

Submission “COP30 Presidency Roadmap for Transitioning Away from Fossil Fuels in a Just, Orderly and Equitable Manner”

Fundación Ambiente y Recursos Naturales

Fundación Ambiente y Recursos Naturales (FARN) welcomes the opportunity to contribute to the COP30 Presidency’s roadmap for advancing the transition away from fossil fuels in a fair, orderly and equitable manner.

FARN is an independent, non-profit organisation based in Argentina, committed since 1985 to protecting the environment and defending human rights. Through research, public policy advocacy and collaboration with civil society, FARN promotes social well-being and respect for ecological integrity.

Through knowledge generation, capacity building and coordination with communities, FARN drives participatory processes and contributes to more inclusive, transparent and evidence-based decision-making. Its work is underpinned by intellectual honesty, transparency and an interdisciplinary approach, promoting social participation in the defence of the environment.

In the context of the global energy transition, FARN works to advance pathways that enable a transition away from fossil fuels, ensuring that this process is carried out in accordance with principles of social justice, respect for territories and the guarantee of access to energy as a right.

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

One of the most critical barriers to advancing a transition away from fossil fuels is the persistence of a complex set of economic, financial, regulatory and institutional incentives that sustain and expand the hydrocarbon sector. Overcoming fossil fuel-based energy systems, therefore, requires a comprehensive transformation, collectively planned and aimed at promoting decentralised, diversified, clean and democratically designed energy systems.

In this regard, the fossil fuel sector continues to receive multiple forms of support, not only through direct economic subsidies but also through indirect mechanisms, such as exemptions for the import of inputs, export rebates, access to preferential exchange rates, tax benefits, regulatory support from the State, and the financing or facilitation of hydrocarbon infrastructure. This enabling framework constitutes a central barrier to the transition, as it reinforces dependence on fossil fuels and displaces more sustainable alternatives.

However, the reform of these incentives must be framed within social justice criteria. Concerning fossil fuel subsidies, it is important to distinguish between those granted to large hydrocarbon companies—commonly referred to in Argentina as supply-side subsidies—and demand-side subsidies, which support access to energy (gas or electricity). The former should be phased out, with those resources redirected towards the promotion of a clean and decentralised energy system, while subsidies aimed at ensuring access to energy for the

population should be maintained during the transition, given that energy access is a right and cannot be treated solely under market logic.

For this reason, a just socio-ecological transition cannot be limited to the removal of support for the fossil fuel sector, but must also ensure the material conditions necessary for all people to access adequate and affordable energy services. At the same time, the expansion of renewable energy must avoid reproducing past patterns and should respect fragile territories and ecosystems, often inhabited by Indigenous Peoples, ensuring meaningful participation, free, prior and informed consent, and respect for their decisions.

In addition, transitioning away from fossil fuels requires addressing other structural barriers. These include the need to create quality employment alternatives for workers currently engaged in the fossil fuel sector, to promote economic diversification strategies that sustain public revenues and regional economies, and to support the transformation of industrial sectors that are highly dependent on fossil fuels. Without these conditions, the transition risks deepening existing social and territorial inequalities.

Finally, it is also necessary to reform the financial architecture in order to prevent international financial institutions from shaping countries' public policies—whether in the energy, economic or development spheres—through incentives or conditionalities linked to the expansion of hydrocarbon activities. In this regard, such institutions should neither promote nor finance activities associated with the severe environmental, climate and social impacts of fossil fuels. For instance, the International Monetary Fund (IMF) should refrain from promoting extractive activities (mining, fossil fuels, agribusiness) as a means of generating foreign exchange for external debt repayment. At the same time, current private banking regulations and governance frameworks continue to support fossil fuel financing, underscoring the need for new regulatory frameworks with stronger environmental and social safeguards and greater transparency.

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

Accelerating the transition away from fossil fuels requires a comprehensive set of economic, financial, institutional and social levers, grounded in principles of social justice, human rights and differentiated responsibilities. In this regard, policy design and sequencing are critical to ensure both effectiveness and equity.

A first key lever is the reform of fossil fuel subsidies, prioritising the phase-out of direct and indirect (or hidden) subsidies to fossil fuel producers. This includes tax exemptions, preferential exchange regimes, customs benefits, and public financing or infrastructure support that increase the profitability of hydrocarbon activities across the value chain. Eliminating these supply-side subsidies is essential to reducing fossil fuel lock-in and freeing up public resources for the transition.

At the same time, subsidy reform must differentiate between supply-side and demand-side measures. While subsidies that benefit fossil fuel companies should be phased out, those aimed at ensuring access to energy for households must be addressed with caution and according to national contexts. Abrupt removal of demand-side subsidies—particularly in countries where viable alternatives are not yet available—can exacerbate energy poverty

and undermine public support for the transition. Therefore, subsidy reform should be sequenced and conditional on the prior availability of accessible, affordable and reliable low-carbon energy alternatives.

In this regard, a central lever is the redirection of public resources towards the expansion of renewable energy infrastructure, particularly decentralised and distributed systems that can ensure equitable access. Investments should prioritise underserved and vulnerable communities, enabling a structural shift away from fossil fuel dependence at the territorial level.

Complementary fiscal measures can further support this transition. These include the introduction of targeted taxes on luxury or high-impact energy consumption—such as private aviation or non-essential energy uses—as well as on products and value chains heavily reliant on fossil-based inputs where alternatives exist. Such measures can help generate fiscal space while addressing inequities in energy consumption patterns.

At the international level, an essential lever is the reform of global financial flows. This includes ending public financial support for fossil fuels through development banks, export credit agencies and international financial institutions, as well as eliminating subsidy schemes that support fossil fuel imports or fossil-based consumption in developed countries. Aligning financial systems with climate goals is key to avoiding continued fossil fuel expansion and ensuring a fair distribution of transition efforts.

In addition, shifting from individualised to collective approaches to energy provision constitutes an important social and institutional lever. Supporting community-based energy systems, public infrastructure and collective services—such as public transport, energy communities and shared social spaces—can reduce overall energy demand while strengthening social cohesion and access.

Finally, policy frameworks should incorporate metrics and approaches based on energy poverty and economic, social, cultural and environmental rights. This ensures that transition pathways are evaluated not only in terms of efficiency or emissions reductions, but also in terms of their capacity to guarantee access to energy, reduce inequalities and improve well-being.

(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?

A just, orderly and equitable transition must start from recognising that countries face differentiated realities in terms of degrees of dependence on fossil fuels and historical responsibilities. Therefore, there is no one-size-fits-all pathway, and transitions must be nationally determined, while aligned with global climate goals and guided by principles of equity and common but differentiated responsibilities.

At the same time, the current socio-ecological crisis calls for a deeper transformation of development models. The energy sector remains the main source of greenhouse gas emissions globally, largely due to the continued reliance on fossil fuels. In many countries of the Global South, including Argentina, this dependence is particularly pronounced, with fossil

fuels accounting for the vast majority of the energy matrix. This creates structural challenges for advancing transition pathways that are both ambitious and fair.

Also, current energy transition processes are already revealing important risks and challenges. In particular, the expansion of renewable energy systems—when driven by existing patterns of production and consumption—can reproduce new forms of dependency, territorial pressure and inequality. This is especially evident in the growing demand for transition minerals, where countries in the Global South are often positioned as mere suppliers of raw materials, without fair benefit-sharing, domestic value creation, or adequate environmental and social rights. This dynamic risks perpetuating a form of “green colonialism” that mirrors the inequalities of the fossil-based model.

In this context, transitioning away from fossil fuels must go beyond a simple substitution of energy sources. It requires rethinking how energy is produced and consumed, moving away from extractivist logics and from models based on the continuous expansion of energy demand. This implies incorporating the concept of energy sufficiency, respecting planetary boundaries, and prioritising systems that are designed to meet social needs and collective well-being, rather than sustaining patterns of overconsumption.

A just transition must also ensure that energy is recognised and treated as a fundamental enabling right. This implies guaranteeing universal access to safe, reliable, affordable and sustainable energy services, while protecting the rights of communities and workers affected by both fossil fuel phase-out and renewable energy expansion.

Furthermore, transition pathways must be grounded in territorial realities and ensure the protection of ecosystems and biodiversity. This requires adopting a territorial approach that recognises differentiated impacts across regions, avoids the creation of new sacrifice zones, and secures the rights of Indigenous Peoples and local communities, including their right to free, prior and informed consent.

Finally, inclusive and participatory governance is essential. A just, orderly and equitable transition must ensure early, meaningful and sustained participation of all relevant stakeholders in decision-making processes. This includes civil society, local communities, workers and subnational governments, enabling more democratic, transparent and context-specific transition pathways.

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