources, a rapid and scaled up expansion of such sources would require huge amounts of critical minerals, land and upfront investment. Most such minerals are concentrated in developing countries. We are already seeing an uncontrolled rush towards mining such minerals which is reducing developing countries as suppliers of raw materials and inflicting damages to the livelihoods of their communities and environment, including violation of the free, prior and informed consent of the Indigenous Peoples.

We are also witnessing the continuation of green colonialism in the supply of renewable energy where lands of developing countries, especially in the African region, are being used to set up huge solar plants and “clean hydrogen” facilities to meet the energy needs of Europe. What is worse is that these projects are adding to the public debt of developing countries – not only are people’s lands being taken away from them by Global North driven interests, they are also being made to pay for that. Energy sovereignty and energy democracy informed by the needs and priorities of the people must be at the core of multiple just transitions. Any global phase out from fossil fuels needs to be within a just and equitable framework built on the principles of the common but differentiated responsibilities and respective capabilities as outlined in the [2023 Civil Society Equity Review Report](#).