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LESSONS FROM CASE STUDIES IN THE GLOBAL NORTH*

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This brief draws on research conducted by master's students associated with the CLIFF project: de Looze (2023); Dijks (2022); Cordes (2022); Heppe (2024); Reemst (2022); van Beek (2024); Vamava (2023)

KEY MESSAGES

1. Major economies continue to invest in new fossil fuel projects using new frames
2. Embedded dependencies "lock-in" fossil fuel
3. Smaller, peripheral economies face lock-ins similar to developing countries
4. Divestment shifts vested interests and makes the industry less transparent

INTRODUCTION

The Global North, as the historical high emitter with the most accumulated wealth and technological capacity, plays a critical role in the global effort to leave fossil fuels underground (LFFU). However, the transition in these countries is not a simple, uniform process. Despite ambitious climate pledges, many wealthy nations are simultaneously investing in new fossil fuel projects, while others find themselves trapped by decades of path dependency. The 'drill baby drill' narrative in the US in combination with continued investments in other countries keeps the price of fossil fuel high and profitable as an investment. This brief outlines key policy lessons from case studies in the United Kingdom, Germany, the Netherlands, and Cyprus, revealing significant structural, political, and narrative barriers that hamper an equitable fossil fuel phase-out.

MAJOR ECONOMIES CONTINUE TO INVEST IN NEW FOSSIL FUEL PROJECTS

Oil Change International's latest report (2025) shows that four countries, Canada, the US, Australia and Norway are increasing their investments in new oil by 40% between 2015 and 2024; however, extraction decreased in the rest of the world by 2%. Powerful Global North countries like the UK and Germany are actively defending new fossil fuel infrastructure by shaping public narratives. Research on the UK's Cambo and Rosebank oilfields (Heppe, 2024) shows that while activist campaigns can succeed (like the 2021 Cambo pause), their success is highly conditional on the political and media climate. The 2022 Russian invasion of Ukraine provided a "window of opportunity" for governments to shift the dominant public frame from climate action (stifling the Rosebank opposition) to energy and job security. Similarly, in Germany, the energy crisis was used to fast-track new Liquified Natural Gas (LNG) terminals framing them as an urgent, non-negotiable solution for national economic and energy security (de Looze, 2023). To align these new fossil projects with long-term climate goals, they are simultaneously framed as a "transition fuel" and "hydrogen-ready"—a claim made despite significant technical and economic uncertainties. In both countries, these state-backed security narratives successfully marginalized opposition and locked in new fossil dependencies.

EMBEDDED DEPENDENCIES "LOCK-IN" FOSSIL FUEL

Despite 'ambitious' climate targets, countries like the Netherlands and Germany remain trapped in a deep carbon lock-in. This lock-in is physical (pipelines, power plants), institutional (policies, market rules), legal (contracts) and behavioural (consumer habits). In the Netherlands, natural gas is locked in by its historical role as a source of national wealth, its extensive infrastructure, and its deep integration into the residential and industrial sectors. This dependency is reinforced by volatile government policies (e.g., reversing tax increases on gas) that create market uncertainty for sustainable alternatives (van Beek, 2024). Dutch climate policy has often enabled this lock-in by prioritising economic competitiveness, leading to contradictory measures (like high-efficiency standards for gas plants) that ultimately neutralized other climate tools like the EU Emissions Trading System (Dijks, 2022). Similarly, Germany's energy system is so "strongly embedded" in fossil fuels that its governance mechanisms are failing. German climate governance lacks the pluralism (relying on only a few policy tools like renewables and efficiency) and adaptive capacity (failing to change strategies that are not working) needed to drive a genuine transition (Cordes 2022).

SMALLER, PERIPHERAL ECONOMIES FACE LOCK-INS SIMILAR TO DEVELOPING COUNTRIES

The challenges of LFFU are not uniform. Smaller, peripheral EU member states like Cyprus are heavily reliant on fossil fuels and face a distinct set of barriers (Vamava, 2023). These include an isolated island grid, energy poverty, and deep infrastructural path dependency. This unique vulnerability means that one-size-fits-all EU climate policies can have unintended and severe consequences. For example, EU-wide measures like the proposed Energy Taxation Directive, which do not account for the limited capabilities of an isolated, import-dependent island, risk harming the Cypriot economy, exacerbating energy poverty, and creating political resistance to the climate agenda.

DIVESTMENT SHIFTS VESTED INTERESTS AND MAKES THE INDUSTRY LESS TRANSPARENT

While often championed as a key climate strategy, the divestment of fossil fuel assets is not a simple solution and may be counterproductive. Research shows that mounting climate and shareholder pressure is indeed motivating major, publicly listed International Oil Companies (IOCs) to sell their most polluting physical assets (Reemst, 2022). However, these assets are not being decommissioned. They are being purchased by private equity firms, smaller private companies, and National Oil Companies (NOCs). These new owners often operate "behind closed doors" with significantly less public scrutiny, fewer (or no) disclosure obligations, and weaker climate commitments. This trend risks creating carbon leakage, where emissions are merely shifted to

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less-transparent and less-accountable actors, ultimately undermining global climate goals.

CONCLUSION

The fact that rich countries continue to use fossil fuel and continue to invest in fossil fuel as of 2026 given that the carbon budget shrinks to zero (see PB 1) in 2029 indicates that they have no intention of meeting the 1.5℃ target objective without overshoot and net zero approaches and they have no intention of making space for the legitimate fossil fuel growth in the Global South. Embedded dependencies and challenges with divestment hamper the phase out. Global North countries also suffer from a range of other problems as elucidated in PB 10 which goes in depth into the case study of the Netherlands. This includes the challenge of short-termism, a constrained grid, subsidies for fossil fuel, renewable energy subsidies going to the rich, the challenge of the hard-to-abate sectors like shipping/ports and airlines/airports, and the fact that less wealthy people and SMEs are not accounted for in the energy transition.

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