



BRIEFING NOTE:
**ALIGNING FOSSIL FUEL
PRODUCTION WITH 1.5°C
AND THE PARIS AGREEMENT**

The COP26 summit will bring parties together to accelerate action towards the goals of the Paris Agreement and the UN Framework Convention on Climate Change. **As world leaders, countries and citizens prepare to converge in Glasgow, renewed focus is needed to tackle the main cause of the climate crisis — the production of coal, oil and gas.** Success at COP26 calls for new efforts to phase down fossil fuel production in line with 1.5°C and to enable a globally just and equitable transition that leaves no country behind.

CLIMATE CODE RED FOR HUMANITY

Climate change is widespread, rapid, and intensifying and some trends are now irreversible, at least during the present time frame, according to the latest IPCC Working Group I report.¹ The IPCC's findings are nothing less than "a code red for humanity". "The alarm bells are deafening, and the evidence is irrefutable", according to UN Secretary-General, António Guterres, "we must act decisively now, to keep 1.5°C alive".²

THE MAIN CAUSE OF CLIMATE CHANGE IS FOSSIL FUELS

Keeping 1.5°C in reach will require urgent action to tackle the main cause of the climate emergency — fossil fuels. The fossil fuel industry is responsible for around three-quarters of all historical carbon dioxide emissions since the Industrial Revolution.³ In 2015 — the year the Paris Agreement was signed — the fossil fuel industry and its products accounted for over 90% of industrial emissions, and roughly 70% of all human emissions.⁴

THE FOSSIL FUEL INDUSTRY IS PLANNING TO VASTLY EXCEED THE 1.5°C PARIS GOAL

Despite the climate emergency, governments are planning production that will result in more than double the emissions by 2030 than is consistent with limiting warming to 1.5°C and averting catastrophic climate disruption. Emissions from existing production capacity alone would make it impossible to stay within that threshold. To limit warming to below 1.5°C, the world will need to decrease fossil fuel production by at least 6% per year between 2020 and 2030, according to the UNEP Production Gap Report.⁵

PHASING DOWN FOSSIL FUELS REQUIRES "SUPPLY-SIDE" MEASURES TO COMPLEMENT EMISSION REDUCTIONS

Over the last few decades, negotiations have focused on reducing emissions rather than the production of fossil fuels. The success of these efforts has been limited by industry, which has continued to lock-in production, while limiting public understanding about their role in the crisis. To stay below 1.5°C, we need to complement measures to reduce emissions and the "demand" for fossil fuels, with measures to reduce production and the "supply" of fossil fuels. Doing so is cost effective, prevents "lock-in" of future emissions for technical, economic, legal and political reasons, and reduces the risks of delaying action (box 1).

A GLOBALLY JUST TRANSITION FROM FOSSIL FUELS REQUIRES NEW FORMS OF INTERNATIONAL COOPERATION

A fast, fair and 1.5°C aligned phase-down will require international cooperation to prevent the proliferation of fossil fuels, manage the decline of production, and enable just and equitable transitions. In particular, cooperation is needed to enable countries to reduce their mutual dependence on fossil fuels, support workers and communities, transition rapidly to renewable energy, and build more diverse economies. This in turn will require removing barriers to the transition by rethinking the rules relating to debt, trade and finance that are delaying the transition. We need a transition that leaves no country behind.

THE UNFCCC AND ITS PARIS AGREEMENT HAVE AN IMPORTANT ROLE TO PLAY

Existing arrangements, including the UNFCCC and Paris Agreement, can play a key role. Parties can consider addressing fossil fuels through:

- Scaled up domestic measures to reduce fossil fuel supply or dependence (box 2);
- Revised nationally determined contributions or NDCs;
- Long-term mid-century low greenhouse gas development strategies;
- Processes addressing response measures and economic diversification;
- Contributions of finance, technology and capacity;
- Preventing offsetting rules that support continued extraction and use of fossil fuels;
- Reporting under the enhanced transparency framework;
- The Global Stocktake of the Paris Agreement, 2021-2023.

In Glasgow, parties are encouraged to initiate and accelerate discussions about ways the UNFCCC and its Paris Agreement can rapidly scale up efforts to phase down fossil fuels.

BOX 1 — RISKS OF DELAYING A GLOBAL JUST TRANSITION FROM FOSSIL FUELS INCLUDE:

- Making the inevitable transition harder
- Creating stranded assets and risking financial turmoil
- Increasing risks to workers and communities
- Limiting and delaying the expansion of renewable energy
- Limiting and delaying economic diversification into more sustainable sectors
- Consolidating powerful pro-fossil fuel political constituencies
- Technical, economic, legal and political lock-in
- Increasing the risk of dangerous geo-engineering
- Risking catastrophic global heating well above 1.5°C

BOX 2 — DOMESTIC MEASURES TO REDUCE FOSSIL FUEL SUPPLY OR DEPENDENCE

CATEGORY	SUPPLY-SIDE POLICY
Regulatory approaches	Limit exploration, production, or export (e.g. via moratoria, bans, or quotas)
	Prohibit development or limit permits for specific resources, infrastructure (oil pipelines and terminals, coal ports, etc.) or use of certain technologies
	Ensure comprehensive (upstream and downstream) emissions assessment in environmental impact reviews of new fossil fuel supply projects
Economic instruments	Remove fossil fuel producer subsidies
	Introduce fees or taxes for fossil fuel production or export, and increase royalties
Government provision of goods and services	Assist workers and communities transitioning out of fossil fuel production
	Divest state-controlled investment funds from companies involved in fossil fuel production
	Restrict financing for fossil fuel supply projects through government-owned finance institutions (e.g. export credit agencies, and national and multi-lateral development banks)
Information and transparency	Require corporate disclosure of long-term climate-related risks associated with capital-intensive upstream production and exploration (Carbon Tracker Initiative 2019a)
	Set targets for reducing fossil fuel production, and report on progress alongside existing climate mitigation accounts (e.g. by using an extraction based emissions accounting framework) (Steininger et al. 2016)

BUT ADDITIONAL MEASURES WILL BE REQUIRED TO ACHIEVE THE PARIS AGREEMENT'S GOALS

While the Paris Agreement requires all countries to take steps to reduce their domestic emissions, it does not directly constrain the market forces and short-term financial incentives that continue to drive expansion of the world's fossil fuel infrastructure, which risks locking the world into a high-emissions trajectory.

Fossil fuels are nowhere mentioned in the Paris Agreement or UN Framework Convention on Climate Change. Additional measures are needed to complement the Paris Agreement in three areas:

- 1. End new exploration and production.** A world-wide moratorium on the development of all new oil, gas and coal reserves is needed to prevent expansion of unburnable fossil fuel inventories; to protect workers, communities and assets from becoming stranded; and avoid locking in catastrophic and irreversible global heating. The International Energy Agency confirms the world has a “viable but narrow” pathway to 1.5°C, but this pathway “includes, from today, no investment in new fossil fuel supply projects, and no further final investment decisions for new unabated coal plants.”⁶
- 2. Phase out existing stockpiles and production of fossil fuels.** Phasing out fossil fuel production in line with 1.5°C will require limits on extraction, removal of production subsidies, dismantling unnecessary infrastructure and shifting support to safer and more sustainable alternatives. As noted, the UNEP Production Gap Report confirms that fossil fuel production must decline by at least 6% per year to avoid more than a one-third risk of exceeding 1.5°C — or roughly 50% by 2030.
- 3. Accelerate a just and equitable transition.** The scale of the challenge demands urgent collective action that addresses the needs of dependent workers, communities and countries. In particular, this requires support for poorer and more dependent countries to help workers and communities, transition towards 100% renewable energy, and diversify their economies. This includes countries dependent on imports and exports of fossil fuels.

AN EFFECTIVE TRANSITION MUST BE BASED IN EQUITY

An effort to phase-down fossil fuels and implement solutions through multilateral cooperation is more likely to be effective if it is fair. To build real momentum, we need a vision for a global just transition that is universally shared. In this transition, wealthier countries with lower dependence, and higher financial and institutional capacity, will need to transition the most rapidly. Conversely, poorer countries with higher dependence and lower capacity will need greater international support. To transition at scale will require a major scaling up of financial, technological and capacity-building support by wealthy countries to those with more limited capacity.⁷

BUILDING BLOCKS FOR INTERNATIONAL COOPERATION

A fair and 1.5°C aligned global transition will require new levels and forms of international cooperation based on new norms and legal arrangements. Key building blocks in this effort include:

New country coalitions. International cooperation often starts when a small set of concerned countries join to share experiences, explore cooperation and begin the process of defining new norms, rules and institutions. A number of new groups have emerged, including most recently the Beyond Oil and Gas Alliance (BOGA) (box 3).

Improved arrangements for accountability and transparency. Lessons learned from efforts to tackle other global threats, such as the proliferation of nuclear weapons and depletion of the ozone layer, demonstrate the importance of government transparency. A new Global Registry of Fossil Fuels (box 4) will offer standardised, comprehensive, government-vetted, publicly available data on fossil fuels reserves and help to plan a transition.

Global Commission on Fossil Fuels. Building on efforts to create an initial club of countries and enhance transparency, an important next step could be the creation of a genuinely global dialogue, to build momentum and support for the transition. This could draw on precedents like the World Commission on Dams as well as the international humanitarian conferences that helped initiate new legal agreements on nuclear weapons and landmines.

New legal mandates and arrangements. The world ultimately needs a formal process to deliver a negotiated legal instrument on the managed transition from fossil fuels. This will require building political momentum both within and outside the United Nations community. First-mover countries will be critical players, but the success of their diplomatic outreach will depend on international and regional coordination with civil society groups, research organisations, industry groups, public institutions, and subnational governments, even in the face of resistance from some of the most powerful countries.

LEARNING THE LESSONS OF OTHER TREATY REGIMES

While there are important differences between the fossil fuel system and other dangerous products and infrastructure, important lessons can be learned from other international treaties, such as those addressing landmines, ozone depleting substances or nuclear weapons. Under the right conditions, treaties do not necessarily take long to negotiate. The original *Nuclear Non-Proliferation Treaty* took around three years. Nor do they require the support of all major players at the outset to be successful. The *Treaty on the Prohibition of Nuclear Weapons* was led by non-nuclear armed states, as a way to comprehensively prohibit states from participating in nuclear weapons activities. Based on the experience of these other treaties we are advocating for a treaty to phase down fossil fuels and accelerate the transition for all countries. ion that “leaves no country behind”.

BOX 3 — THE BEYOND OIL AND GAS ALLIANCE

The new Beyond Oil and Gas Alliance (BOGA) is a promising new initiative designed to unify a group of first mover countries in a new international climate leadership initiative to address the need for a managed decline of oil and gas, the various pathways and the policies and finance required for reaching the objectives of the Paris Agreement. Announced in September 2020, by Denmark and Costa Rica, it will be launched at COP26, with other countries and jurisdictions who share their intention of ending the production of fossil fuels in line with the Paris Agreement.

See www.beyondoilandgasalliance.com for more

BOX 4 — A GLOBAL REGISTRY OF FOSSIL FUELS

There is currently very limited publicly accessible, comprehensive, granular information on fossil fuel reserves and resources. However, historic efforts to tackle global threats, including the proliferation of nuclear weapons, demonstrate that government transparency and accountability is an important foundation and precursor for broader international cooperation. A Global Registry of Fossil Fuels is needed as an international transparency and accountability mechanism for fossil fuel supply.

A FOSSIL FUEL NON-PROLIFERATION TREATY

The *Fossil Fuel Non-Proliferation Treaty Initiative* aims to build on these experiences to foster a global equitable transition away from fossil fuels to clean, low-carbon energy and economies. The initiative will spur international cooperation to end new development of fossil fuels, phase out existing production within the agreed climate limit of 1.5°C, and develop plans to support workers, communities and countries dependent on fossil fuels to create secure and healthy livelihoods.

The treaty campaign is building on the examples of the Nobel Prize-winning international campaigns to ban land-mines and nuclear weapons, which each resulted in new global treaties. It is developing as a partnership of civil society organisations, research and policy institutions, Indigenous Peoples, organised labour movements, and other groups and its goals have recently received support of over one hundred Nobel Laureates, thousands of scholars and elected representatives from around the world.

As well as advocating for the treaty, the concerted push for a new legal arrangements can also serve a number of purposes in itself. These include a) reinforcing the narrative that fossil fuel industry and infrastructure is a major global risk; b) clarifying the need for large-scale, global collective action to tackle the fossil fuel industry; c) realising new opportunities to engage with states about their responsibility to implement supply-side measures; d) embedding the need for equity in the discussion, particularly for supply-side countries; e) exploring ways to meet the needs of fossil fuel dependent countries; f) linking multiple local campaigns with an overarching global demand; and g) connecting opportunities at the sub-national, national and global level into a more unified global campaign.

Just as fifty years ago the world needed a treaty to defuse the threats posed by weapons of mass destruction, the world today needs a Fossil Fuel Non-Proliferation Treaty.

For more information on the Treaty Initiative see www.fossilfueltreaty.org.

ACTIONS THAT GOVERNMENTS CAN TAKE RIGHT NOW

To be successful, COP26 in Glasgow must make meaningful progress in tackling the single greatest cause of the climate crisis. Governments wishing to lead the way and take action to align fossil fuel production with 1.5°C can consider a number of actions:

- **Publicly endorse the need for a Fossil Fuel Non Proliferation Treaty** or use language explicitly acknowledging the need for global cooperation and new agreements and treaties on transitioning from fossil fuels:

e.g. "Call for enhanced and focussed international cooperation and agreements to transition from the production of fossil fuels in line with 1.5 degrees warming, and enable a globally just transition."
- **Join or convene with other governments as leading a club of countries** focussed on a globally just transition from fossil fuels, particularly on the elements requiring international action, cooperation and support. This could be through existing groups such as BOGA, new ones, or groups within existing forums (e.g. UNFCCC or UNGA).
- **Publicly endorse the need for a Global Registry of Fossil Fuels**, and support the idea that it should be hosted by an independent body such as UNEP.
- **Include supply-side actions and plans for international cooperation on fossil fuel supply** in submissions and proposals to the UNFCCC, including in their NDCs.
- **Offer to use the good offices of the government or head of state to host a Global Commission**, or global report, on the issue of the non-proliferation of fossil fuels.
- **Commit to the supply side policies listed above** domestically, particularly a moratorium on new expansion.

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2. United Nations, "Secretary-General Calls Latest IPCC Climate Report 'Code Red for Humanity', Stressing 'Irrefutable' Evidence of Human Influence" (2021)

3. Global Carbon Project. (2020). Supplemental data of Global Carbon Budget 2020 (Version 1.0) [Data set]. Global Carbon Project. <https://doi.org/10.18160/gcp-2020>

4. CDP, Carbon Majors Report (2017) <https://www.cdp.net/en/reports/downloads/2327>

5. SEI, IISD, ODI, E3G, and UNEP. (2021). The Production Gap Report 2021. <http://productiongap.org/2021report>

6. IEA, "Net Zero by 2050" (Paris: IEA, 2021), <https://www.iea.org/reports/net-zero-by-2050>.

7. Greg Muttitt & Sivan Kartha (2020) Equity, climate justice and fossil fuel extraction: principles for a managed phase out, *Climate Policy*, 20:8, 1024-1042.