



**Wilton
Park**

Report: Working Together on Transitioning Away from Fossil Fuels

Wednesday 17 - Friday 19 June 2026

In partnership with
UK Government and
Government of Brazil



In partnership with



UK Government

COP30
BRASIL
AMAZÔNIA
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Executive Summary

Many fossil fuel producing countries face structural challenges in capturing the benefits of the global clean energy transition, due to dependence of their fiscal and political systems on fossil fuel revenues. To secure these gains across all countries, the transition must be orderly and equitable. Without deliberate planning and cooperation, countries risk increased economic volatility, fiscal instability, and disruption. The transition away from fossil fuels (TAFF) is a macro fiscal and whole of economy development challenge, with key barriers including demand uncertainty, cost of capital and governance challenges. Different producer economies have different starting points and priorities.

The Wilton Park dialogue on ‘Working together on transitioning away from fossil fuels’, held from 17-19 June 2026, brought together 48 participants from across governments, academia, civil society and multilateral institutions. The event was hosted by the UK Government and the Government of Brazil.

The dialogue objectives included strengthening understanding of country-specific structural challenges and priorities in TAFF; identifying key options for international partners to support Global South fossil fuel producers to address persistent barriers to TAFF; and identifying pathways towards delivering tailored support to the countries in attendance for their national TAFF planning. The dialogue occurred in the context of the Brazil COP30 Presidency’s TAFF roadmap, as well as the First International Conference on TAFF held in Santa Marta in April 2026.

Key issues discussed were:

- TAFF is not just a climate conversation, but an economic resilience and social development agenda. For many producing countries, the challenge is not so much an energy transition but rather a whole-of-economy transition.
- TAFF will be harder to manage if left to market shocks and fragmented policy signals. There is a need to focus on implementation of existing targets, rather than setting new ones.
- TAFF must be country-led; there is no one-size-fits-all approach to the transition. Fossil fuel producing countries in the Global South each experience unique challenges and opportunities and have differing priorities, starting points and capacities. Participants discussed how timelines for TAFF should be sequenced according to responsibilities and capacities of countries. TAFF needs to address both supply and demand, recognising the role of consumer/importer countries.
- There is a need for nationally owned TAFF plans that bring inter-ministerial coherence. National planning should build upon and align with existing national plans, NDCs and transition strategies. The international community needs to present a better offer of coordinated support. The right institutions and stakeholders need to be represented in, drive and own TAFF decision-making: not only ministries of environment and climate, but also ministries of finance, ministries of energy, and national oil companies.
- Universal, affordable access to energy is important for all countries, particularly for countries in the Global South that have not yet achieved this goal. For those countries energy transition must advance alongside energy access. In some cases countries do not consider the TAFF framing to be applicable to them, because they do not have the fossil energy to transition away from.
- Lack of predictable and accessible international finance and technology transfer are among major barriers to TAFF in many Global South fossil fuel producing countries. Finance, when it is available, often comes with conditionalities that disregard national priorities. Other barriers include domestic political economy and governance challenges. The need for reform of the international financial architecture was also raised, including high costs of capital and debt burdens.

Outcomes and actions:

1. Addressing country-specific challenges and priorities

- Fossil fuel producing countries have the opportunity to develop resilient diversification plans that bring together energy transition and industrial policy, identifying strategic sectors, connecting industries to international value chains, and bringing together horizontal and vertical industrial policies. Countries should also integrate TAFF into existing plans.
- In the short term, all countries should consider making their fossil fuel subsidies transparent, through inventories, mappings, or other transparency mechanisms, identifying which subsidies are inefficient. They should consider reforming inefficient fossil fuel subsidies in the longer term.
- Fossil fuel producing governments have the opportunity to improve domestic revenue mobilisation, such as taxing fossil fuel exports, to pay for economic diversification. They also have the opportunity to strengthen domestic governance and coordination to improve transition readiness.
- Governments that need to diversify their economies should explore new ways to build new industries and attract international investment.
- Donors should explore ways to provide additional support for country-specific challenges, moving beyond talking only about climate to talking more broadly about industrial planning and new growth sectors.
- The Brazil COP30 Presidency TAFF roadmap should not be prescriptive for countries, but rather recognise the need for differentiation and enable countries to place themselves among archetypes.

2. International support for TAFF

- Donor governments have the opportunity to create a common international framework to coordinate donor approaches and improve alignment, while using the Brazil COP30 TAFF Roadmap process to better coordinate the offer of donor support. Donor support can be shifted towards early-stage project development, not just existing pipelines.
- Producer governments should work with the IMF, MDBs and other IFIs to develop a stronger fiscal and macroeconomic toolbox for managing energy transition risks, such as revenue volatility, debt, subsidy reform, and stranded assets, and to lower the cost of capital in fossil fuel dependent countries.

International support needs to move beyond traditional climate finance to also unlock economic diversification. Donors should provide finance for development programs so that recipients can increase their fiscal space for industrial policy. Public finance levels should increase.

- Donors and funds should not impose conditionalities that would override national strategies or impose uniform pathways, but should rather be open to supporting the implementation of national TAFF and development plans.
- Governments should use their bargaining power to create conditions such that the private sector has the incentives for technology transfer.
- IFIs and MDBs should coordinate and align better and engage in transition risk more systematically, moving where pressures will be felt earliest.
- The macroeconomic dependencies and fiscal policy workstream of the Santa Marta forward process, led by IISD, should take into account dependence on fossil fuel revenues, cost of capital issues, and fossil fuel subsidies.

3. The future of international cooperation on TAFF

- Exporters and importers of fossil fuels should work together to tackle both fossil fuel supply and demand in tandem, to avoid price hikes and unrest. Importers can set very clear policy, regulatory and pricing frameworks that create demand for low or zero emissions fuels. Importers and exporters can jointly derisk low-emission fuel projects through cooperation agreements or cross-border support, to enable scale up of those projects that can help producers maximise the resources that they have and provide an alternative source of revenue.
- The roadmaps workstream of the Santa Marta forward process, led by the NDC Partnership and the Science Panel for the Global Energy Transition, should be country-led in nature, and should not place new burdens on countries to develop a new plan.
- Fossil fuel importing governments should not only decarbonise at home, but send policy signals to coordinate with fossil fuel exporting governments, including demand signalling and consumer-producer dialogue.
- The trade workstream of the Santa Marta forward process, led by the OECD, should look at alternative revenue options for fossil fuel producing countries.
- The COPs 30, 31 and 32 Presidencies should find ways for the conversation about the Brazil COP30 Presidency's TAFF roadmap to continue beyond COP31 in Antalya.

- More conversation is needed on how governments and international institutions can work with bond markets to better support producers as they transition away from fossil fuels.
- More conversation is needed on multilateral financial solutions to managing potential stranded assets.
- More conversation is needed on how supply chains can be reshuffled to add value closer to where the resources are.

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Introduction: Aims and objectives of the event

Although the global clean energy transition is an irreversible trend, its benefits are not equally shared. It is providing clear benefits for energy security, economic resilience, and new sources of growth, while reducing exposure to geopolitical volatility, fossil fuel price shocks, and climate impacts. Yet countries whose fiscal and political systems depend on fossil fuel revenues face structural challenges in capturing these benefits. To secure these gains across all countries, the transition must be orderly and equitable. Without deliberate planning and cooperation, countries risk increased economic volatility, fiscal instability, and disruption. The transition away from fossil fuels (TAFF) is a macro fiscal and whole-of-economy development challenge, with key barriers including demand uncertainty, cost of capital and governance challenges. Different producer economies have different starting points and priorities.

Increased attention therefore needs to be paid to assessing and managing the fiscal and economic risks faced by producer countries during their transition, and identifying pathways towards delivering tailored support to countries for their national transition planning.

This Wilton Park dialogue on ‘Working together on transitioning away from fossil fuels’ (17 – 19 June 2026) was designed to deepen cooperation on implementation of TAFF, in particular by convening support for Global South fossil fuel producer countries to accelerate their national TAFF planning and building a shared understanding of current challenges and priorities.

The dialogue objectives were to:

- Advance Brazil’s TAFF Roadmap by feeding into recommendations, building momentum in the lead up to COP31;
- Strengthen understanding of country-specific structural challenges and priorities in TAFF;
- Identify key options for international partners to support Global South fossil fuel producers to address persistent barriers to TAFF; and
- Identify pathways towards delivering tailored support to the countries in attendance for their national TAFF planning.

The dialogue occurred in the context of the Brazil COP30 Presidency’s TAFF roadmap, as well as the First International Conference on TAFF held in Santa Marta in April 2026. It also occurred in the context of the war in Iran, which showed that fossil fuels are a

source of energy instability, rather than stability. TAFF is an imperative not only for climate reasons, but for energy security and sovereignty. Both producing and consuming countries are pushing for diversification, and for accelerated electrification.

The main takeaways and discussion points are detailed under each theme below:

- Theme 1: Country-specific challenges and priorities
- Theme 2: International support for TAFF
- Theme 3: The future of international cooperation on TAFF

Overarching themes

While views differed across the themes explored, there was broad consensus that:

- TAFF is not just a climate conversation, but an economic resilience and social development agenda. For many producing countries, the challenge is not so much an energy transition but rather a whole-of-economy transition. Having a plan for renewable energy/electrification scale-up is very important, but it's not equivalent to having a plan for TAFF. TAFF initiatives need to help countries move from resource dependence to long-term resilience, and should be mainstreamed into development plans.
- The geopolitics of oil decline will not be self-stabilising; falling demand may reduce long term dependence but exposes producer economies and consumers to a new phase of volatility. TAFF will be harder to manage if left to market shocks and fragmented policy signals.
- TAFF must be country-led; there is no one-size-fits-all approach to the transition. There is a need for nationally owned plans that bring inter-ministerial coherence and aligned international support. International processes need to speak to national economic realities. Participants discussed how timelines for TAFF should be sequenced according to responsibilities and capacities of countries. Country representatives raised that they want to manage their resources with dignity.
- Universal, affordable access to energy is important for all countries, particularly countries in the Global South that have not yet achieved this goal. For those countries energy transition must advance alongside energy access.

- There is a need for nationally owned TAFF plans that bring inter-ministerial coherence. National planning should build upon and align with existing national plans, NDCs and transition strategies. The international community needs to present a better offer of coordinated support. The right institutions and stakeholders need to be represented in, drive and own TAFF decision-making: not only ministries of environment and climate, but also ministries of finance, ministries of energy, and national oil companies.
- Barriers to the transition include domestic political economy and governance challenges. The need for reform of the international financial architecture was also raised, including high costs of capital and debt burdens.

Theme 1: Country-specific challenges and priorities

Government representatives discussed various challenges, opportunities and priorities in their countries. Specific challenges highlighted included: dependence on fossil fuels for state revenues and foreign exchange earnings; a lack of diversification alternatives, such as a lack of water for agriculture; debts related to the oil and gas industry; low electrification rates; access to affordable energy; job losses in the fossil fuel industry including indirect jobs (hospitality, logistics, transport, etc.); impacts of climate change particularly in coastal areas; refugee issues due to security problems in neighbouring countries; high cost of capital for fossil fuel dependent countries; the concentration of fossil economies in specific subnational regions; the environmental and social cost of extracting raw minerals, including water use and land grabbing; and the structure of public revenues and taxation systems between different levels of government. In general, the challenge was highlighted that no other industry brings as much revenue as oil and gas.

Opportunities highlighted included green economy, including monetising natural capital for industries such as pharmaceuticals and food; clean cooking; methane reduction in the oil and gas sector; carbon credits for e.g. forest projects; electrification; natural gas as a transition fuel including for export; green hydrogen; and the presence of critical minerals, uranium and gold. The main priority expressed by developing country representatives was development.

Theme 1 recommendations

- Fossil fuel producing countries have the opportunity to develop resilient diversification plans that bring together energy transition and industrial policy, identifying strategic sectors, connecting industries to international value chains, and bringing together horizontal and vertical industrial policies. Countries should also integrate TAFF into existing plans.
- In the short term, all countries should consider making their fossil fuel subsidies transparent, through inventories, mappings, or other transparency mechanisms, identifying which subsidies are inefficient. They should consider reforming inefficient fossil fuel subsidies in the longer term.
- Fossil fuel producing governments have the opportunity to improve domestic revenue mobilisation, such as taxing fossil fuel exports, to pay for economic diversification. They also have the opportunity to strengthen domestic governance and coordination to improve transition readiness.
- Governments that need to diversify their economies should explore new ways to build new industries and attract international investment.
- Donors should explore ways to provide additional support for country-specific challenges, moving beyond talking only about climate to talking more broadly about industrial planning and new growth sectors.
- The Brazil COP30 Presidency TAFF roadmap should not be prescriptive for countries, but rather recognise the need for differentiation and enable countries to place themselves among archetypes.

Theme 2: International support for TAFF

International support for TAFF extends beyond finance to technical assistance, institutional reform, macro-fiscal tools and reducing the cost of capital.

Participants reflected that Global North countries need to provide finance for TAFF in countries in the Global South. In particular, TAFF roadmaps need to come with finance attached. Support is particularly needed to identify and support alternative economic clusters in fossil-fuel-dependent economies. Participants noted concern that public finance levels are falling. Others noted the “disappointing” level of disbursements in relation to JETPs. There was not a lot of appetite among fossil fuel producing Global South countries for “yet another plan” that is not accompanied by resources for implementation.

Access to finance was underscored as difficult; countries are asked by international funds to provide a lot of documents or guarantees, including when they are plagued by conflicts and other problems. Meeting requirements for concessional finance is often impossible. Participants stressed MDBs should act as a catalyst, including to de-risk projects.

Some government participants highlighted that they are planning for revenue from fossil fuel production to fund economic diversification and electrification. Others called for debt cancellation. International cooperation to reduce the cost of capital is needed.

There is a concern that donor conditionalities could override national strategies or impose uniform pathways that would erode the political legitimacy of transition plans.

Participants highlighted existing programmes for technical assistance to fossil fuel producing countries to build resilient economies but stressed that more needs to be done in this regard.

Views on technology transfer differed: some Global South country representatives said that technology transfer was not needed in their case, while others stressed its necessity. Knowledge regarding recycling and repair of batteries and solar panels is critical. Some countries have natural resources such as gold, uranium, and critical minerals, but do not have the technology to themselves develop the use of those minerals for clean energy sources. Concerns were therefore raised that the Global South will carry out the extraction of critical minerals for e.g. solar panels, and bear the associated social and environmental burdens, but that the profits will accrue to the Global North.

Theme 2 recommendations

- Donor governments have the opportunity to create a common international framework to coordinate donor approaches and improve alignment, while using the Brazil COP30 TAFF Roadmap process to better coordinate the offer of donor support. Donor support can be shifted towards early-stage project development, not just existing pipelines.

- Producer governments should work with the IMF, MDBs and other IFIs to develop a stronger fiscal and macroeconomic toolbox for managing energy transition risks, such as revenue volatility, debt, subsidy reform, and stranded assets, and to lower the cost of capital in fossil fuel dependent countries. International support needs to move beyond traditional climate finance to also unlock economic diversification. Donors should provide finance for development programs so that recipients can increase their fiscal space for industrial policy. Public finance levels should increase.
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Theme 3: The future of international cooperation on TAFF

Participants discussed the COP30 Presidency's TAFF roadmap and the Santa Marta process. Concerns were raised about fragmentation, and questions asked about how these processes relate to the second Global Stocktake under the Paris Agreement. Updates were heard on both the TAFF roadmap and the Santa Marta process. Some participants stressed the need for the TAFF roadmap conversation to continue at COP 31 in Antalya and beyond. Others highlighted that the Santa Marta process is complementary to, not undermining or duplicating, the Paris Agreement and the UNFCCC.

Producer-consumer (or exporter-importer) cooperation and dialogue was also a topic of conversation. Market signals, trade for low-emission fuels, collaboration on technology, and bilateral and multilateral dialogue were all highlighted as areas where producers and consumers can cooperate.

Participants also discussed bond markets, including how they can penalise producing countries for transitioning away from fossil fuels, which is the long term fiscally responsible thing to do.

Theme 3 recommendations

- Exporters and importers of fossil fuels should work together to tackle both fossil fuel supply and demand in tandem, to avoid price hikes and unrest. Importers can set very clear policy, regulatory and pricing frameworks that create demand for low or zero emissions fuels. Importers and exporters can jointly derisk low-emission fuel projects through cooperation agreements or cross-border support, to enable scale up of those projects that can help producers maximise the resources that they have and provide an alternative source of revenue.
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