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CO-HOST TAKEAWAYS ON THE FIRST CONFERENCE ON TRANSITIONING AWAY FROM FOSSIL FUELS

SANTA MARTA, COLOMBIA

A large group of countries representing approximately 1/3 of global GDP is ready to advance their transition away from fossil fuels and put existing commitments into action. At COP28 in Dubai, the world agreed that it is necessary to transition away from fossil fuels in energy systems to address climate change. More recently, the ongoing disruptions due to the hostilities in the Strait of Hormuz have underlined that reducing fossil fuel dependencies is critical. It is essential to keep our planet livable, to safeguard energy security, and to build economic resilience to volatile fossil fuel markets.

Over the past five days in Santa Marta, Colombia and The Netherlands convened 57 countries in support of the commitments made under the Paris Agreement. Together with - and informed by - representatives from subnational governments, academia, social movements, NGOs, trade unions, parliamentarians, the private sector, multilateral development banks, Indigenous Peoples, peoples of African descent, peasants, children and youth, and women and diversities, they created a safe space for dialogue on *how* countries transition away from fossil fuels. Their aim was not to develop new targets, but how to advance and accelerate the implementation of agreed goals. Conversations centered on three key themes: reducing economic dependence on fossil fuels, transforming supply and demand, advancing international cooperation.

The conference made clear that countries are already making good progress in the transition to more sustainable, sovereign and secure energy systems. Fossil fuels are responsible for over 75% of all greenhouse gas emissions worldwide, but growth in renewable energy worldwide is surging: worldwide capacity in 2025 is almost 50% higher than in 2023 and nearly all new energy demand is met through renewables[1]. This is powered by a surge in investments in the global energy transition, which are

[1] 510 GW in 2023, 750GW in 2025 (*IEA World Energy Outlook*)

reaching new heights each year.[2] Actions taken to date prove that the energy transition is past its point of no return.

Yet, the Conference also made clear that the countries present in Santa Marta still have structural dependencies to overcome, including fiscal dependencies, debt constraints, the dependence of the financial architecture on fossil fuels and the need to enable fossil fuels-free trade systems. Temperatures as well as the emissions from fossil fuel have risen to new heights, increasing impacts of climate change in communities across the globe. With 75% of the world dependent on fossil fuel imports, the current conflict in the Middle East has laid bare the urgency of moving towards more stable energy supplies.

Transitioning away from fossil fuels is more than replacing one energy source with another. It requires broad economic transformation to overcome structural dependencies, overcome debt constraints, expand reliable energy access, and support diversified, resilient economies. This must be planned with workers and communities, ensuring a transition that is fair, rights-based, and delivers tangible benefits for marginalized groups.

The transition itself is complex, requiring time and careful management. It needs to ensure that communities and economies dependent on fossil fuel production and consumption can move to new economic models, while global energy access continues to expand as well. Above all, however, it is clear that decarbonizing our economic, trade and energy systems is the best path towards equitable, stable and resilient societies.

[2] In 2024, global investments in the energy transition reached a new record of USD 2.4 trillion in 2024. Annual investments have more than doubled since 2019, although they remain concentrated in advanced economies and China, leaving most emerging and developing countries behind. (Source: IRENA, *Global Landscape of Energy Transition Finance 2025*)

Key Outcomes

With this conference Colombia and the Netherlands deliver 5 key outcomes that set in motion an action-oriented course for countries to support each other in advancing the transition away from fossil fuels.

1. **A sustained commitment to deliver:** the second conference for transitioning away has been announced for 2027. It will be co-hosted by Tuvalu and Ireland, with the main conference taking place in Tuvalu and a pre-conference meeting in Ireland.

2. **Strengthening connections, avoiding duplication:** a coordination group will ensure continuity towards the second and subsequent conferences. It will consist of countries leading different alliances and initiatives that are implementing elements of the transition away from fossil fuels, and of the co-hosts of the first and second conferences Colombia, the Netherlands, Tuvalu and Ireland. They will connect with the COP30 Activation Group 4: *Transitioning away from fossil fuels in a just, orderly and equitable manner*.

3. **Ensuring complementarity with UNFCCC, existing frameworks and sustaining momentum:** we will hand over the conference report to the COP30 Presidency to inform its roadmap, sharing it ahead of the intersessional meetings of UNFCCC in Bonn this June and formally presenting it at London Climate Action Week. In coordination with the team of the Secretary-General of the United Nations, we will also hand over the conference report to him during New York Climate Week. Finally, we will work with the incoming COP presidencies to align the outcomes of this conference with the Global Climate Action Agenda and to channel these contributions toward the second Global Stocktake (GST2).

4. **Channeling our collective power:** three workstreams will be established, focused on identifying concrete opportunities and channels for cooperation to overcome fossil fuel dependencies in preparation for the second conference. Workstreams will remain open and flexible, allowing countries to join or lead, supported by existing initiatives and drawing on experts and members of the Santa Marta process as needed.

Workstreams will include:

a. **Work on roadmaps:** this workstream will aim to connect countries with the Science Panel on the Global Energy Transition and the NDC Partnership. It will help countries develop roadmaps and align them with their NDCs. It will also facilitate cooperation between countries willing to provide and receive support for implementation.

b. **Work on macroeconomic dependencies and financial architecture:** together with IISD we will look for the necessary expertise to help leverage collective capacities to support the necessary changes in financial systems, unlock finance and investment flows required for the transition, and determine who needs to be involved. This workstream will include a focus on debt constraints, as well as on financial incentives and subsidies.

c. **Work on producer–consumer alignment for fossil fuel transition:** supported by the OECD, this workstream will engage with other experts to work towards mapping opportunities and ways to connect fossil fuel producers and consumers, that supports the decarbonization of trade balances, advancing progress toward a fossil fuel–free trade system. Aside from economic diversification, this workstream will consider how to make transitions people-centered and territorially grounded, therefore tackling the revenue exchange problem, while advancing energy sovereignty.

   The second conference will take stock of progress.

5. **Science as our anchor for shaping the future:** The Science Panel for the Global Energy Transition (SPGET) was launched to support countries in overcoming dependence on fossil fuels. It will do so by helping develop roadmaps aligned with the 1.5°C trajectory, aimed at dismantling legal, financial, and political barriers to the energy transition.

Conference Summary

The summary below is a factual representation of what the various participants in the conference brought to the table. It does not bind individual participants, nor does it convey a national position from either Colombia or the Netherlands. It is an initial summary that will be complemented at a later stage by a full co-host report.

Thematic Pillar 1: reducing economic dependence on fossil fuels

- Participants discussed that overcoming economic dependence on fossil fuels is not only a matter of replacing one source of public revenue or promoting isolated green sectors, but of transforming the productive, territorial, and social conditions that have sustained fossil fuel dependence and associated vulnerabilities.

Fiscal dependency and shared responsibilities and commitments

- Participants discussed that fiscal dependence on fossil fuels is a key constraint for countries to transition away from fossil fuels. It is not only a budgetary issue, but also a broader structural economic transformation and development challenge. Participants emphasized closer coordination across ministries, particularly finance, energy, and environment, as essential for addressing fiscal dependence effectively. Therefore, a whole of government and whole of society approach is needed. Countries experience this dependence differently – ranging from extraction-related public revenues to price shock vulnerability, and financing pressures. Both producing and importing governments experience revenue dependency.
- Participants emphasized moving from **fiscal lock-in and debt-constrained fiscal space to sovereign transition capacity,** built on robust public financial management. Key suggestions include debt for climate swaps linked to transition investment, strengthened oversight of fossil assets, and the diversification of revenue sources like taxation. Leveraging debt restructuring, alongside sovereign funds can unlock investment space. Ensuring funding direct access for territorial actors and Indigenous peoples

is crucial, as is adopting time-based crisis measures to prevent undesirable fossil lock-in and new stranded assets.

- Participants stressed the need to move from **under-taxed fossil rents and revenue leakages to transformative fiscal policies.** This transition is supported by an overview of national fossil rents, fossil-related revenue, incentives and taxes. Based on this overview, governments can coordinate reform of fossil rents, royalties and extraction taxes, and windfall profits. Participants also emphasized that taxation should send clear signals to fossil fuel companies and investors to redirect capital toward new sectors, while supporting revenue diversification through progressive tax reform, green budgeting and strategic public investment. Such measures should help level the playing field for green investments and industrialization, ensuring that fiscal policy both reduces fossil fuel dependence and supports equitable development pathways.
- Participants discussed how to move **from debt constraints to an enabling, international financial architecture**. This would require stronger governance in international financial architecture such as coordinated positions in IFIs and MDBs. Participants highlighted the importance of the right conditions for scaling renewable energy, such as grid infrastructure and interconnectedness which IFIs and MDBs could take up in a coordinated approach. Proposed solutions focused on expanding concessional and non-debt-creating finance, exporter-importer coordination, improved access to climate finance, and multilateral approaches to sovereign debt and tax cooperation. A factor to take into account is that diversifying revenue sources could impact bond markets and credit ratings of countries. Ways forward could be looking at different methodologies for credit ratings that enable upfront investments for the transition. Finally, country platforms are crucial for aligning investments, risk sharing, and ensuring coherency with national plans. Hereby, bilateral or multilateral cooperation between importers and exporters could help develop more resilient and clean value chains.

Economic and labor reconversion

- Participants discussed that **economic and labour transition is fundamentally about overcoming structural dependencies on fossil fuels, as well as social acceptance for the needed transition**. Governments need to support the transformation of fossil-fuel dependent regional economies to new industries while managing social, territorial, and labour implications. The labour transition is not only about reskilling: the transition requires worker and community participation, and protection of worker's rights. Also, the economic reconversion to alternatives needs to fit the specific region's economic characteristics. Early planning and social dialogue are essential to reduce future costs and enhance implementation. Transition preparedness is a key driver of competitiveness and future growth. There were various views on the relative roles of the State, and private markets, and on how to prevent new forms of extractive dependence.
- Participants emphasized the importance of **territorial just transition plans and workforce development.** Long-term just transition plans are essential, aligned with predictable finance, coordinated in a whole of government approach, and shaped through social dialogue with key stakeholders and communities. Specifically, territorial just transition plans can link labour reconversion to broader goals like reindustrialization, mine-closure planning, and environmental restoration. These region-specific plans should include ILO just transition principles as well as green skills training to prepare workers for the transition. It is not about the jobs, but it is about the workers.
- Participants identified the **need to enhance work on sustained economic diversification and upgraded value chains.** It is important to ensure that extractive industries for the new green economy go hand in hand with setting up local value chains. New sustainable industries can be supported through coordinated international investment. Governance frameworks that prioritize participation, and local benefit-sharing ensure that the new industries are locally led. Decentralized energy systems are good examples of new, community-led sustainable production. To leave no one behind, several participants explicitly mentioned the importance of human rights,

labour rights, rights of Indigenous Peoples, People of African descent, care work, informal workers, local and rural communities, women, youth and children.

- Participants emphasized the **need of an enabling international environment**, through pooled transition finance and capacity-building, North–South and South–South cooperation on technology, and market access. Key solutions are sharing best practices and having a learning community, for example on how to shape and enhance long-term territorial just transition plans, and how to effectively have inclusive consultations with communities. In this regard, an idea emerged to consider synthesising national experiences and bring them together in the COP Presidency Roadmap. Other suggestions include that were suggested, include coordinated reduction of cost of capital, linking debt relief finance to labor transitions, and shared industrial standards for sustainable, local value chains. There were views by some on ISDS and long-term power purchase agreements.

Thematic Pillar 2: transforming supply and demand

- Participants discussed that transforming supply and demand requires more than accelerating technological substitution in isolated sectors. It entails coordinated change across energy systems, infrastructure, end-use sectors such as mobility, heating and cooling, and industrial sectors. The Participants' collective strength lies not only in its influence over global demand and production, but also in its wider economic, regulatory, technological, financial, and logistical capacities, which can be coordinated to reduce fossil lock-in and accelerate implementation.

Demand side: Fuel Switching & Energy security and sovereignty

- Participants recognized that fuel switching, and moving to a future-proof electricity grid, is central to the transition away from fossil fuels because it connects climate action with energy security, affordability, sovereignty, and industrial transformation. Reducing fossil fuel demand through substitution is increasingly feasible, but countries differ significantly in energy systems,

and their exposure to lock-ins, as well as affordability and reliability risks. Fuel switching must extend beyond power generation to transport, buildings, industry, tourism, freight, petrochemicals, fertilizers, and food systems. There were different perspectives on the role of transitional fuels and technologies.

- Participants discussed necessary transformations towards a sustainable, reliable and equitable energy system. Clear targets and planning frameworks can support this. For the transformation in the end-use sectors, are electrification and energy efficiency are crucial factors. They need to come together with inclusivity and affordability. Participants discussed that a clear move is visible from molecules to electrons, and to green electrons. For hard-to-abate sectors like aviation and the maritime sector, sustainable fuels are important. Key supply-side solutions include accelerated renewable deployment, grid modernization and increased storage capacity.
- Participants discussed that **fragmented implementation could be alleviated through coordinated cooperation and transboundary grid integration.** To ensure stronger regional cooperation and planning, countries could work together on common technical frameworks, and grid interconnections. Multilateral cooperation could focus on predictable support for infrastructure, concessional and blended finance, and technology transfer.

Demand side: Energy Access

- Participants discussed that energy access gaps, especially in rural, remote, and marginalized communities, show that current energy systems are not yet delivering adequately on development and equity. Placing energy access and clean energy solutions at the centre of the transition can generate immediate and tangible benefits for communities long excluded from reliable and affordable energy. Especially the roll-out of decentralized systems and renewables could be a big improvement. However, important challenges remain, like missing electricity grids and storage in rural areas. Countries differ in their views on the balance between nationally led electrification and community-owned systems.

- Participants aim to transition **to inclusive, affordable, decentralized, and people-centred access**, through community-owned distributed renewable systems, off-grid and mini-grid development, clean cooking and technical training, especially for youth, women and rural communities. The latter highlights the importance of social inclusion, hence, community co-design processes, and social policies to address affordability are important. Participants stressed the need to protect and enforce energy access for excluded communities.
- Participants discussed building an **international enabling environment for community-level implementation**. South–South and North–South exchange, direct-access modalities in financing instruments, differential access to financing and technology and frameworks for co-design and equitable benefit-sharing could contribute. Targeted financing instruments ~~can~~ help countries, Indigenous peoples, women-led, and community organizations to improve energy access, just as community finance instruments.

Supply side: Planned phase down and closure of fossil fuel extraction

- Participants discussed not only whether extraction must decline, but how to organize that decline in a managed, fair, and politically viable way. Participants stressed the importance of clear policy signals, and long-term planning, including clearer strategies for State-Owned-Enterprises. This helps create certainty for the necessary investments in renewable energy and to reskill workers. Countries vary in exposure and dependence, especially in relation to public revenues, export structures, and regional economies. A barrier related to legitimacy is the narrative that extraction is equal to development and security. Also, there is weak public legitimacy for closure when alternatives remain uncertain. Lastly, wider geopolitical and security dynamics may create pressures to preserve fossil production.
- Participants agreed that a **managed decline with demand-supply alignment** is important, and a wide range of solutions have been put forward. For example, integrated planning frameworks that align extraction decisions with demand reduction, electrification, energy efficiency, and clean infrastructure deployment, while providing greater certainty to

workers, communities, and investors. To limit expansion of extraction, countries could implement closure plans, fossil-fuel-free zones where relevant, halt the issuance of new licenses, stranded asset management, the fair distribution of closure costs, or auction the closure of fossil fuel production plants over time.

- Participants see the importance of **coordinated international conditions for phase-down**. International cooperation limits the political and economic risk countries face when acting alone. Cooperation frameworks can link phase-down to development and just transition objectives. Support can be provided through coordinated transition finance, and concessional and non-debt-creating support. Also, to ensure effective cooperation, existing platforms should be optimally utilized, ad hoc coalitions facilitated and data-sharing between countries intensified. Participants have different views on the need to advance international cooperation to phase out fossil fuels in an orderly and just manner.
- Participants discussed **a socially grounded phase-down** can contribute to more legitimacy and trust in the transition, for example through place-based and community-led participation. Also, clear narratives on transition pathways and alternative employment opportunities in renewable sectors, could help building trust among the impacted communities, while new forms of extractivism must be prevented.

Internalizing costs and eliminating fossil fuel incentives

- Participants discussed that fossil fuel subsidies and misaligned financial incentives continue to keep fossil fuels artificially competitive, delay clean alternatives, and create distributional tensions. They recognized that countries differ in the social and political functions of subsidies, in fiscal space and institutional capacities, as well as in access to clean alternatives. This can affect the timing of reform.
- Participants identified **credible fossil fuel subsidy transparency and reform** as an important step. Discussed actions include fossil fuel subsidy inventories, progress tracking, including shared approaches to defining and reporting subsidies. The Coalition on Phasing Out of Fossil Fuel Incentives Including Subsidies (COFFIS) stands ready to support countries with taking

the first step: identifying fossil fuel subsidies and making them transparent in a way that covers explicit and implicit subsidies, fiscal costs, distribution and impacts. Furthermore, participants frequently discussed replacement of generalized subsidies with targeted transfers for vulnerable groups, and policy packages linking gained fiscal space with (financial) support for investment in clean alternatives. Participants stressed the need to establish proper safeguards so that incentives benefit people most in need rather than higher-income groups.

- Participants also discussed creating an **enabling international environment for meaningful financial incentives reform**. Commonly discussed solutions include stronger carbon pricing with a broader coverage in terms of sectors and geographies, and peer review and technical cooperation. Subsidy reform should go hand in hand with financial incentives for cleaner alternatives.

Thematic Pillar 3: Advancing international cooperation and climate diplomacy

- Participants discussed that advancing a just, orderly, and equitable transition away from fossil fuels requires stronger international cooperation and more effective governance arrangements. They emphasized that existing multilateral frameworks remain essential for legitimacy and common direction, but that many of the practical conditions needed for implementation require more coordinated, targeted, and operational forms of collective action.

Collective action for closing governance gaps

- Participants discussed that a key prerequisite for transitioning away from fossil fuels are science as a basis for informed transition planning, stronger international cooperation and more effective governance frameworks. They recognized that implementation remains insufficiently coordinated and operationalized on this issue, and that governance gaps persist in relation to fossil fuel production and use, finance, technology transfer, and inclusive participation.

- Participants identified **supporting the continued evolution and effectiveness of the UNFCCC,** building on the achievements of the Convention and the Paris Agreement and underlining the central importance of established multilateral processes, as a pathway to enhance conditions such as implementation-focused workstreams related to transitioning away from fossil fuels, with the possibility of the related Roadmap to feed into the next Global Stocktake, as well as enhance linkages between UNFCCC and other relevant international implementation platforms for complimentary purposes, improved coordination across relevant thematic areas, and continued political momentum through high-level processes.
- Participants also identified **addressing governance gaps on fossil fuel production and use as a key area.** Various options were named, among which national and regional roadmaps for transitioning away from fossil fuels, as well as an instrument or framework, that could contribute to build convergence on demand-side and supply-side measures for a managed phase-out, used by both fossil fuel producing and consuming countries. In this context IPCC, UN Plastics Treaty and IMO were also mentioned.

Contributing to closing gaps in financial and investment systems

- Participants discussed that financial, legal, and investment systems continue to constrain implementation of the transition away from fossil fuels. It was clear that many countries cannot transition without expanding fiscal space, lowering the cost of capital, and ensuring that financial stability considerations are aligned with transition needs. They noted that finance is widely seen both as a critical enabler and a systemic constraint, and progress can jointly be made in relation to high costs of capital, availability and quality of concessional finance, innovative solutions to address debt burdens and expanding fiscal space, delay in fund flow, and the implementation of the full potential of the instruments of Multilateral Development Banks, development finance and International Financial Institutions. They discussed the use of tools such as Special Drawing Rights (SDRs), including through access and reallocation mechanisms that can better support low- and middle-income countries. They also discussed

the link between transition policies and international legal and investment frameworks. This includes examples such as Investor-State Dispute Settlement (ISDS), which by some were perceived as creating barriers, while the extent to which these barriers are perceived varies.

- Participants identified **aligning public and private finance with transition needs** critical to enhance credible national transition plans and pipelines. They stressed the need for governments to provide clear and consistent direction for finance, better coordination with financial institutions, stronger institutional and technical capacity, effective public finance, enhance leveraging private sector finance, country-led investments such as NDCs and fiscal tools such as, debt relief, debt swaps, carbon pricing, green taxonomies and sovereign transition funds. Participants also highlighted guarantee schemes, equity instruments, country platforms, and legal frameworks for green bonds as practical ways to mobilize finance and reduce risks. A stronger role for public institutions was highlighted, including country led investment plans for MDBs and DFIs, with central banks also identified as relevant actors for managing transition-related financial stability risks and avoiding higher capital costs for transition finance. Key financing needs mentioned included grids, storage, transport, public infrastructure, and broader economic transition.
- Participants discussed **managing financial and legal dimensions and strengthening coordinated approaches to enable implementation** to transition away from fossil fuels. Dialogue platforms, joint initiative and requests to multilateral financial institutions, technical assistance, and knowledge-sharing on the financial and legal dimensions can significantly accelerate the transition. Key examples are reviewing and improving international investment agreements, alignment of trade rules, as well as clarification of the legitimacy of transition policies within investment regimes. Broader cooperation ideas included a space on financial stability for the transition, and more work on exchanging solutions on financial structuring, debt, fiscal space strategies, and mobilising investments. Participants also highlighted the importance of coordinated approaches to address legal risks, strengthen corporate accountability, protect policy space, and ensure that transition finance and investment do create

unsustainable debt burdens, extractive dependencies or social and environmental harm.

Frontrunner cooperation

- In terms of the process, participants highlighted the openness and depth as well as the participation of stakeholders as a key value added of the Santa Marta Conference to global governance, inviting other frontrunner countries to join. Furthermore, participants highlighted this “safe space” for government interaction with a wide range of relevant stakeholders as a key value added of this process. Many felt that not working towards a “negotiated outcome” was key to creating this “safe space”.
- Participants discussed that many barriers to transitioning away from fossil fuels cannot be overcome through national action alone, and that frontrunner cooperation can help countries act collectively. They recognized that the diversity of pathways of the countries involved, including producers and consumers, with different economic, regulatory, technological, financial, and logistical capacities and dependencies, could also be a source of strength. If translated into differentiated but mutually reinforcing, complementary forms of cooperation, similar implementation pathways could be further shaped and advanced with a clearer purpose, speed, and coherence.
- Participants discussed **the creation of operational frontrunner cooperation mechanisms.** The participants responded on the basis of the three workstreams: 1) work on roadmaps advised by the Scientific Panel launched during the conference; 2) work on macroeconomic dependencies and financial architecture; 3) work on producer-consumer alignment for fossil fuel transition. The participants suggested additional aspects, such as basing the roadmaps on science, and considering country clusters with similar challenges for the roadmaps workstream, creating for example blueprints for specific types of countries. For workstream 2, participants’ suggestions included to discuss fiscal constraints and alternative revenue generation, while for workstream 3, the academic group on central banks that participated in this week’s process said they will continue to engage in a Santa Marta Financial Stability Group to continue this open engagement.