

Policy brief

POLICY@SUSSEX | APRIL 2026

European Leadership on Fossil Fuel Phaseouts: Lessons learned and future directions



1. Current context

In April 2026, the Colombian and Dutch governments will host the first global conference on the transition away from fossil fuels in Santa Marta. Though taking place outside the remit of the UN climate negotiations, it builds on growing momentum within the climate negotiations to finally address the primary driver of climate breakdown: fossil fuels. Almost 197 countries and the EU supported language on 'transitioning away from fossil fuels in a 'just, orderly and equitable manner' at COP28 and 86 countries backed a roadmap for fossil fuel phase-out at COP30 in Belém.

"Santa Marta could be a historic moment. It's not a one-off event but the start of a sustained global phase out process. The EU has the opportunity here to follow the leadership of the Pacific and Latin America and use its political and financial capacity to turn this process into a major diplomatic success together with the other countries willing ready to carry this momentum forward." - James Trinder, Climate Action Network (CAN) Europe

Against this background, Europe stands out as home to a number of countries that have, or are leading efforts to, leave fossil fuels in the ground through bans, moratoria, subsidy removals, restrictions on finance and so on. France, Denmark, Ireland, Germany, Italy, Spain, and – outside the EU – the UK have each made meaningful, if fragile, commitments to fossil fuel phase outs.

Many European countries have also played leading roles in climate clubs, such as Germany and the UK as part of the Powering Past Coal Alliance (PPCA), Denmark leading the Beyond Oil and Gas Alliance (BOGA), the many European states driving the Clean Energy Transition Partnership (CETP) and the Just Energy Transition Partnerships (JETP), and the Netherlands driving the Coalition on Phasing Out Fossil Fuel Incentives Including Subsidies (COFFIS). There is also support from the European Parliament and many civil society organisations for a Fossil Fuel Non-Proliferation Treaty, a proposal now backed by 18 states to address the multilateral dimensions of a global just transition away from fossil fuels.

This policy brief draws out key lessons on phasing out fossil fuels discussed at a workshop in February 2026 in Brussels jointly organised by the [European Economic and Social Committee](#) and the [SUS-POL: Supply-side Policies for Fossil Fuels Research Programme at the University of Sussex](#). Bringing together leading voices from policy-making, civil society, and academia, the event foregrounded the crucial question of how to phase out fossil fuels from both the supply and demand side.

An unfavourable geopolitical landscape

The global context is a challenging one. The high costs and uncertainties associated with fossil fuel dependence have been underscored by price spikes, choke points in the circulation of fossil fuels, wars in Ukraine and Iran and the coup in Venezuela. The EU has incurred costs up to 800 billion Euros in excess market costs of fossil fuels in the wake of Russia's invasion of Ukraine alone, not counting the recent 2026 price shock. But also by the way in which the power of major fossil fuel nations can be used to lock-in fossil fuel dependency. Participants noted that several converging pressures are actively working to lock in fossil fuel dependency and undermine European climate leadership:

- War in Europe and the Middle East, which has seen both the weaponisation of oil and gas prices and disruption across energy markets, has elevated energy security above decarbonisation in terms of policy priorities.
- Pressure from Trump's US administration on European allies to increase Liquefied Natural Gas (LNG) imports, which are set to increase by 80% by 2030, represent a substitution of suppliers rather than a genuine energy transition.
- The threat of the US withdrawing from the International Energy Agency (IEA), and its withdrawal from the climate regime and other international initiatives is reshaping the multilateral governance landscape, causing fragmentation and diluted ambition.
- The "virus of climate scepticism" was identified as sweeping across Europe, producing policy reversals and orchestrated popular backlash in the UK, Netherlands, Germany, France, and Italy – and chilling effects even in leading states such as Denmark.
- The EU itself has, in effect, suspended elements of its fossil fuel phase-out agenda, as green hushing: the phenomena of keeping climate initiatives below the radar, poses a growing threat in Brussels.



Despite organized opposition and the weaponization of climate policy, there are many non-climate drivers of the transition away from fossil fuels:

Driver	Examples
Economic costs	60–80% of fossil fuel reserves are "unburnable", potentially costing \$28 trillion. IEA forecasts demand will peak this decade.
Economic opportunities	IRENA finds transformation would boost GDP by 2.5% and employment by 0.2% globally by 2050. Every dollar spent returns USD 3–7.
Geopolitical drivers	Reducing dependence on fossil fuel imports. Europe spent €517–831bn in excess costs in 2021–22 after Russia's invasion.
Health impacts	The energy sector is the primary cause of polluted air for 90%+ of the world; 6 million+ premature deaths a year.
Environmental impacts on energy systems	Climate impacts on infrastructure expected to multiply six-fold by mid-century, reaching 10x present damage (€3.4bn/yr) by century's end.

Lessons learned from the European experience

Building on our recent research on how to open up opportunities for phasing out fossil fuels, we here outline six key lessons that emerged from the workshop:

1. The fragility of supply-side climate policy commitments

"Supply side policies are structurally fragile when they operate in isolation and without broader agreement. Therefore, supply-side policies need an EU framework for fossil fuel phase out."
Daniele Vezzelli, Padova University

A central theme of the event was the reversibility of phase-out commitments. These are not one off battles but rather ongoing struggles. Even Denmark – long touted as a pioneer in ambitious climate and energy policy – has faced pressure to reverse its commitments. In the UK, loopholes such as proposed 'tie-back' provisions will extend the lifespan of existing North Sea fields and echo the limits of the Danish phaseout, which includes similar loopholes. In Italy, moratoria on new oil and gas permits have been de-activated and suspended.



The lesson is clear across all these states: durability requires closing loopholes, not just enacting headline commitments. Moreover, phaseouts must involve reducing the total number of barrels extracted to demonstrate genuine credibility.

2. Shocks as drivers of transitions

"Large Danish corporations that have grown to become world leading made their fortunes from developing demand reduction initiatives around reducing energy use. And almost all of these cases you can trace back to the 1973 oil shock that that's really what set in motion this industrial strategy to reduce this reliance on fossil fuels." Lukas Slothuus, University of Sussex

Energy shocks have historically catalysed structural change. The 1973 oil shock prompted Denmark to change course, pursue demand reduction strategies and invest in wind power. Russia's invasion of Ukraine demonstrated that rapid shifts in European energy systems – long considered politically unthinkable – are achievable when the political will exists. The speed with which the EU diversified away from Russian gas demonstrates the feasibility of rapid transition. The ongoing conflict in the Middle East and its impact on oil and gas prices further cements this point, though there is a risk that coal becomes more attractive as a result.

3. Justice must be centred

"Roadmaps ought to be anchored in clear principles to ensure credibility and fairness. These principles could include things like alignment with the best available science, application of CBDRC, other justice principles, and national ownership combined with international coordination." Natalie Jones, IISD

Several cases demonstrated that the political durability of phase-out commitments is tied to how just the transition is perceived to be.

The UK and Danish cases highlighted the importance of engaging with trade unions and affected local communities, delivering justice through transition. In Denmark, the Green Skills initiative cushioned oil and gas workers from unemployment. Denmark's North Sea Future Plan and the creation of GB Energy in the UK also illustrate efforts to couple supply-side restrictions with affirmative economic and industrial planning.

Currently only one of 27 EU member states – Spain – has a comprehensive just transition plan. Yet an economy-wide approach is urgently needed. Up to 145,000 new workers will be required in the energy sector to realise the transition, which includes a doubling of the current workforce within solar power between 2021 and 2030, with the associated investment in skills around 11–14 billion Euro by 2030. Ensuring these jobs are well-paid, secure, and unionised, and that they are located in affected communities, is a central governance challenge.

4. The importance of strong legal frameworks

"If you leave the supply side completely unattended, if you have an unmanaged transition, then you have a lot of risks. You have climate risks, you have geopolitical risks, you have energy security risks and you also have missed opportunities." Thijs van de Graaf, Ghent University

Countries with robust legal frameworks – notably the UK's Climate Change Act and Denmark's Climate Act – have demonstrated greater policy continuity and investor predictability. By contrast, weak governance frameworks, as seen in Italy, have produced policy instability even where moratoria exist. Proactive regional redevelopment planning matters too: the failure to plan the Grangemouth closure is a cautionary tale about the costs of unmanaged transition



Research on 'investment grade' policy, highlighted 3 key dimensions that policymakers needed to address to persuade investors to shift capital out of fossil fuels and into renewables: long (timeframe that outlasts changes of government); loud (strong signal through the market) and legal (a legally enforceable set of goals, targets and commitments). There is an important role for the EU in developing a policy framework guided by these principles to support a fair phase out of fossil fuels.

5. Reframing energy security narratives:

"There are clear geopolitical drivers of the transition away from fossil fuels and we've seen responses on the part of the EU to try to improve its own energy security and become less dependent on major fossil fuel exporters."
Peter Newell, University of Sussex

Dominant energy security narratives have been weaponised to delay transition – even in contexts where domestic fossil fuel production will make no meaningful contribution to energy supply. Successful supply-side policies need to reframe energy security premised on dependency on volatile fossil fuel imports as empty security. Domestically produced renewable energy is the genuine path to the 'strategic autonomy' Europe hopes to pursue. Or, as European Commissioner for Energy and Housing, Dan Jørgensen, puts it: renewables are "Europe's path to true independence."

6. Incorporate civil society voices

"It's absolutely essential that we think about not just these particular policies being implemented out of the blue but that they actually emerge from a much longer trajectory of pressures from above and pressures from below."
Lukas Slothuus, University of Sussex

Civil society organisations have been critical articulators of SUS-POL demands, but civic space is under pressure across Europe – and even more so beyond it.

For example, in 2025 some MEPs from the European People's Party (EPP) and supported by far-right groups brought a debate to the Plenary of the European Parliament on public funding of NGOs, focusing on environmental civil society organisations receiving operating grants under the LIFE programme – the main funding instrument for climate action. In a climate of misinformation, unsubstantiated claims were made about the scale and use of such funding. There is also a structural asymmetry: potential losers from transition are typically better resourced and more politically mobilised than businesses that stand to gain. Mobilising pro-transition business voices is a strategic priority for just fossil fuel phase-outs.

What can the EU do? Five domains of leadership

"Let's be clear, it is an opportunity to invest, create jobs and to create the better future for the European Union and additionally, the global community that is necessary for a successful fossil fuel phaseout."
Brendan Devlin, European Commission

Situated geographically and geopolitically between the US, Russia, and China, the EU occupies a distinctive position. Participants identified five domains in which EU leadership could have systemic impact:

1. Trade, investment and global governance

"ISDS risk ought not to deter governments in Europe from pursuing ambitious policies to phase out fossil fuels... Notwithstanding the need to entirely reform and rethink ISDS, European governments can design fossil fuel phase out measures that are both ambitious and legally resilient."
Natalie Jones, IISD

The EU has significant leverage as a rule-setter in international economic governance. This includes advancing fossil fuel subsidy reform through the COFFIS initiative, supporting the ACCTS agreement (with the Netherlands, Costa Rica, and New Zealand), and pressing for reform of Investor-State Dispute Settlement (ISDS) mechanisms – which currently afford broad legal protections to fossil fuel investors and are no longer fit for purpose. As many EU member states have already left the Energy Charter Treaty, the EU could leave as a bloc and address lingering sunset clauses.

Beyond bilateral and regional levers, the EU is a major shareholder in the World Bank, whose Climate Plan is due for revision later this year – a clear opportunity to embed supply-side transition requirements into multilateral finance. Trade deals, JETPs, and Carbon Border Adjustment Mechanisms (CBAMs) all represent leverage points to create preferential conditions for countries demonstrating supply-side leadership.

2. Re-directing finance

*"There's still a long way to go also in addressing private banks and their ongoing investments in fossil fuels."
Peter Newell, University of Sussex*

The European Investment Bank has already played a pioneering role in restricting fossil fuel finance. Many European countries have committed through the CETP to cutting public finance for fossil fuels abroad. But private banking remains far behind, as documented by Reclaim Finance and others.

A proposal emerged from the discussion for an atmospheric viability test: companies issuing prospectuses are already required to demonstrate economic and geological viability for planned fossil fuel production – but not whether that production is compatible with remaining carbon budgets. Closing this regulatory gap is essential to bring capital markets into alignment with climate goals, particularly given emerging legal precedents on investor responsibility for Scope 3 emissions. If reserves are ultimately unburnable, they cannot legitimately be treated as assets.

3. Setting standards as a major importer

"Europe has done a very good job in phasing down fossil fuel demand but it has no strategy for phasing down fossil fuel supply. There is no strategy for how to phase out fossil fuel imports which producer countries to prioritize or to exit and how to manage the geopolitical consequences of this fossil fuel phase out." Thijs van de Graaf, Ghent University

The EU imports approximately 20% of global fossil fuels – affording it significant buyer power that has not been adequately leveraged as a supply-side policy instrument. The EU's methane regulations, which impose requirements on importers to lower emissions, point to what is possible. But the absence of a coherent EU supply-side strategy was identified as a critical blind spot.

Demand for gas in Europe peaked in 2021 and for oil as early as 2017. Prior to the war in Iran, a global oversupply of oil and LNG did not lead to an adequate EU strategy for managing decline trajectories, with the transition being left to the market or addressed only piecemeal. This presents a growing threat to both EU energy and national security given that many of the states which the EU imports from are highly dependent on oil and gas exports and their abrupt decline may cause huge disruption economically, politically and socially.

"You could go even further and think about setting up buyers' clubs, buyers' alliances with other large fossil fuel importers like South Korea and Japan to synchronize our approaches there." Thijs van de Graaf, Ghent University

What is needed is greater planning and transparency around wind-down, including ceilings on supply concentration and supplier conditionality. Forming buyers' clubs with like-minded states, such as South Korea and Japan, offers another potential pathway.



4. Supporting a global just transition

*"International coordination must address systemic transition risks... Structured producer consumer coordination, reform of global finance and credit systems, scaled financial and technical support and supply chain cooperation."
Natalie Jones, IISD*

The EU can draw on and share lessons from within its own borders about what makes transitions just or unjust. Different national experiences in Germany, Poland, the Netherlands, Spain, and Belgium offer a rich comparative base. The EU's failed gas transition plan, which faced legal challenge from Eurogas, illustrates that transition cannot be left to incumbent fossil fuel interests.

Supporting the just transition mechanism under the UNFCCC, helping developing and fossil-fuel-dependent countries beyond the EU meet their energy needs, and assisting economies such as Libya, Algeria, and Nigeria to diversify away from fossil fuel dependency all represent dimensions of a credible EU leadership role. The risks of not managing this are manifest in stranded assets, economic instability, and the conflict and migration dynamics that follow.

5. Domestic policy resilience

"Short-term security narratives can override long-term decarbonization, especially when supply side policies lack strong legal anchoring." Daniele Vezzelli, Padova University

EU leadership externally depends on domestic credibility. This requires issuing no new exploration licences, developing legally resilient roadmaps for fossil fuel phase-out that manage investor expectations, and advancing fossil fuel subsidy reform.

Key upcoming legislative moments include the revision of the [hydrocarbons licensing directive](#) and the [environmental liabilities directive](#). The EU should also establish a public repository of supply-side policies and subsidies across member states to enable accountability and learning. Finally, a mindset shift is required – away from laissez-faire market approaches and towards a recognition that the state must play an active, coordinating role in managing the energy transition. The European Economic and Social Committee (EESC) could institutionalise a structured dialogue on fossil fuel transition to ensure this work is sustained over time.

Where next?

"It's important just to keep doing that constant steady work of building a better future even if the current circumstances are not very conducive because if one thing is certain it is that circumstances change." Peter Newell, University of Sussex

"The bottom line is that we have the consensus about the phasing out of fossil fuels as a major cause for many different problems affecting civil society... So that's why in the current geopolitical context we are not willing to give up the message. We want to keep up the message that for us this is the major issue and problem." Stoyan Tchoukanov, European Economic and Social Committee

The event reached a clear consensus: European leadership on fossil fuel phase-out remains both necessary and possible, but it requires courage, coordination, and a refusal to treat current geopolitical headwinds as a permanent settlement. The "virus of climate scepticism" can be countered, but only by those willing to name it for what it is and build the political coalitions capable of defeating it. Given the EU's exposure and vulnerability to international oil and gas markets due to import dependence, the Union is particularly well suited to moving first on phasing out fossil fuels.

The Santa Marta conference presents a vital opportunity for the EU to signal its continued commitment to addressing the supply-side agenda multilaterally. That signal will only be credible if it is backed by strong domestic action. That means preventing and closing loopholes, advancing just transition plans, redirecting finance, ending public subsidies for fossil fuels, and centering the workers and communities on whom the politics of transition ultimately depends.



Key recommendations:

- Close loopholes in existing supply-side commitments to prevent backsliding (e.g. tie-backs, reactivated permits).
- Develop an EU-wide fossil fuel phase-out roadmap with legally resilient, science-based decline trajectories.
- Reform ISDS mechanisms and pursue bloc-level exit from the Energy Charter Treaty.
- Introduce an atmospheric viability test as a mandatory disclosure requirement for fossil fuel companies.
- Establish a buyers' club with like-minded states to leverage EU importer power.
- Mandate just transition plans across all 27 EU member states, with trade union and affected communities engagement at their core.
- Use EU shareholder power at the World Bank and other multilateral institutions to embed supply-side conditionality.
- Create an EU repository of supply-side policies and subsidies to support transparency and learning.
- Institutionalise a standing dialogue on fossil fuel transition within the EESC to keep the topic consistently on the agenda.



For more information about the SUS-POL project, please visit [our website](#) and follow the project on [X](#), [Bluesky](#) and [LinkedIn](#).

For any additional enquiries, please contact Freddie Daley on f.daley@sussex.ac.uk or Peter Newell p.j.newell@sussex.ac.uk