THE GLOBAL JUST TRANSITION PILLAR OF THE FOSSIL FUEL NON-PROLIFERATION TREATY

Published in
May 2023

Find out more at
FossilFuelTreaty.org
# CONTENT

<table>
<thead>
<tr>
<th>INTRODUCTION</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>01. FOSSIL FUELS — AN EXISTENTIAL THREAT</td>
<td>4</td>
</tr>
<tr>
<td>02. ROLE OF A FOSSIL FUEL TREATY</td>
<td>5</td>
</tr>
<tr>
<td>03. ENABLE A GLOBAL JUST TRANSITION</td>
<td>6</td>
</tr>
<tr>
<td>04. DIMENSIONS OF THE GLOBAL JUST TRANSITION</td>
<td>6</td>
</tr>
<tr>
<td>05. ECONOMIC DIVERSIFICATION AND DEVELOPMENT</td>
<td>7</td>
</tr>
<tr>
<td>ALTERNATIVES</td>
<td></td>
</tr>
<tr>
<td>06. THE RENEWABLE ENERGY TRANSITION</td>
<td>10</td>
</tr>
<tr>
<td>07. JUST TRANSITION FOR WORKERS AND COMMUNITIES</td>
<td>14</td>
</tr>
<tr>
<td>08. ADDRESSING UNDERLYING INTERNATIONAL STRUCTURAL CONDITIONS AND DEVELOPMENT ALTERNATIVES</td>
<td>16</td>
</tr>
<tr>
<td>09. REFERENCES AND SUGGESTED READING</td>
<td>17</td>
</tr>
</tbody>
</table>
INTRODUCTION

The Fossil Fuel Non-Proliferation Treaty is a global initiative aimed at fostering international cooperation to accelerate a transition to clean energy for everyone, end the expansion of oil, gas and coal, and wind down existing production in keeping with what science shows is needed to address the climate crisis. Significant momentum is building behind the call for a treaty as a means to accelerate a fair, fast and financed transition away from fossil fuels - the main driver of the climate crisis.
1. FOSSIL FUELS — AN EXISTENTIAL THREAT

The Fossil Fuel Non-Proliferation Treaty Initiative recognizes that the climate crisis poses an existential threat as serious as the threat of weapons of mass destruction.

Addressing this threat requires comprehensive responses, like the way the world negotiated nuclear disarmament treaties, and a clear focus on phasing out the production of fossil fuels in line with the 1.5°C global climate goal.

Drawing on the analogy of the Nuclear Non-Proliferation Treaty, the treaty three Pillars would prevent the proliferation of fossil fuels by ending all new exploration and production; phase-out existing production in line with equity and 1.5°C; and fast track real solutions and a just transition.

The goal would be to enable the rapid, equitable and comprehensive transformation needed to ensure a safe climate, healthy economy, and sustainable future for all people.

This brief outlines a possible framework of the Global Just Transition pillar, with the aim to stimulate further discussion and dialogue towards the overall design of the proposed Treaty

**Global Just Transition**

Enabling a global just transition for every country, worker and community, including through support to transition away from fossil fuel dependence, scaling up access to renewable energy, and allowing for economic diversification for fossil-free development pathways;

**Non-Proliferation**

Preventing the proliferation of coal, oil and gas by ending all new exploration and production;

**Fair Phase-out**

Phasing-out existing production of fossil fuels in line with the 1.5°C global climate goal, in a manner that is fair and equitable, where wealthy nations with the capacity and historical responsibility for emissions transition fastest.
2. THE ROLE OF A TREATY

International treaties are designed to direct and incentivize country governments to take or avoid particular actions. A Fossil Fuel Non-Proliferation Treaty (or Fossil Fuel Treaty, for short) will likely include:

- Provisions relating to international support, including support for a Global Just Transition;
- Substantive obligations requiring countries to end expansion of fossil fuels and phase out existing production, based on equity and common but differentiated responsibilities;⁵
- Provisions relating to transparency and compliance with the Treaty;

Provisions around international support could take a variety of different forms. For example, the Treaty could do one or more of the following:

- Establish a new Global Just Transition Fund;
- Create a new ‘Global Marshall Plan’ or Global Financial Plan for the Just Transition, with wealthy countries to provide support for Global South countries to transition through taking actions such as those outlined in this brief, potentially also including provisions around debt cancellation;
- Require capacity building support to Global South countries to facilitate just transition planning;
- Require technology transfer to support economic diversification and the transition to renewable energy;
- Include provisions outlining how the Fossil Fuel Treaty interacts with and possibly supersedes other international agreements relating to e.g. trade and investment.

The Treaty text, as negotiated by governments, could take many forms. It may be a relatively brief framework agreement or include extensive detail, but would in either case need to be grounded on fundamental principles of justice and equity and include provisions to set up relevant institutions to enable a global just transition. The Treaty should be established building on a strong foundational evidence base that can inform its design, to make sure it is equipped to help countries and other actors carry out the activities outlined in this brief.⁵⁷

The report *Fuelling Failure: How coal, oil and gas sabotage all seventeen Sustainable Development Goals*, issued by the Fossil Fuel Treaty initiative and 18 other organisations demonstrates how replacement of fossil fuels with zero-carbon solutions is essential to meet all 17 Sustainable Development Goals.⁸

The report, which is draws on more than 400 academic articles, civil society reports and case studies, acknowledges that “the exploration, extraction, refining, transportation and combustion of oil, gas and coal is making it impossible for the global community to meet the SDGs, threatening lives and livelihoods, and the ability of the planet to sustain human wellbeing”. Today’s most pressing crisis - from poverty, world hunger, health and conflict - are all made increasingly difficult in a warming world.
3. ENABLING A GLOBAL JUST TRANSITION

Phasing out fossil fuel production, and fast-tracking progress towards safer and more effective alternatives, will require unprecedented international cooperation.

At the heart of the proposal for a Fossil Fuel Treaty is a focus on enabling countries to manage – and to benefit from – the transition. This requires clear paths and proactive plans to enable economic diversification, implement renewable energy and other reliable, cost-effective low-carbon solutions, and to co-create solutions that benefit every worker, community and country. Ultimately, the treaty is about creating conditions for sustainable development that can ensure well-being and decent standards of living for all.

We can either intentionally develop new ways to meet our needs or lose the window of opportunity to ensure a safe climate, healthy economy and sustainable future.

Supporting this globally just transition constitutes one of the Fossil Fuel Treaty’s three pillars and is a prerequisite for successfully addressing the other two pillars. These global just transition measures are, however, just as justified in their own right for what they bring in terms of health, well-being, equity and sound economic development.

4. DIMENSIONS OF THE GLOBAL JUST TRANSITION

A successful transition from fossil fuels will address the needs of affected workers and communities, transition energy systems away from fossil fuels to renewable energy, and enable fossil-fuel dependent countries to develop more diverse, resilient and inclusive economies and pathways for development. A Fossil Fuel Treaty would need to consider policies and norms, rules, compliance and support mechanisms (including effective international cooperation modalities) that effectively address:

- The design and rapid implementation of transformative pathways and real solutions across sectors to allow economic diversification, sustainable development and poverty eradication.
- An energy transition with ambitious deployment of people-centred, socially and environmentally appropriate renewable energy systems.
- Equity and a just transition for workers and communities in both the fossil fuel industry and other sectors affected by fossil fuel production phase out.
5. ECONOMIC DIVERSIFICATION AND DEVELOPMENT ALTERNATIVES

Enabling a just transition of communities and energy systems will be essential for all countries. For countries heavily dependent on fossil fuel production, a rapid fossil fuel phase out will only be possible if paired with economic diversification. Numerous developing countries depend on fossil fuel production for more than half of their national budget and in some cases more than 80 percent of schools, hospitals, roads and other public goods are dependent on fossil fuel production.¹⁰

A Fossil Fuel Treaty could help to ensure these countries can diversify their economies and find other ways to generate prosperity. Poor and dependent countries would need finance, technology and capacity building, and be allowed more time for their phase out. More wealthy but heavily dependent countries, such as many Gulf States, may not require financial support, but still require more time and access to technologies to diversify their economies.¹¹

A successful Fossil Fuel Treaty would explore ways to support economic diversification for both fossil fuel producing and consuming countries. Some of these would be applied domestically while others would require collective action and multilateral agreements.
Collective and internationally supported actions

A Fossil Fuel Treaty could directly include a range of provisions for collective action and support. It could also help to catalyse and lend normative support to action in other multilateral spaces. Issues that can be further considered for a globally just transition include:

**International financing mechanisms.** Funding would need to be mobilized at scale to resource the transition and economic diversification for less wealthy producers. New instruments would be needed to scale up transfers from wealthy countries, and could include use of funding sources such as IMF “Special Drawing Rights”, which were drawn on during the Covid pandemic crisis to provide significant public funds on short notice.

The provision of funds should be supportive and on a needs- and country-driven basis, toward efforts to undertake sustainable and equitable energy and economic just transitions.

There are indeed increasingly loud calls from developing countries, including statements by the Presidents of both Timor–Leste and Colombia, for reparations to enable them to make the right forward-looking choices as well as dealing with immediate catastrophes.12

**Establishment of price stability measures.** Turbulence and price volatility of oil, gas and coal makes it difficult to plan for an orderly phase-out, leads to social unrest and makes economic diversification more difficult. Multilateral arrangements aimed at stabilizing price and avoiding turmoil will be central to a successful transition.

**Response measures.** The framework to limit the adverse impacts of climate response measures under the UNFCCC provides another multilateral space with mandates to tackle economic diversification and sustainable development, including overcoming export dependencies through diversification of economies.

**Enabling and funding of social protection measures,** including considerations of the call for a global social protection fund as championed by many trade unions and social movements.

**Ensuring access and ability to manufacture relevant technologies.** Provision should be made to ensure broad-based access to technologies that would be key for countries to diversify their economies. International trade rules should facilitate, and not undermine through intellectual property rules, the establishment of domestic manufacturing capacity of both renewable energy and other technologies.
**Domestic Measures**

Many measures for promoting economic diversification away from fossil fuel dependence will need to take place domestically. The international community and the treaty would need to ensure there is both financial and political support for such actions. Examples of domestic measures include:

**Redirecting fossil fuel subsidies.** Countries can redirect subsidies from fossil fuel production to renewables and public investments for economic diversification.

**Redirecting state-owned fossil fuel companies.** Governments are in position to redirect their state owned fossil fuel companies to instead contribute to the transition to renewable energy and zero-carbon societies. COVID-19 and the response to the invasion of Ukraine have shown governments capable of even nationalizing private companies in the interest of the common good. This can be likewise applied to fossil fuel companies that resist the transition to renewables.

**Enabling production of renewable energy technologies.** Currently only a few countries produce renewable energy equipment and technologies. A renewable energy revolution offers opportunity for most countries and regions to actively produce equipment for their own needs. With access to technology and appropriate safeguards this can provide an important basis for sound industrialization and economic diversification.

**Reducing export dependence and achieving tax justice.** Countries dependent on fossil fuel extraction for significant parts of their government revenues will need to find other ways of generating government revenue as fossil fuels are phased out. This necessitates, among other measures, tax reforms and tax justice reforms for both foreign companies and domestic populations and companies that can help diversify economies and provide social services.

**Prioritizing energy and food sovereignty.** Agroecology and decentralized renewable energy can help build local and national resilience and strengthen local economic development. Such measures avoid costly imports of fuels and agricultural inputs that are keeping many developing countries perpetually indebted, and can hence free up space for productive, domestic investments.
6. THE RENEWABLE ENERGY TRANSITION

A fossil fuel treaty could support and enable the transition to renewable energy in different ways. In doing so, several features of renewable energy should be recognised:

**Renewable energy is needed and abundant**

A transition to renewable energy is needed to replace fossil fuels and limit warming to below 1.5°C, and is practically, economically and technologically possible. There is enough solar, wind, geothermal and other renewable forms of energy to cater to all energy needs of every society on the planet. The technologies that are needed already exist and can be rapidly deployed under the right conditions.

**Renewable energy is affordable**

Already, renewable energy is generally more affordable than building new fossil fuels plants. In many cases it is even cheaper to dismantle existing coal plants and replace them with new solar and wind than to continue burning fossil fuels.

Yet, the expansion of renewable energy is currently but a fraction of what is needed. There is still more fossil fuel based energy generation added annually compared to renewable energy.

**Transition and leapfrogging**

A Fossil Fuel Non-Proliferation Treaty could help catalyse, facilitate and elevate the renewable energy transition to a whole different level.

For less wealthy countries, including the many African and Least Developed Countries currently tempted to enter or expand fossil fuel production, it could provide an opportunity to leapfrog, and directly build the smart, people-centred renewable energy, zero carbon systems and infrastructure that can bring real prosperity, well-being and universal energy access.

**The renewable energy revolution can be unleashed by policy intervention, financial support and cooperation**

While renewables might be most affordable over their lifetime, investments must be made up front. While there are no running fuel costs, wind turbines and solar panels need to be bought at the outset. This presents a different set of barriers and risks that require specialized solutions, especially for small and less experienced actors. It will therefore be essential to set in place measures that enable all kinds of entities – households, farmers, communities, cooperatives, school, hospitals, small as well as larger companies – to overcome the hurdles and risks associated with such upfront costs.

Provision of subsidies, access to credit and long-term, public guarantees (such as feed-in tariffs) can make investments in renewables safe and straightforward for everyone. Paired with training and access to the most appropriate renewable energy technologies, such interventions can catalyse a formidable expansion of renewable energy deployment through both public and private investments, everywhere.
**Renewable energy technologies need to be made available to developing countries**

Engage in UN and multilateral processes such as LDC-5, the UN Environment Assembly, the UNFCCC, the UNGA and the forthcoming Summit of the Future to look for strategic openings to include consideration of fossil fuels. This can include the addition of language relating to fossil fuel supply and/or the call for a Fossil Fuel Non-Proliferation Treaty in high level statements in multilateral fora such as COP28, in addition to pushing to include relevant complementary language through the formal processes. With respect to the UNFCCC, relevant processes include the Global Stocktake, the Katowice Committee on the Impacts of the implementation of response measures, the newly agreed just transition work programme, and as part of ratcheting up ambition within Nationally Determined Contributions (see appendix for suggested text).

**Renewable energy provides numerous development co-benefits**

A transition to renewable energy is beneficial and desirable for reasons beyond climate change. A transition to renewables would, for example, eliminate the 9 million annual deaths from fossil fuel caused air pollution and eliminate fossil fuel driven wars and conflict.

Fortunately, the forms of energy that are best for climate also happen to be those with least risk, and those most prone to foster local economic development, democratization and well-being.

Solar, wind and small-scale hydro can be harnessed almost anywhere, by many different kinds of actors.

They do not require huge power plants and centralized grids. They do not require large corporations, access to billions in investment capital or centralized and militarized security arrangements. Rather, renewable energy systems have potential to foster energy democratization, energy access as a human right, and energy as a public good. From an equity perspective, it is also key to address energy use levels and the need for convergence over time. Beyond switching to renewables, high-consuming populations will need to reduce their overall energy use, while poor people substantially increase theirs.17

**Renewables can cater to all needs and can be deployed fast**

Renewables can function at all kinds of scales. Smaller production units can either serve local and remote communities, or be part of smart grids where energy flows in all directions and combines to create the equivalents of large power plants – only more resilient, and with less centralized ownership. 100% renewable energy systems can in this way cater to all needs, including the heaviest industry.18

Renewables are also much faster to build – millions of installations can be initiated simultaneously, and scaled up over time. Renewables offer unique potential both to urgently tackle energy poverty, while also avoiding climate tipping points.19
100% renewable energy is possible and affordable

The Fossil Fuel Exit Strategy report published 2021 by the Fossil Fuel Treaty Initiative and University of Technology Sydney demonstrates how renewable energy can be scaled up fast enough to ensure energy security, 100% energy access for all, and replacement of fossil fuels to limit global warming to 1.5°C.20

A study by Mark Jacobson, Stanford University and colleagues from 2022 shows how 145 of the world’s nations could switch to 100% renewable energy within a few years using renewable energy technologies available today. The study recommends a global goal of 80% renewable energy by 2030, and ideally 100% by 2035. The total estimated investments of 62 trillion USD would be paid back within six years from an estimated 11 trillion in annual societal net savings from the transition.21
A Fossil Fuel Treaty can catalyse the renewable energy transition

Taking these features of renewable energy into consideration, a fossil fuel treaty could embody or support different forms of international cooperation to accelerate the renewables transition world-wide.

- A Fossil Fuel Treaty **could entail principles, safeguards and common rules** that ensure renewable energy developments are environmentally and socially appropriate, and minimizes resource use and negative impacts of extraction. Civil society and frontline communities would need to play key roles in developing any such standards.22

- A **global financial plan** to facilitate a Global Just Transition as outlined above could build on prior ideas for a Global Renewable Energy and Energy Access Transformation programme which may include commitments and support to formulate transition roadmaps for ultimately 100% renewable energy, facilitated by mutual sharing of best practices, and calibrated to reflect countries different levels of responsibility, current dependence on fossil fuels and capacity to transition rapidly.23

- As part of its support package, a Fossil Fuel Treaty could also establish ambitious support mechanisms that provide financial, technological and other forms of support at scale to less wealthy countries in ways that enable them to implement ambitious renewable energy plans. Globally funded feed-in tariffs and subsidies can for example minimize upfront investment risks and cater to large numbers of diverse energy producers – public, private companies as well as households, communities and cooperatives.

- Direct public support towards establishment of smart grids and off-grid, distributed solutions as well as unprecedented capacity building efforts would also need to be catered for, which would in turn lay the ground for further crowding in of large renewable energy investments.

In contrast to initiatives and partnerships that target single or smaller groups of countries without overarching governance and accountability frameworks (such as the G7’s proposed ‘Just Energy Transition Partnerships) a Fossil Fuel Treaty would ensure a comprehensive, transparent, and inclusive approach encompassing all members of the treaty.
7. JUST TRANSITION FOR WORKERS AND COMMUNITIES

It is essential that the transition from fossil fuels be just. There can be no durable, lasting transition without fairness and support for the most vulnerable and impacted groups.

The concept of just transition, originally conceived by trade unions, has evolved and proliferated over the last few years, and now entails a wide span of usages. While in some cases just transition is merely used as a token add-on and empty greenwashing, increasingly many actors are now interpreting just transition as a profound restructuring of economies, power structures and humans’ relation to nature. The Treaty initiative acknowledges the heritage of ‘just transition’ focused on workers and communities dependent on fossil fuels. The term ‘Global Just Transition’ here expands on this concept and apply it to societies and economies more broadly, with support for workers as one core component of this broader global focus.24

Social protection

Just transitions and economic diversification necessitate long-term development planning combined with proper government-provided social protection. The COVID-19 pandemic shows how economic disruptions hit the most vulnerable countries and the most vulnerable groups the hardest. With social safety nets and social protection, such as health care, sick pay, cash transfers, employment guarantees, etc., intolerable suffering and people falling into negative spirals caused by rapid transitions can be avoided. Global efforts to enable social protection across all countries are needed. The recent UN launch of a Global Accelerator on Jobs and Social Protection for Just Transitions may be a starting point for such a scheme, and could offer synergies with a future fossil fuel treaty.25
**Supporting workers in the fossil fuel industry**

A rapid phase-out of fossil fuel production will directly affect many workers and communities dependent on the fossil fuel industry and related sectors. It is therefore essential that a treaty includes genuine just transition and equity principles that ensure workers are supported in the transition.²⁶

A new legal instrument should be designed with considerations for how it could best help countries boost and strengthen provisions around ‘social dialogue’, social protection, protection and promotion of labour rights, re-training of workers, job guarantees and compensation and other key measures long championed by trade unions and the International Labour Organisation.²⁷

Just transition measures can address both substantive justice (burdens and benefits playing out in just ways) and procedural justice (participation in decision making and just processes). There is also a need to ensure restorative justice (repairing harm done) and proactive recognition to those suffering from unjust actions.²⁸

While many of these measures need to be implemented at the national level, a treaty can set common standards as well as international agreements on the types of measures and support that should be put in place to enable safety nets and social protection provisions.

A Fossil Fuel Treaty can also benefit all countries in agreeing to common norms and commitments built on a sharing of good practices.

**Supporting workers in other sectors**

Just transition measures are relevant not only to fossil fuel industry workers, but also to those in fossil fuel intensive sectors who will be affected as fossil fuel production is phased out and whole sectors transformed towards zero-carbon systems. The treaty could be negotiated with the view to incentivizing and supporting countries to support workers also in fossil fuel intensive sectors such as industrial agriculture and transportation, that are likely to face similar transition challenges as workers in the coal, oil and gas industries.

**Ensuring the transition to renewables is just**

It will also be relevant for a treaty to enable a just transition for workers and communities affected by the required expansion of renewable energy and related industries. Communities will need protection from impacts of mining critical minerals, and increasing pressures on land for wind and solar farms. In an interdependent world, concern about just transitions extend beyond national borders, to workers and communities in far away places.

**Possible features**

To enable just transition for workers and communities, this dimension of a treaty could include support to less wealthy countries, capacity building and mobilization, as well as international commitments to corporate human rights and sustainability due diligence, social and environmental safeguards, participatory environmental impact and other assessments, paired with monitoring and compliance mechanisms.
8. ADDRESSING UNDERLYING INTERNATIONAL STRUCTURAL CONDITIONS AND DEVELOPMENT ALTERNATIVES

In addition to these issues, a longer-term transition will require addressing a range of wider underlying international, structural conditions that have tremendous impact on countries’ scope for action.\textsuperscript{30, 31}

Ensuring international finance and support for a Global Just Transition from fossil fuels for countries around the world is central to the Fossil Fuel Treaty. How the Treaty interacts with and supports calls relating to international debt relief, reparations, international tax justice, and trade and investment rules is also key to enable a successful phase-out of fossil fuels and a global just transition.

Ultimately, the climate and other intertwined, existential crises call for deep rethinking of what development, progress and well-being really mean.

Addressing these crises also call for precaution and interventions to ensure they do not open doors for false solutions and dangerous distractions such as offsets, hollow net-zero targets and geoengineering that pull attention away from real solutions and the focus on fossil fuel phase out.

Campaigns, mobilization and negotiations towards a treaty provide opportunity to highlight the need for deep transformative change towards global justice, sufficiency, international solidarity and people-centred development alternatives.
9. REFERENCES AND SUGGESTED READING

1. Fossil Fuel Non-Proliferation Treaty Initiative (2021) Briefing note: Aligning fossil fuel production with 1.5°C and the Paris agreement
14. Bond, K. et al. (2021) The Sky’s the Limit: Solar and wind energy potential is 100 times as much as global energy demand. Carbon Action Tracker
15. IRENA (2022) World Energy Transitions Outlook: 1.5°C Pathway. IRENA
16. REN21 (2022) Renewables 2022 Global Status Report. REN21 Secretariat
25. ILO. (2022. Global Accelerator on Jobs and Social Protection for Just Transitions
27. ILO. (2022). ILO Declaration on Fundamental Principles and Rights at Work