COP30 Presidency Roadmap for Transitioning Away from Fossil Fuels in Energy Systems in a Just, Orderly and Equitable Manner

Strengthening the Roadmap Through Explicit Consideration of Offshore Oil and Gas

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Submission by Ocean Conservancy

Introduction

Ocean Conservancy welcomes the leadership of the COP30 Presidency in advancing a Roadmap for transitioning away from fossil fuels. As an organization working at the intersection of ocean conservation, climate policy, and clean ocean energy, Ocean Conservancy respectfully submits that offshore oil and gas systems warrant explicit consideration within the Roadmap to credibly implement the commitment under the first Global Stocktake (GST) to "transition away from fossil fuels in energy systems in a just, orderly and equitable manner."

The transition away from fossil fuels is inherently a whole-system transformation, encompassing both demand- and supply-side dynamics, as well as wider economic and governance considerations. Many current approaches focus primarily on demand reduction, including through electrification, renewable energy deployment, and efficiency improvements. Although these efforts are essential, supply-side dynamics require more explicit consideration to meet the global net-zero targets by 2050.

Within this context, offshore fossil fuel production merits particular considerations due to its structural characteristics, investment cycles, and interactions with other policy domains. Offshore oil and gas production already represents a substantial share of global fossil fuel supply and remains a central focus of industry investment. The International Energy Agency (IEA) estimates that over 25% of global oil production and about 30% of global natural gas supply currently comes from offshore fields[1]. Recent analysis shows that around 73% of global oil and gas discoveries in the 2020s have been offshore[2], reflecting a continued shift of exploration and development toward ocean basins. Offshore fossil fuel resources are significant for global supply, and the continued expansion of offshore projects will lock in decades of additional fossil fuel production.

Offshore projects are typically capital-intensive and operate over multi-decade timeframes[3], relying on complex infrastructure systems including platforms, subsea pipelines, and floating production units. These characteristics create strong incentives to maintain production once assets are developed, contributing to long-term supply lock-in. In parallel, offshore activities take place in marine environments that are increasingly subject to competing demands, including fisheries, conservation, shipping, and renewable energy deployment. The Organization for Economic Co-operation and Development (OECD) has emphasized that pressures on ocean space are intensifying, while governance frameworks such as marine spatial planning remain unevenly developed across countries[4]. These dynamics position offshore systems at the intersection of energy transition, ocean governance, and economic policy, suggesting that robust consideration within the Roadmap would enhance its practical relevance.

Structural Barriers to Offshore Transition

The transition away from offshore fossil fuels is shaped by structural barriers that differ in important respects from those affecting onshore systems. The long lifespan of offshore infrastructure creates lock-in effects that can delay production decline, particularly when capital recovery remains a priority. The International Energy Agency has highlighted that nearly 90% of upstream oil and gas investment since 2019 has been directed toward offsetting production

[1] https://www.iea.org/reports/world-energy-outlook-2023
[2] https://globalenergymonitor.org/wp-content/uploads/2025/02/GEM-GOGET-March-2025.pdf
[3] https://www.iea.org/reports/net-zero-by-2050
[4] https://www.oecd.org/en/publications/the-ocean-economy-to-2050_a9096fb1-en.html

declines in existing fields rather than meeting new demand, illustrating how investment dynamics reinforce continued production[5]. In addition, offshore fields often exhibit relatively high decline rates, particularly in mature regions, requiring continued investment simply to maintain output levels.

Many offshore-producing countries rely on hydrocarbon revenues, through revenue sharing models for public budgets, employment, and foreign exchange. This fiscal dependence can further constrain policy space, particularly in countries where such revenues are closely tied to national budgets or development strategies. This dependence exposes developing countries to fiscal instability as production and thus revenues decline, even as they already face increasing fiscal pressure, with public debt servicing reaching record levels, constraining their ability to invest in energy transition pathways[6].

Fossil fuel subsidies remain a substantial barrier to the transition, estimated at $7 trillion globally in 2022 by the International Monetary Fund[7]. This provides persistent incentives for continued extraction. At the same time, many offshore-dependent economies face high costs of capital, limiting investment in clean energy and sustainable ocean sectors. In addition, governance fragmentation across energy policy, marine spatial planning, and environmental regulation can limit policy coherence.

The scale of offshore decommissioning obligations also presents a growing challenge. As fields mature, governments and operators face increasing financial and environmental liabilities associated with well plugging, infrastructure removal, and site remediation, thereby increasing the risk of public exposure when financial assurance mechanisms are insufficient. These factors underscore the importance of clearer guidance on what constitutes a credible offshore transition pathway.

Elements of Credible Offshore Transition Pathways

The Roadmap would benefit from encouraging approaches that enhance the credibility and implementability of transition pathways, while respecting national circumstances. Key policy approaches could include:

- On the supply side, aligning offshore production with climate goals is essential. The International Energy Agency finds that achieving net-zero emissions globally requires no new oil and gas fields beyond those already approved as of 2021, with production declining from existing assets. This provides a reference point for evaluating offshore licensing and expansion decisions.
- Institutionally, improving coordination across climate, ocean, and energy governance frameworks can enhance policy coherence.
- Reforming fossil fuel subsidies can help shift incentives, for example, by redirecting support toward clean energy, energy access, or sustainable ocean economies.
- Strengthening decommissioning governance by requiring offshore operators to develop and fully pre-fund managed phase-down and decommissioning plans for all projects would

[5] https://www.iea.org/reports/the-implications-of-oil-and-gas-field-decline-rates
[6] https://unctad.org/system/files/official-document/tdr2023_en.pdf
[7] https://www.imf.org/en/topics/climate-change/energy-subsidies

help ensure environmental and fiscal risks are appropriately managed while avoiding stranded liabilities and orphaned infrastructure.

- Supporting economic diversification in offshore-dependent regions would be critical to managing revenue dependence and long-term exposure to declining demand.
- Developing sea basin-level production decline pathways and creating exclusionary zones in Marine Protected Areas
- Better integrating offshore energy decisions within marine spatial planning and broader ocean governance frameworks could further enhance policy coherence and reduce ecological impacts.

These elements are not intended to prescribe uniform pathways but to support consistency, comparability, and integrity across national approaches.

Emerging Practices and Lessons

Emerging practices across jurisdictions provide useful insights for offshore transition planning. More broadly, experiences from transition processes highlight the importance of early planning, inclusive stakeholder engagement, and alignment between economic diversification strategies and local capabilities. In offshore contexts, this includes integrating decommissioning planning, workforce transition strategies, and marine spatial planning into a coherent transition framework.

Case Study 1: *Linking Fiscal Reform and Ocean Governance: Belize's Blue Bond as a Transition Model*[8]

A specific example related to the offshore context is Belize's sovereign debt conversion for marine conservation ("blue bond"). In 2017, the government of Belize introduced landmark legislation to establish a permanent moratorium on offshore oil activity in and around the Belize Barrier Reef. In November 2021, The Nature Conservancy (TNC) and the Government of Belize (Belize) announced the completion of a USD 364 million debt conversion for marine conservation that reduced Belize's debt by 12 percent of GDP, created long-term sustainable financing for conservation, and locked in commitment to protect 30% of Belize's ocean, in addition to a range of other conservation measures. The transaction is the world's largest debt refinancing for ocean conservation to date.

The debt conversion enabled Belize to repurchase USD 553 million, a quarter of the country's total public debt, from bondholders at a 45% discount through a "Blue Loan" arranged by TNC. The "debt conversion" resulted in a USD 189 million reduction in principal outstanding. The savings achieved in the refinancing allowed Belize to create an estimated USD 180 million in conservation funding over 20 years, composed of annual cash flows from the government and an endowment capitalized through the Blue Loan. As part of the transaction, Belize committed to ocean conservation undertakings, including placing 30% of its ocean, including parts of the Mesoamerican Reef, under protection by 2026, using a transparent, participatory Marine Spatial Planning process, and establishing an independent Conservation Fund to allocate the conservation funding to in-country partners.

This model illustrates several key lessons for offshore-dependent states. First, debt restructuring can be linked directly to ocean-based outcomes, aligning fiscal transition with environmental

[8] https://www.nature.org/content/dam/tnc/nature/en/documents/TNC-Belize-Debt-Conversion-Case-Study.pdf

objectives. Second, international financial support through guarantees, concessional elements, and technical assistance is critical to making such transactions viable. Third, the approach demonstrates how ocean governance can be integrated into broader macroeconomic planning, rather than treated as a standalone environmental issue.

Case Study 2: *Lesson Learned: The Importance of Early Decommissioning Planning and Fiscal Safeguards (United States)*

Experience from the United States highlights the risks of advancing offshore oil and gas development without adequate planning and financial provisioning for end-of-life decommissioning. Historically, regulatory frameworks did not consistently require operators to set aside sufficient funds or establish clear, enforceable timelines for decommissioning[9]. As a result, disused offshore infrastructure, particularly in the Gulf of Mexico and offshore California, has been left in the ocean, creating environmental, safety, and financial risks, including vulnerability to storm damage and deterioration.
In some cases, company bankruptcies have transferred decommissioning liabilities to the public sector, effectively shifting costs to taxpayers. At the same time, a lack of forward-looking planning has contributed to significant backlogs in decommissioning, with aging infrastructure reaching the end of its productive life without clear pathways for removal or remediation[10]. Additionally, revenue-sharing arrangements tied to offshore oil and gas production have created fiscal dependencies at the subnational level, complicating efforts to transition away from fossil fuels. This experience underscores the importance of requiring operators to develop and fully fund decommissioning plans well in advance of production decline, establishing clear regulatory frameworks for timely infrastructure removal, and directing offshore revenues toward economic diversification and transition-aligned investments.

Just, Orderly and Equitable Offshore Transition

A just and equitable transition must reflect differentiated national circumstances, particularly in terms of economic dependence, institutional capacity, and access to finance. For offshore-dependent states, credible pathways must balance climate objectives with fiscal stability, energy security, and social protection. This includes ensuring that transition timelines are realistic, that diversification pathways are viable, and that workers and communities are supported.

Equity also requires shared international responsibility. Countries with greater historical emissions and financial capacity could contribute to transition efforts, for example, by providing finance, technology transfer or technical assistance. Importantly, diversification strategies should avoid creating new forms of extractivism. Sustainable ocean-based sectors, such as renewable ocean energy, marine restoration, and sustainable fisheries, offer pathways to generate economic value while protecting ecosystems and supporting long-term resilience.

Conclusion

The Roadmap represents a crucial opportunity to translate global ambition for a fossil fuel phaseout into tangible action. By explicitly addressing offshore oil and gas, the Roadmap can more effectively confront a crucial part of the fossil fuel system, integrating climate, development, finance, and ocean governance considerations into a unified strategy.

[9] https://www.gao.gov/assets/gao-24-106229.pdf
[10] https://oceanconservancy.org/wp-content/uploads/2025/09/Decommissioning-Report-Final.pdf

Ocean Conservancy urges that offshore oil and gas systems receive explicit attention in the Roadmap, whether through dedicated supply-side pathways or a cross-cutting framework that highlights their intersection with ocean governance, energy systems, and economic policy. This recognition need not prescribe a single approach, but should encourage countries to incorporate offshore dynamics into national transition planning where relevant. Such emphasis would enhance the Roadmap's ability to drive implementation while preserving flexibility for diverse national contexts.

Greater attention to offshore issues will strengthen policy coherence, mitigate financial and environmental risks, and better align climate goals with the stewardship of ocean resources. This would make the Roadmap more relevant to producer countries, small island developing states, and coastal nations, ensuring the energy transition is ambitious, credible, and equitable.

Ocean Conservancy remains committed to supporting these efforts and advancing practical solutions for a just transition.

For questions about this submission, please contact
Ms. Shamini Selvaratnam sselvaratnam@oceanconservancy.org