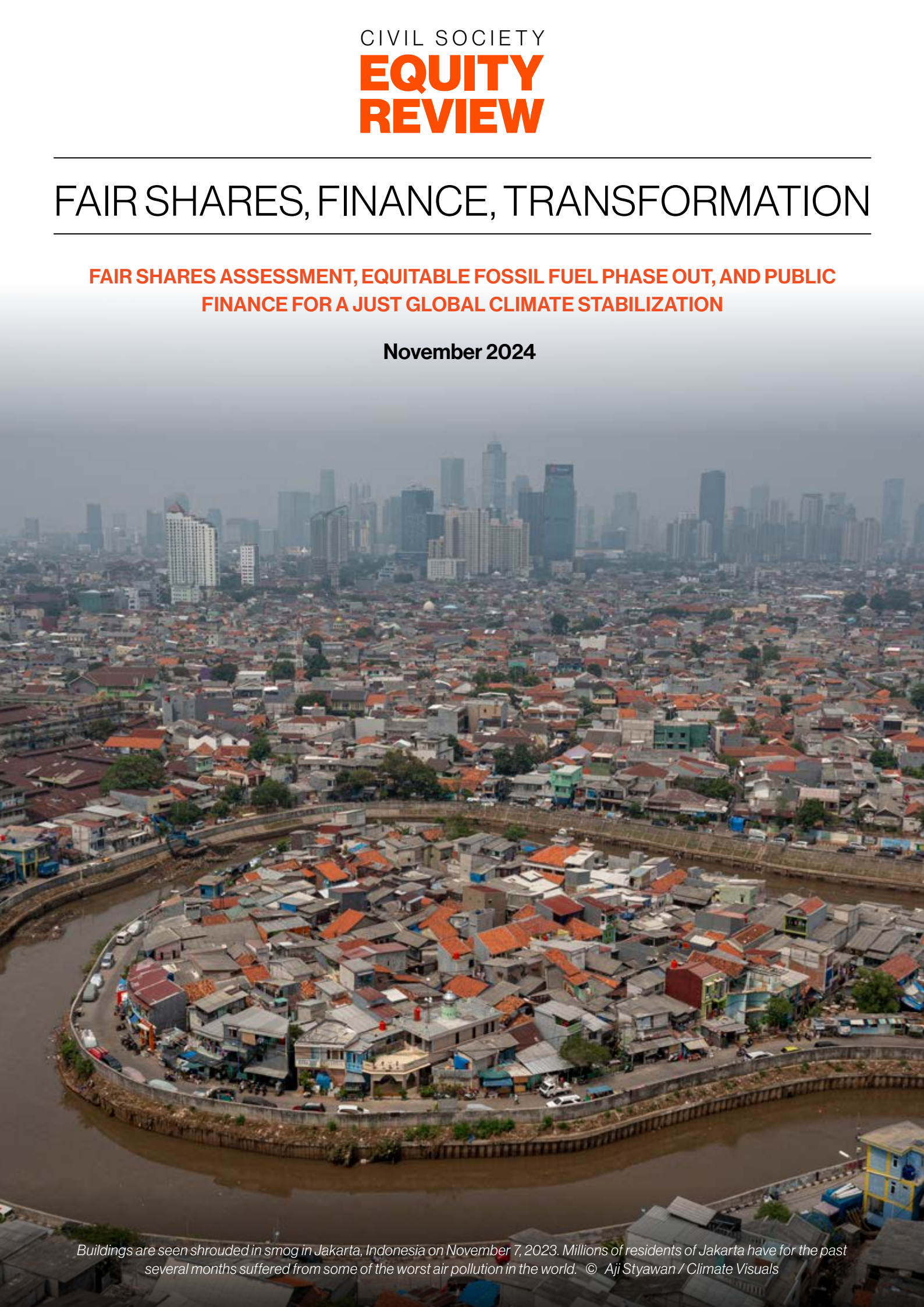
CIVIL SOCIETY

EQUITY REVIEW

FAIR SHARES, FINANCE, TRANSFORMATION

FAIR SHARES ASSESSMENT, EQUITABLE FOSSIL FUEL PHASE OUT, AND PUBLIC FINANCE FOR A JUST GLOBAL CLIMATE STABILIZATION

November 2024



Buildings are seen shrouded in smog in Jakarta, Indonesia on November 7, 2023. Millions of residents of Jakarta have for the past several months suffered from some of the worst air pollution in the world. © Aji Styawan / Climate Visuals

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- Anchalic Suraksha Committee, India
- Angat-GenC - Generation Climate, Philippines
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- ASR Resource Center, Pakistan
- Atimonan Power for People, Philippines
- Bangladesh Adivasi Samity
- Bangladesh Bacolight Shramik Federation
- Bangladesh Bhasaman Nari Shramik
- Bangladesh Bhasaman Shramik Union
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- Bangladesh Chattra Sabha
- Bangladesh Environmental Lawyers Association (BELA)
- Bangladesh Integrated Social Advancement Programme (BISAP)
- Bangladesh Jatyo Shramik Federation
- Bangladesh Kishani Sabha
- Bangladesh Krishok Federation
- Bangladesh Krishok Sabha
- Bangladesh Rural Intellectuals' Front
- Bangladesh Sangjukto Shramik Federation
- Bangladesh Shramik Federation
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- Break Free Pilipinas, Break Free from Fossil Gas - Philippine Campaign
- Bukluran ng Manggagawang Pilipino (BMP), Philippines
- Camarines Norte Movement for Climate Justice, Philippines
- Campaign for Climate Justice Network (CCJN), Nepal
- CarbonCare InnoLab, Hong Kong SAR, China
- Center for Energy, Ecology and Development, Philippines
- Centre for Environmental Justice, Sri Lanka
- Charbangla Bittoheen Samobay Samity, Bangladesh
- Cholistan Development Council, Pakistan
- CIRDS Nepal
- Citizens Welfare Association, India
- Clean and Green Khai, Pakistan
- Climate Activists Collective, Pakistan
- Climate Watch Thailand
- COAST Foundation, Bangladesh
- Coastal Livelihood and Environmental Action Network (CLEAN), Bangladesh
- Community Action for Healing Poverty Organization, Afghanistan
- Community Developers Association (CDA), Pakistan
- Community Initiatives for Development in Pakistan (CIDP)
- Concerned Citizens of Sta. Cruz, Zambales, Philippines
- Crofter Foundation, Pakistan
- CSNEHA Foundation, India
- Dhoritri Rokhhay Amra (DHORA), Bangladesh
- Digo Bikas Institute, Nepal
- Eco-Conservation Initiatives (ECI), Pakistan
- EcoHimal Nepal
- Emarat Nirman Shramik Bangladesh
- Energy and Climate Policy Institute for Just Transition, South Korea
- EnGIO, India
- Environmental Protection Society Malaysia (EPSM)
- Equity and Justice Working Group, Bangladesh [EquityBD]
- Feminist Collective Pakistan
- FIAN Nepal
- Focus on the Global South - India
- Focus on the Global South - Philippines
- Focus on the Global South - Thailand
- Food Sovereignty and Climate Justice Forum, Nepal
- FOSNU Probolinggo, Indonesia
- Ganochhaya Sanskritic Kendra, Bangladesh
- Gilgit-Baltistan Social Welfare Organization, Pakistan
- Gitib, Inc., Philippines
- Green Movement of Sri Lanka
- Growthwatch, India
- HaritaDhara Research Development and Education Foundation, India
- Haqooq e Khalq Movement, Pakistan
- HELP-O (Human & Environmental Links Progressive Organization), Sri Lanka
- Himalaya Niti Abhiyan, India
- Home Net Pakistan
- Human Rights Alliance, Nepal
- Indian Social Action Forum
- Jago Bangladesh Garment Workers' Federation
- Jan Chetnna Manch, India
- Kamgar Ekata Union, Maharashtra, India
- Karnali Integrated Rural Development and Research Centre (KIRDARC), Nepal
- Khowai River Waterkeeper, Bangladesh
- Kissan Ikkat, Pakistan
- Kissan Karkeela, Pakistan
- Kissan Ravi Club, Pakistan
- Koalisyon Isalbar ti Pintas ti La Union (Coalition to Save the Beauty of La Union), Philippines
- Kohelia Matshojibi Samity, Bangladesh
- Kongreso ng Pagkakaisa ng Maralita ng Lungsod (KPML), Philippines
- KOTHOWAIN (Vulnerable Peoples Development Organization), Bangladesh
- Krisoker Sor (Farmers' Voice), Bangladesh
- KRuHA, Indonesia
- La Verita Onlus Bangladesh (V.O.I.D.)
- Labour Education Foundation, Pakistan
- Labour Qomi Movement, Pakistan
- Lal Quila Hawker Union, India
- Limpyong Hanging para sa Kaugmanon sa Tanan (Clean Air for All), Cebu, Philippines
- Lok Sujag, Pakistan
- Makabayang Alyansa ng Magbubukid sa Pilipinas

- Malaysian Nature Society
- Meena Bazar Hawker Association, India
- Mines Mineral and People, India
- Mom Loves Taiwan Association
- Monitoting the Sustainability of Globalization (MSN), Malaysia
- Motherland Garment Workers' Federation
- Movement for Advancing Understanding of Sustainability And Mutuality MAUSAM, India
- Nadi Ghati Morcha - India
- Nalbunia Matsajibi Samity, Bangladesh
- Narayan Singh Uikey Adivasi Vikash Samiti, India
- National Hawkers Federation (NHF), India
- National Youth Federation Nepal (NYFN)
- Nepal Integrated Development Initiatives
- Oriang Women's Movement, Philippines
- PakAid, Pakistan
- Pakistan Fisherfolk Forum (PFF)
- Pakistan Forum for Rights of Nature-PFRN
- Pakistan Institute of Labour Education and Research (PILER)
- Pakistan Kissan Rabita Committee
- Partido Lakas ng Masa (PLM), Philippines
- Paryavaran Sanrakshan Samiti, India
- Pasur River Waterkeeper, Bangladesh
- Philippine Advocates for the Care of Our Planet
- Philippine Movement for Climate Justice
- Piglas- Batangas, Philippines
- Pilar Perjuangan Nelayan, Indonesia
- Pittacchara Forest and Biodiversity Initiatives, Bangladesh
- PMCJ - Cebu, Philippines
- PMCJ - Davao, Philippines
- PMCJ - Eastern Visayas, Philippines
- PMCJ - Western Mindanao, Philippines
- Policy Research Institute for Equitable Development (PRIED), Pakistan
- Prasar, India
- Progressive Peasants' Council, Bangladesh
- Progressive Students' Collective, Pakistan
- Quezon for Environment (QUEEN), Philippines
- Reach Law, India
- Ready Made Garment Workers' Federation, Bangladesh
- Rehdi Patri Ekta Manch, India
- Revanchal Dalit Adivasi Sewa Samiti, India
- Riung Hijau, Indonesia
- Rural Reconstruction Nepal (RRN)
- S.A.V.E Luna, Philippines
- Sabda Alam Banten, Indonesia
- Samata, India
- Sanga, Pakistan
- Sanlakas, Philippines
- Save Nature Save Life, Bangladesh
- Sawera Foundation, Pakistan
- Serikat Nelayan Indonesia
- Serikat Perempuan Sunggal (SPS), Indonesia
- SETU, Bangladesh
- SETU: Centre for Social Knowledge and Action, India
- SETU: Forum for Gramsabha, India
- Sindh Hari Porchat Council, Pakistan
- Social Economic Development Society [seds], Bangladesh
- Solidaritas Perempuan, Indonesia
- South Asia Partnership Pakistan
- Sukaar Welfare Organization, Pakistan
- Suluh Muda Inisiatif, Indonesia
- Sundarban Rakhhay Amra, Bangladesh
- Surma River Waterkeeper, Bangladesh
- Sustainable Development Policy Institute (SDPI), Pakistan
- Swadesh Gramotthan Samiti, India
- Tadbeer Research Organization, Afghanistan
- Tagapagtanggol ng Kalikasan sa Pagbilao (TKP), Philippines
- Tameer e Nau Women's Worker Organization, Pakistan
- Tax and Fiscal Justice Alliance, Nepal
- Tetulbaria Matsajibi Samity, Bangladesh
- Textile Powerloom Garments Workers Federation, Pakistan
- TFINS, India
- The Future We Need, India
- UBINIG (Policy Research for Development Alternative), Bangladesh
- Ulgulan Manch, India
- Upokulio Mukto Rovar Scouts Group, Bangladesh
- Venella Rural Development, India
- Vision Building Future, Pakistan
- Visionary Forum, Pakistan
- Voices for Interactive Choice and Empowerment (VOICE), Bangladesh
- Waterkeepers Bangladesh
- Women's Rehabilitation Centre (WOREC), Nepal
- Yayasan Mitra Insani, Indonesia
- Young Reformers, Pakistan
- Youth for Climate Justice – Mindanao, Philippines
- Youth for Climate Justice – Tacloban, Philippines
- YouthNet for Climate Justice, Bangladesh
- ZALIKA (Zambales Lingap Kalikasan), Philippines
- Zambales Movement for Climate Justice, Philippines

Europe

- Uplift, United Kingdom
- Alliance Climatique Suisse / Klima-Allianz Schweiz / Alleanza Clima Svizzera
- Amigos de la Tierra (Friends of the Earth Spain)
- An Taisce - The National Trust for Ireland
- Association for Farmers Rights Defense, AFRD, Georgia
- Change Partnership, Belgium
- Co-ordination Office of the Austrian Bishop's Conference for International Development and Mission (KOO)
- Ecologistas en Accion, Spain
- Edmund Rice International, Ireland
- Faith for the Climate, United Kingdom
- Focsiv Italian Federation Christian Organisations International Voluntary Service
- Friends of the Earth Ireland
- International-Lawyers.Org (INTLawyers), Switzerland
- Klimakultur, Norway
- NOAH Friends of the Earth Denmark
- Norwegian Forum for Development and the Environment, Norway
- Razom We Stand, Ukraine
- Rodzice dla Klimatu - Parents For Future Poland, Poland
- Share The World's Resources, United Kingdom
- Tools For Solidarity, United Kingdom
- United Kingdom Without Incineration Network (UKWIN)
- Zero Waste Alliance Ireland

Latin America

- Centro de Estudios y Apoyo al Desarrollo Local, Bolivia
- CESTA Friends of the Earth El Salvador, El Salvador
- Gruo Ecológco Sierra Gorda IAP, Mexico
- Observatório do Clima, Brazil
- Sociedad Amigos del Viento, Uruguay

North America

- Alaska Clean Water Advocacy, United States
- Alliance for Tribal Clean Energy, United States
- Anthropocene Alliance, United States
- Bank Climate Advocates, United States
- Brighter Green, United States
- Calgary Climate Hub Association, Canada
- Canadian Engaged Buddhism Association
- Canadian Interfaith Fast For the Climate
- Canadian Voice of Women for Peace
- Care About Climate, United States
- Center for Biological Diversity, United States
- Citizens for Public Justice, Canada
- Citizens' Climate Lobby Canada
- Climate Action for Lifelong Learners (CALL), Canada
- Climate Action Network Canada (CAN-Rac)
- Climate Emergency Unit, Canada
- ClimateFast, Canada
- David Suzuki Foundation, Canada
- Earth Action, Inc., United States
- Earth Justice Ministries, United States
- EcoEquity, United States
- Education, Economics, Environmental, Climate & Health Organization, United States
- Environmental Defence Canada
- Équiterre, Canada
- For Our Kids, Canada
- Friends of the Earth U.S.
- Grandmothers Act to Save the Planet (GASP), Canada
- Grandmothers Advocacy Network, Canada
- Green 13, Canada
- Hawai'i Institute for Human Rights, United States
- Heinrich Böll Foundation Washington, DC, United States
- Institute for Policy Studies Climate Policy Program, United States
- Interfaith Power & Light, United States
- Just Earth, Canada
- Kelly Creek Protection Project of Earth Island Institute, United States
- Les Amies de la Terre Canada / Friends of the Earth Canada
- New Progressive Alliance, United States
- North Carolina Interfaith Power & Light, United States
- Ontario Climate Emergency Campaign, Canada
- Padma Centre for Climate Justice, Canada
- Physicians for Social Responsibility Pennsylvania, United States
- re•generation, Canada
- Seeding Sovereignty, United States
- Shark Stewards, United States
- Stop Line 9 Toronto, Canada
- Texas Impact / Texas Impact Foundation, United States
- The Climate Reality Project Canada
- The Global Sunrise Project, Canada
- The People's Justice Council, United States
- Turtle Island Restoration Network, United States
- Vegans & Vegetarians of Alberta Association, Canada
- Windfall Ecology Centre, Canada

Oceania

- Aotearoa New Zealand Human Rights Foundation
- ARRCC (Australian Religious Response to Climate Change)
- Climate Action Merribek, Australia
- Climate Action Monaro, Australia
- Climate Action Network Australia
- Climate Change Balmain-Rozelle, Australia
- Environment and Conservation Organisations of New Zealand Inc
- GetUp!, Australia
- Parents for Climate Aotearoa, New Zealand
- Parramatta Climate Action Network, Australia

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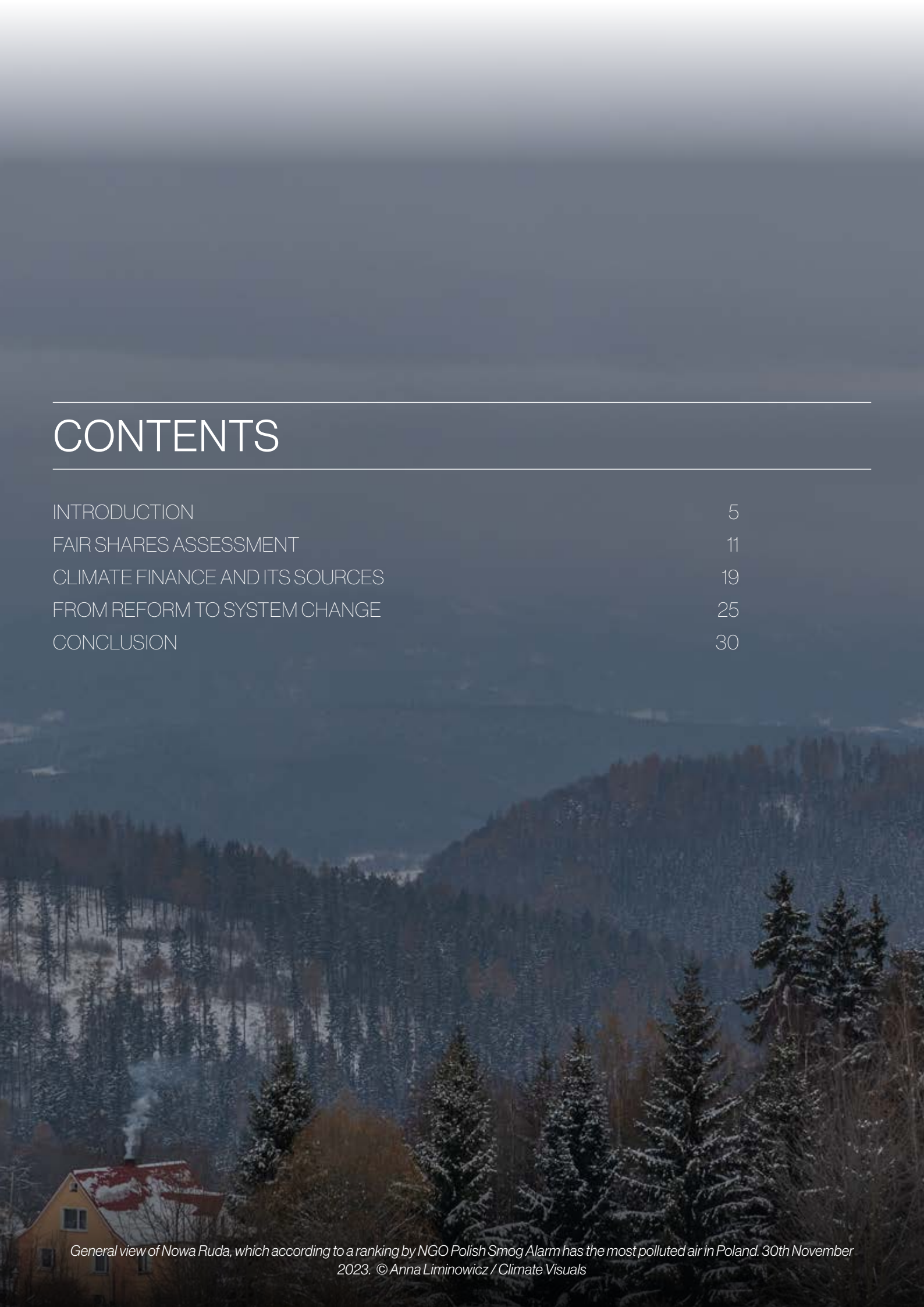

General view of Nowa Ruda, which according to a ranking by NGO Polish Smog Alarm has the most polluted air in Poland. 30th November 2023. © Anna Liminowicz / Climate Visuals

INTRODUCTION

Climate change is one of the largest, most difficult, and most dangerous commons problems humanity has ever faced. Such commons problems cannot be solved without robust systems of cooperation and solidarity. Equity is thus important not only in its own right, but because it is a key to cooperation. No international effort to hold to any realistic 1.5 °C pathway can honestly hope for success unless the efforts it demands are widely seen as being fairly shared.

At this late date, the urgency demands truly dramatic action. Despite the rapid development of alternatives to fossil fuels, deployment of those alternatives is still dangerously far off, and our world remains overwhelmingly dependent on fossil fuels. Its industries, the daily activities of the vast majority of its population, and – not least – its political economy, are all deeply entangled with the movement of resources and profits that flow from the earth's fossil fuel reservoirs which are dangerously large in light of the climate crisis.

The challenges now confronting us implicate all the history that has brought us to this point: capitalism, colonialism, ecological debt, neoliberalism, militarism, authoritarianism, the entrenched disparities between the Global North and the Global South, between the rich and the poor. They are all on the table now – witness the new term "polycrisis."

We need a planetary just transition away from fossil fuels. One that is deep, all-encompassing, and fundamental. One that involves changes that go beyond our technologies to encompass our lifestyles, our global resource allocation systems, our planning and decision making institutions at all levels – from the community, though the national, to the global. In short, we need deep and systemic change toward a world that protects human and worker rights, and well-being in general, in a way that deeply embeds democratic ideals and practices.

THE POISONOUS CONSEQUENCES OF PROTRACTED DELAY AND INACTION

The climate negotiations cannot be expected to take on the entire history of exploitation and injustice. But there is one key thread running through this history that these negotiations cannot ignore – as the negotiations grind on, so do the emissions.

The chief issue here is the protracted failure of the wealthier and higher-emitting countries of the Global North to "take the lead in combating climate change and the adverse effects thereof" (UNFCCC, 1992. *Art 3. Principles*). This failure has had catastrophic consequences. But, having said this, we must add that behind this infamy there are others, with the free riding and parasitism of the global rich and of the denial and orchestrated obstruction of the fossil fuel industry deserving special mention. At this point, the nature and severity of our climate predicament simply cannot be understood without spotlighting the long effort to undermine ecological transition and, more particularly, to extend the life of the fossil fuel industrial complex.

There are at least three reasons why protracted delay and inaction are so poisonous:

First, the protracted inaction of the Global North has made the climate challenge far more difficult to manage. We now have incredibly large fossil fuel extraction and consumption infrastructures to transition, and carbon dioxide emissions from fossil fuels are about 60% higher than in 1990.[1] All told, there is very little remaining carbon budget, and thus very little time – if we are to meet the Paris temperature goals – leaving us with the prospect of an extremely expensive and disruptive transition.

Second, protracted inaction has magnified the threat posed by the climate crisis. With the 1.5°C goal in dire danger and carbon cycle feedbacks kicking in, critical carbon sinks are being compromised, and devastating climate impacts are severely stressing available economic resources, especially in the Global South, while even among the better-off around the world, moods are darkening in often unhelpful ways. With impacts worsening and the world's elites refusing to mobilize at scale, it is easy to believe that the crisis is beyond management and that it is "too late" for sustainability and justice.

Third, protracted inaction is toxic to prospects for planetary solidarity. It has widened the trust deficit between negotiating parties, dangerously undermining faith in multilateralism and global cooperation, and fueling public skepticism of multilateral forums and global governance in general. The needs of distant strangers are seen as overwhelming. Few people are confident that their "leaders" will rise to the occasion, or that non-traditional development goals are likely to succeed. More and more voices are calling for weaker climate goals or retreat to reckless last-resort options (i.e., solar geoengineering).

Most dangerously, continued inaction, and the strife it causes, could lead to an effective abandonment of a cooperative global response to climate change, and a relentless slide into regimes defined by individualism, survivalism, antagonism, and authoritarian nationalism. And these dynamics might become even more pronounced on a planet experiencing ever worsening climate impacts.

Fundamental in all this is the simple fact, ever since the global climate negotiations began, the wealthy countries of the Global North have resisted all efforts to act with the necessary speed and scale. This inaction has taken the form of both a brazen lack of ambition on domestic climate action and a shameless refusal to provide the financial and technological support that would enable the South to act with more resolve.

The Global North has fallen far short on domestic mitigation, offering nothing even remotely close to its fair share (see Civil Society Equity Review reports 2015-2023[2]). This depletes the remaining carbon budget, and radically delays innovation, investment and deployment of new technologies. It diverts attention away from meaningful

transition with demonstrably ineffective instruments such as carbon markets that have manifestly failed to deliver real reductions. Moreover, the North has vigorously pursued the continued expansion of fossil fuels, both domestically and through overseas investment.

No less important is the Global North's failure to provide international financial and technological support to the South, which has prevented the South from undertaking decisive steps to its own transition. Indeed, developing countries are questioning the purpose of new Nationally Determined Contributions (NDCs) when existing NDCs cannot be implemented due to lack of finance, and the COP Presidency itself has said that, given the lack of support, it is unreasonable to expect more ambitious NDCs from developing countries.[3]

Moreover, there is also the continuing free-riding and – frankly – parasitism of the global rich. The climate crisis is unfolding in a context of an intensification of global inequality that includes, and is often led by, the intensification of inequality within countries around the world. This intensification is poisonous in many ways.[4] In particular, it enables and even fetishizes lifestyles of grossly excessive consumption, and creates a class of powerful actors who are, at least temporarily, able to insulate themselves from the increasingly devastating impacts of a destabilizing climate. They can therefore afford to obstruct any phase-out of the fossil-fueled status quo, and indeed profit from it, which of course makes change, especially fundamental systemic change, extremely difficult.

How large is the influence of the rich polluters? This question is now being actively researched, particularly by the World Inequality Lab,[5] Oxfam,[6] and the Stockholm Environment Institute,[7] all of whom are pioneers in global inequality studies. To approach this question, one does not compare the wealth or income of an average American to that of an average Chinese, or the emissions of an average Colombian to those of an average Russian. Instead, one ignores countries, at least initially, and spotlights global classes: the "global rich" who hold most power and control most resources, the "global middle class" (which is far less affluent than the familiar "middle class" of the Global North) and of course the global poor. These global classes can then be compared in terms of their emissions, in terms of their income, or in terms of their wealth – all three, unsurprisingly, are highly correlated.

Such comparisons turn out to be illuminating. For example, the correlation between income and emissions provides a clear answer to the key question of why **humanity's cumulative emissions have more than doubled since the early years of the UN climate treaty**, a period during which they should, instead, have been rapidly reduced. These rising post-1990 emissions can very legitimately be blamed on the inaction of the Global North, but a more nuanced glance shows that they can (see the *Bad Faith* box) be blamed on the global rich – in fact, the world's richest 10 percent are responsible for almost half of the post-1990 emissions increase.[8] The emissions of the richest one percent are particularly notable, for they are projected to be 16 percent of global emissions by 2030. The world's poorest 50%, for the record, contributed much, much less to this increase, with their per-capita emissions remaining consistent with 1.5 °C.[9]

The problem isn't just that wealthy people generate more carbon emissions than poor people. It is that the sheer overwhelming extent to which they do so belies the endlessly repeated claim that rising fossil fuel consumption and even the destabilization of the climate system are justified by the need to lift the world's poor from poverty. Rising emissions are overwhelmingly driven by and benefit the wealthy.

People cook on open fires outside the Kwa Mai-Mai Market in Johannesburg, South Africa, on November 22, 2023.
© Gulshan Khan / Climate Visuals

SYSTEMIC CHANGE AND THE CLIMATE FINANCE CHALLENGE

The truth is as inconvenient as it is obvious – breaking the power of the fossil-fuel industry, while an absolutely necessary component of any possible climate strategy, is not enough. Broader systemic change will also be needed if we are to stabilize the climate. This change must come soon, and it must encompass virtually all major political and economic relationships and institutions. Most human activities – how we conduct trade and prioritize investments, how we ensure human rights, enforce worker protections, innovate and deploy new technologies, resolve conflicts, protect our planet, and meet human needs – are intrinsically linked to climate change, though this is of course denied by those who, even in the face of approaching catastrophe, have chosen to fight to maintain the status quo.

Fortunately, there are paths forward to systemic change. Further, they are becoming more and more visible, within the climate negotiations and in the wider world as well, the world of everyday life and political power. This becomes extremely clear when the current crisis in the negotiations – the crisis of climate finance – is spotlighted, which is exactly what we will attempt to do in this report.

This section is designed to illuminate the confrontation over public climate finance, which is coming to a head as the negotiating schedule has brought us, finally, to the need for a new global finance goal. This report is firmly supports the insistence that – while private finance certainly has a role to play – the key to an effective global climate mobilization is a transformed global financial architecture, one that mobilizes a great deal of public money, one that is scaled to the needed urgency and ambition, one that is embedded in a broad set of global institutions that have themselves been reframed, to enable a global transition that is widely accepted as fair.

BOX: BAD FAITH: PROTRACTED INACTION, OBSTRUCTION, AND PARASITISM

The systemic dynamics that have for decades now held us in virtual stasis are complex and entrenched. Yet, we believe that three sets of dynamics should be emphasized, all of which are marked by bad faith, dishonest rationalization, and the self-preserving desire of the world's wealthy and powerful to indefinitely perpetuate the status quo and free-ride on the suffering of poorer individuals, communities and countries:

The protracted inaction of the Global North

The centerpiece in our collective refusal to rise to face the climate emergency is clearly the long-running failure of the developed countries – the Global North – to act on anything like the necessary scale.

This failure is not easy to quantify, in the first instance because it is difficult to mark its beginning, which occurred long before 2015's Paris Agreement. Nevertheless, the negotiation of the Paris Agreement laid out a universally agreed common path forward, and gave us a quantified planetary target against which the mitigation shortfall of the Global North can be measured.

With almost a decade of annual Civil Society Equity Reviews behind us, we can compare the post-Paris emissions of the Global North – here, for simplicity, represented as the Annex 1 countries – with the fair-shares benchmarks we have repeatedly put forward:

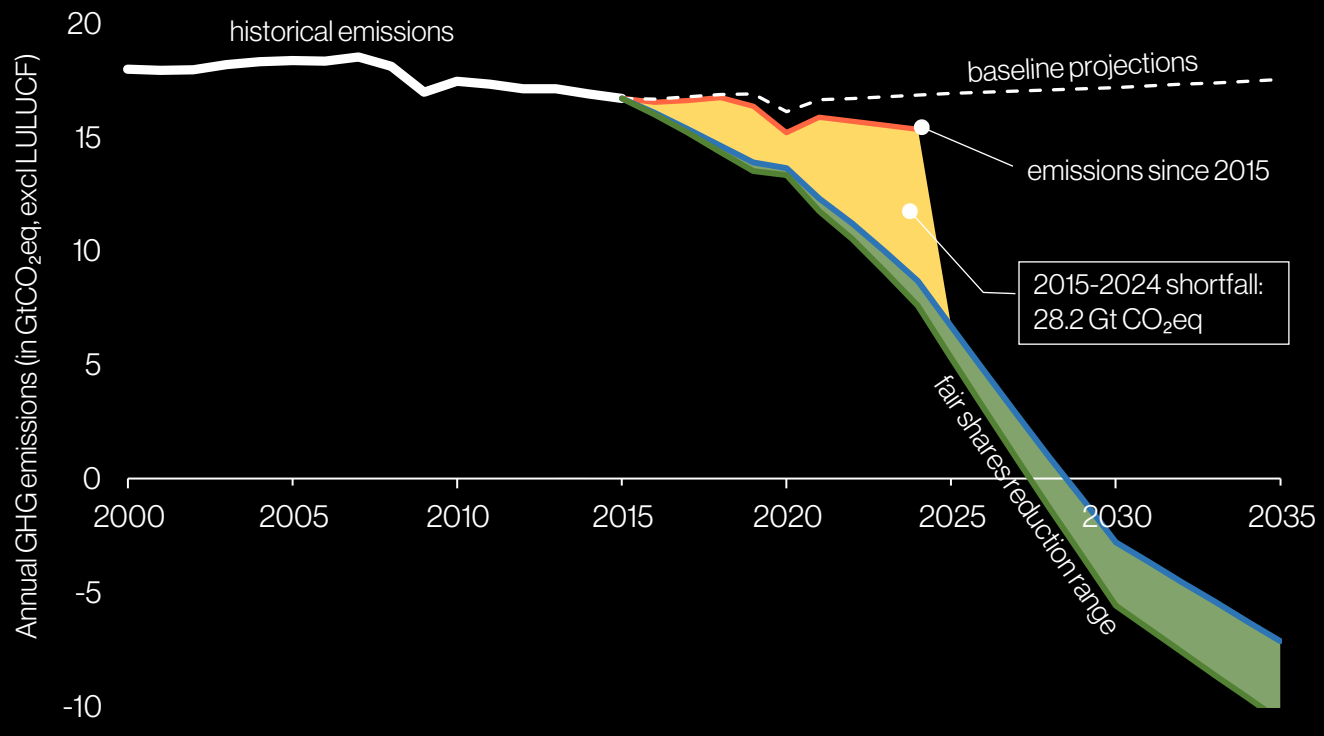

Figure 1: The post-Paris mitigation shortfall of developed countries, relative to their fair share.

The obvious point here is that the Global North's post-Paris mitigation shortfall (the yellow area, shown against their fair share of a global 1.5 °C compliant pathway) is already large and growing fast. But before letting it take the stage, we must stress that Paris was not the beginning of this story, which would include Rio, and Kyoto, and Copenhagen, not to mention the stringent targets that science and equity were already demanding in 1990. And that this image does not in any way convey the Global North's failure to deliver climate finance at the scale promised, let alone the scale needed. And, finally, that mitigation is not by any means the whole of the challenge which also includes adaptation, loss & damage, and overarching equity. Each of these has its own non-negotiable demands.

Despite these caveats, it is instructive to examine the mitigation shortfall shown here – the gap between the Global North's fair share and its actual post-Paris emissions. As a whole they fell 28 billion tons short of CO_2 equivalent emissions reductions that they should have undertaken since 2015, relative to their fair share of 1.5 °C -consistent mitigation.[10]

A shortfall of this size is substantial – it is about two years' worth of the Global North's emissions, at the present rate, and almost four years' worth of emissions at the fair-share level. In financial terms, assuming a mitigation cost of USD 100 per ton,[11] it could be thought of as USD 2.8 trillion of additional arrears that developed countries have accrued.

The organized obstructionism of the fossil fuel industry

The Global North's mitigation shortfall is not the entire problem. The endless denialism and obfuscation and sabotage and delay-by-any-possible-means that has been engineered by the fossil fuel industry also has to be clearly featured in even a cursory account of all the post-Paris actions and inactions that have pushed the world, and continue to push the world, into climate catastrophe. Consider the industry's systematic efforts to undermine science, hide its unconscionable environmental devastation and human rights abuses, and cling to its single minded focus on the further expansion of its activities, even now when the phased shutdown of the fossil sector is clearly a social and ecological imperative.

Here, too, the situation is complex, and resists any kind of comprehensive quantification. But the scale of the denial and expansionism here might be clearly enough suggested by the following graphic, which shows that the five oil supermajors have radically increased their production since Paris, when in fact they should have been determinedly decreasing it.

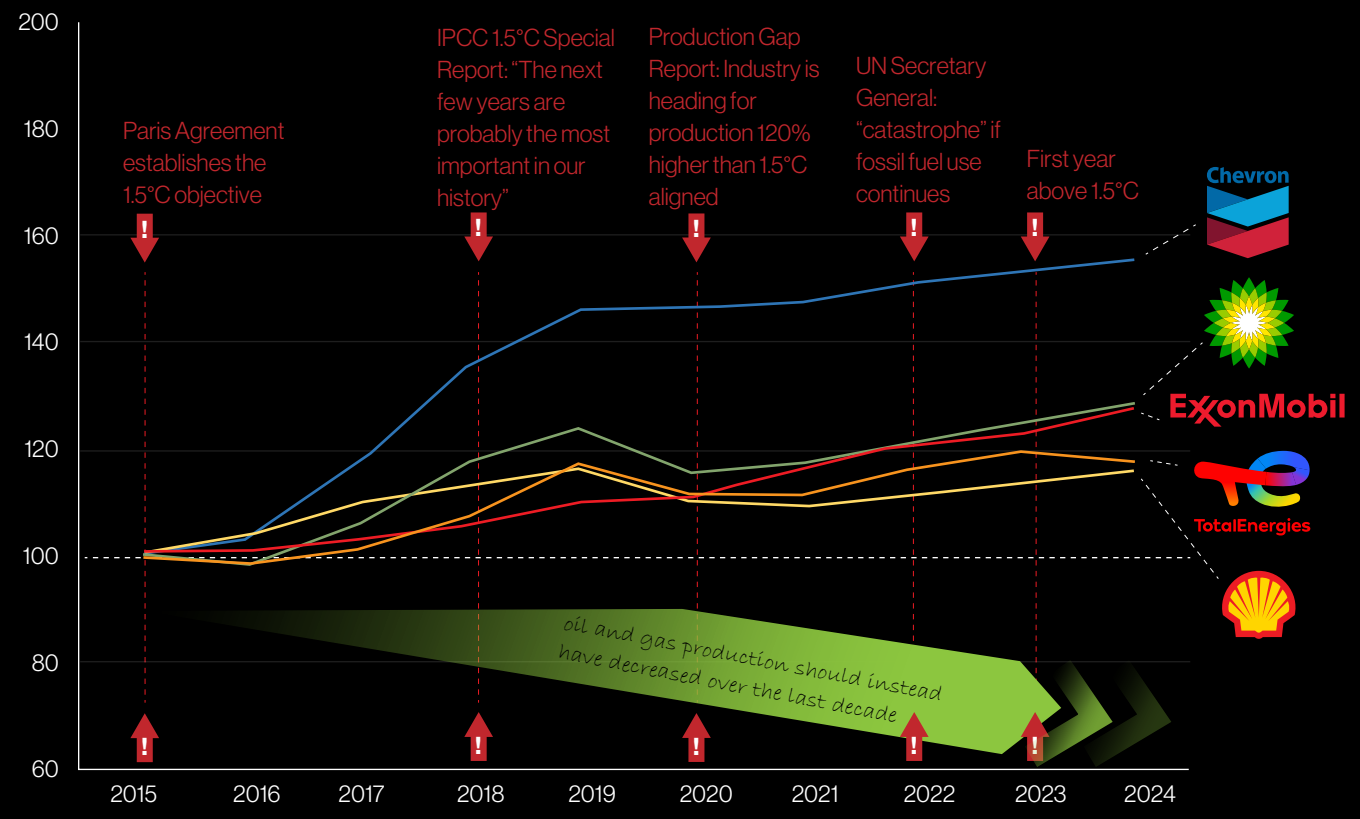

Figure 2: Increases in oil and gas extraction by the five Super Majors since 2015 (indexed to 2015 levels=100)

Not that the supermajors are the whole of the problem, or that they are alone in increasing their post-Paris fossil-fuel production. But we single them out for three reasons. First, these companies have greater resources than others, which could have enabled them to change course: the supermajors made over USD 120 billion of profits in 2023.[12] Second, unlike state-owned national oil companies, their profits go solely to benefit private individuals (and mainly wealthy individuals) rather than public budgets. Third, these companies have consistently advertised themselves as central to the solution to climate change, implying that their efforts were going into renewable energy,[13] when in reality between 75% and 100% of investment went into oil and gas, even as recently as 2022.[14]

The parasitism of the global rich

Finally, there is the problem of the global rich, by which we mean their excessive direct and indirect emissions, which often cross the line from free riding to unambiguous parasitism. The world's high income groups are now responsible for so much emissions that they alone would drag us far beyond any 1.5 °C-consistent mitigation pathway. This is shown in the following graphic:

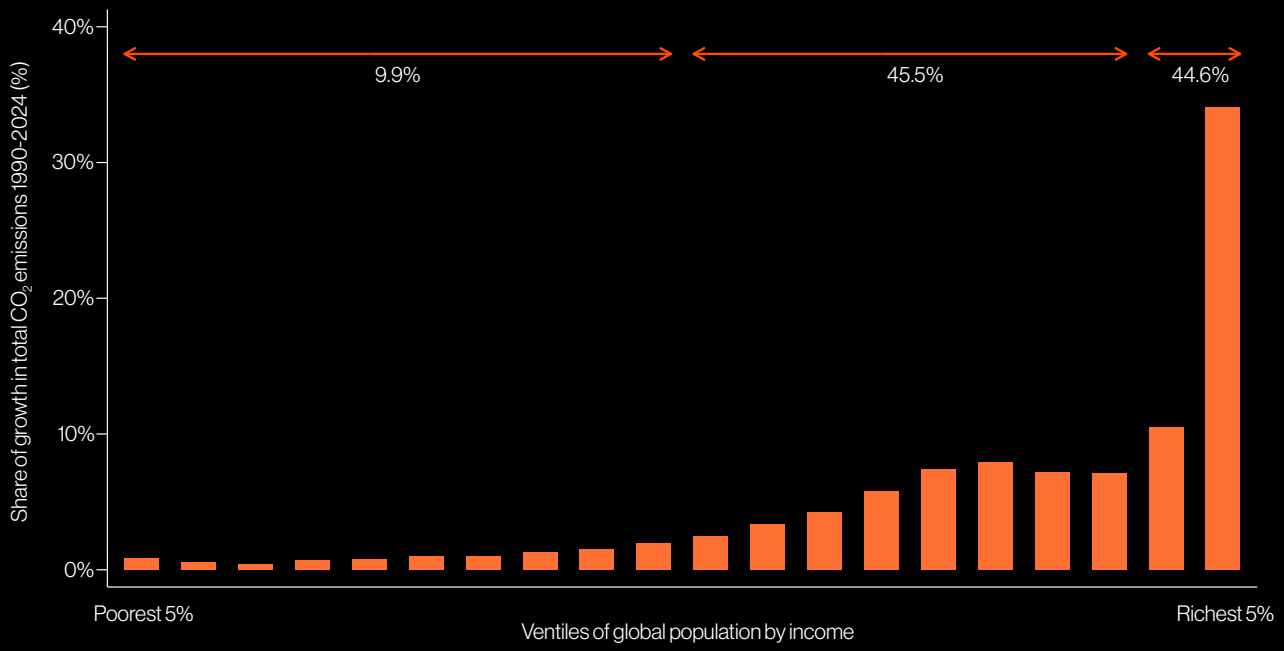

Figure 3: The inequality of emissions growth from 1990 to 2024. The world's population is plotted by income ventiles, from the poorest 5% on the left to the richest 5% on the right. Each ventile's bar shows its percentage share of the total emissions increase from 1990-2024. The top arrows show the total share of total emissions increase for the poorest 50% (total share: 9.9%), middle 40% (45.5%), and richest 10% (44.6%) of the world's population. Source: own representation of data obtained from the SEI Emissions Inequality Calculator API https://emissions-inequality.org/api

This chart simply divides the world population into 20 income slices, and shows the cumulative percentage of post-1990 emissions growth that can be attributed to each. It shows that *a vastly disproportionate amount* of that emissions growth belongs to the richest among us. In fact, over a third of all post-1990 emissions growth belongs to the richest 5%, and almost half to the top 10%, whereas the contributions of the poorest are just barely visible in comparison. All told, the evidence paints such a clear picture of the unequal distribution of the responsibility for causing climate change, that nothing more needs to be said here.

The post-Paris world is defined on all sides by actors and institutions that are stubbornly pursuing catastrophic aims. The refusal of the Global North to do anything like its fair share, the cold, short-term logic of fossil-fuel profitability, the consumption and investment footprints of the global rich – they all pose profound structural obstacles to the mobilization we need and must be kept clearly in mind when considering the need for systemic changes that go far beyond superficial reforms.

Volunteers join together to plant young mangrove trees in mangrove reforestation project. Gelang Patah,Johor,Malaysia.
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FAIR SHARES ASSESSMENT

FAIR SHARES ASSESSMENT OF THE NDCs' MITIGATION TARGETS

The Civil Society Equity Review coalition came together in 2015 before COP21 in Paris, a key political moment, to make a strong collective statement about the imperative need for countries to pledge to do their fair share to reduce global emissions. Now, we have arrived at another key political moment with a new round of NDCs expected in late 2024 and early 2025, setting targets for 2035.

Developed in the wake of the first Global Stocktake (GST) at COP 28, these NDCs are among the last global intervention points to have any chance of keeping 1.5 °C in sight.

To inform what is needed in these new NDCs, this report assesses the current NDCs, which governments adopted between 2016 and 2023.

DEVELOPED COUNTRIES ARE THE KEY PROBLEM

It is widely known that the world is falling far short of the ambition level needed in order to meet the temperature goals of the Paris Agreement. Current NDCs and the efforts to implement them are not sufficient for holding warming well below 2 °C or limiting it to 1.5 °C. The world cannot afford another lost decade of climate inaction. In the more than three decades since the negotiation of the United Nations Framework Convention on Climate Change, our elites have continued to pump greenhouse gas (GHG) pollution into the atmosphere, and even today they continue to plan for further expansion of fossil fuel extraction rather than the phase out that is urgently needed.

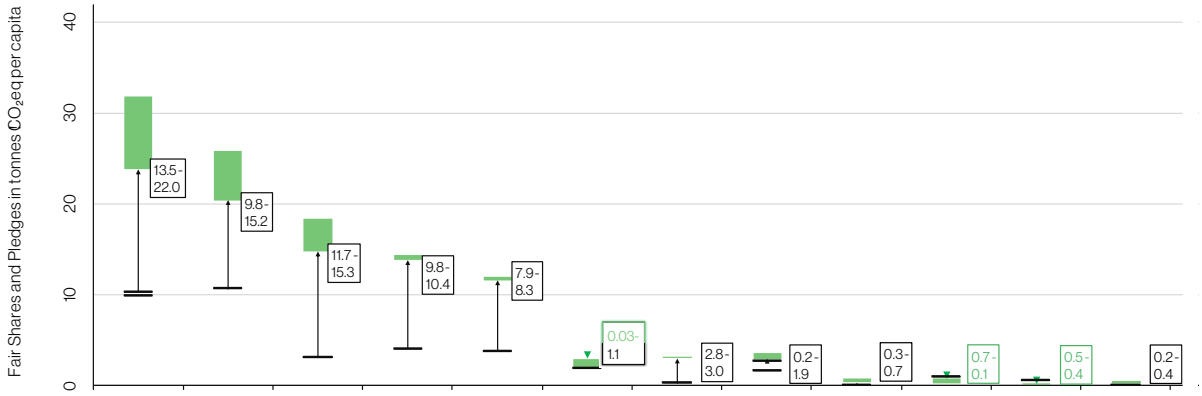
However, the blame for this shortfall is not shared equally. For this report, we have updated our fair share assessment of the 2030 mitigation targets in current NDCs, to take better account of updated data on income inequality within countries. We hope that highlighting the gaps in the current NDCs can inform greater ambition in the new ones that governments are soon to submit.

This update better reflects the capacity that exists in many countries in the Global South. As a result, this report shows relatively larger mitigation fair shares for most developing countries than previous iterations of this work, while the opposite is generally true for the Global North.[15] However, even with this update, we still find that no developed or rich country's NDC contains a target that comes close to their fair share. This has profound implications for the planet, since rich countries (with considerable historical responsibility and capacity) are responsible for the bulk of the climate action needed.

The figures and table below show the results of our fair share analysis for a selection of NDCs. Since these NDCs are from countries with vastly different population sizes, we present them in per-capita terms to facilitate straightforward comparisons between countries. Specifically, we show the mitigation impact in 2030 of the NDC mitigation targets (black horizontal lines) and contrast them with the range of fair shares under different interpretations of what could be considered fair – the green band represents each country's fair share range. This range reflects different interpretations of the ethical principles of capability and responsibility. In order to be considered fair-shares-consistent, an NDC (i.e. the black horizontal lines) would need to be overlapping with the green band, an NDC mitigation target would exceed the fair share if the horizontal line was above the green band and would fall short if it was below. Vertical green and black arrows, and corresponding number labels, show the extent of this exceedance or shortfall, respectively.

Belchatow coal-fired power plant. Rogowiec, Poland. 14th November 2023. © Anna Liminowicz / Climate Visuals

SELECTED NATIONAL NDC MITIGATION PLEDGES AGAINST FAIR SHARE BENCHMARKS



		United States	Australia	Japan	United Kingdom	European Union	China	Brazil	South Africa	Indonesia	Tuvalu	Kenya	India
2030 Per Capita Fair Shares and NDC pledges (tonnes of CO_2eq per capita below baseline in 2030)													
Fair Share Range		31.9	25.8	18.3	13.8	11.6	1.8	3.1	2.9	0.3	0.2	0.05	0.2
		23.8	20.4	14.7	14.4	11.9	3.0	3.0	3.5	0.7	0.7	0.2	0.4
NDC		10.3	10.6	3.0	4.0	3.7	1.9	0.2	2.68	0.0	0.9	0.5	0.0
(range, if applicable)		9.9							1.6				
Pledge	at least	13.5	9.8	11.7	9.8	7.9		2.8	0.2	0.3			0.2
Shortfall	up to	22.0	15.2	15.3	10.4	8.3	1.1	3.0	1.9	0.7			0.4
Pledge	at least										0.1	0.4	
Exceeds	up to						0.03				0.7	0.5	

Figure 4: Comparison of mitigation fair shares and pledges of example countries (in tons of CO_2eq of mitigation below baseline in 2030 per capita per year). For each country or region, the horizontal black line(s) show the NDC pledges for 2030; the green band shows the fair share range, delineated by 1850-High and 1950-Medium progressivity fair share benchmarks for 2030; vertical black arrows: minimum shortfall between NDC pledge and fair share benchmark; black number labels: range of shortfall between NDC pledge and fair share; vertical green arrows: maximum exceedance of NDC pledge over fair share; green number labels: range of exceedance of NDC pledge over fair share.

The charts and data table clearly show that the US, UK, EU, Japan, and Australia would all need to more than double or even triple the ambition stated in their NDC to achieve even the lower end of their fair share range. For example, while we assess the US' NDC to result in 9.9 to 10.3 tons of mitigation per capita in 2030, the US' fair share contribution to 1.5 °C consistent mitigation would be 23.8 to 31.9 tons per capita – a shortfall of between 13.5 and 22 tons per capita.

On the other hand, mitigation pledges of the Global South countries in the chart are generally close, or at least much closer to meeting or in a few cases exceeding their fair shares. Figure 5 provides a zoomed-in graph of the countries with fair shares of less than 5 tons CO_2eq of mitigation per capita. China's NDC mostly meets its fair share of effort – at least as reflected by the less stringent of our fair share benchmarks – its NDC mitigation target is very slightly more stringent (by 0.03 tons of mitigation per capita) than the lower bound of the fair share range (but falls 1.1 tons short of the upper bound of the fair share range). For South Africa, where we observed in last year's report that the higher end of its target range was in line with our fair shares benchmark, we find this no longer to be the case given the updated capacity calculations of this year's update – South Africa's NDC is now assessed as falling short of its fair share.

For India and Indonesia, we assess that the mitigation targets of their NDCs would not result in any additional mitigation relative to baseline. This is because, in both countries, targets are expressed relative to baseline projections that are implausibly high and/or have not been updated even though reality has shifted.[16] Thus, we assess both countries as falling short of their fair share benchmarks, though it is worth noting that their per-capita shortfalls are still substantially smaller than those of the high-income countries. This points to the urgent need for both countries to update their NDC mitigation targets based on current data and projections. Additionally, in India, current policies and actions that are already being taken would overachieve the mitigation target in the NDC. Given this, it is plausible that an NDC update that merely reflects the mitigation impact of current policies would meet India's fair share benchmark, as India's fair share is only 0.2 to 0.4 tons of mitigation per capita in 2030. Brazil, for its part, falls noticeably short of its fair share, even with the favourable approach to quantifying its NDC taken here.[17] In contrast, the mitigation targets of the lowest-income countries evaluated, Kenya and Tuvalu, actually exceed what their fair share benchmark would require.

This pattern has been seen since our NDC analyses started in 2015. Wealthier and developed countries have fallen very far short of a fair share of effort, while Global South countries are closer to the mark. The lack of ambition in the Global North is particularly concerning, though. First, because they have the biggest fair shares, shortfalls from countries like the US and UK have more impact than small shortfalls in countries like South Africa. For example, the ambition gap between the US' current pledge and their fair share is three to five times the size of the entire South African mitigation fair share.

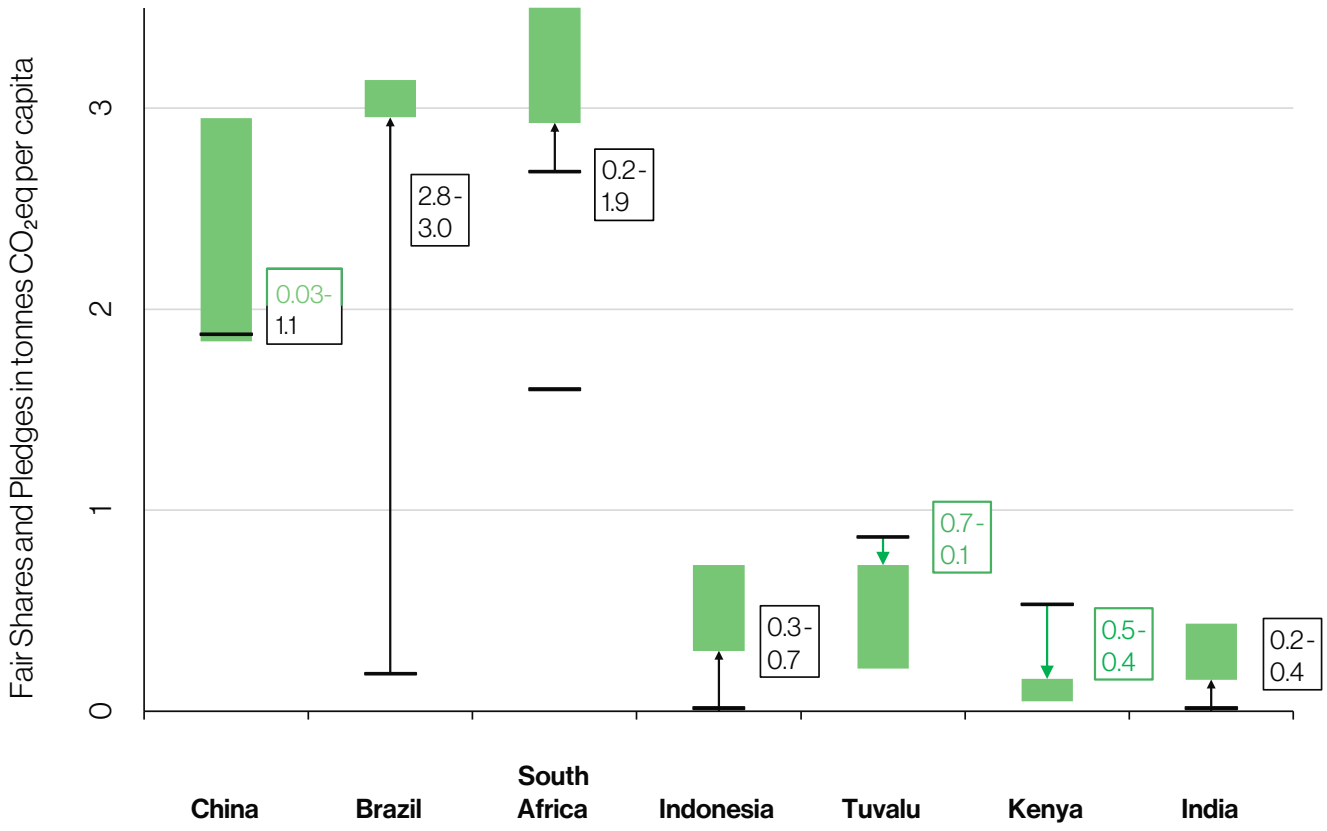


Figure 5: Comparison of mitigation fair shares and pledges of subset of example countries. This chart shows a subset of countries depicted in Figure 4, with fair shares below 5 tons CO_2eq per capita of mitigation, with a different vertical scale to better show details for this subset. For other notes, see caption of figure 4.

MISSING CLIMATE FINANCE

Besides insufficient mitigation targets, a key part of this failure by the wealthy countries of the Global North to meet their fair share, though, is their failure to deliver climate finance. Countries with high historical emissions and high capacity – meaning most developed and wealthy countries today – have a mitigation fair share that is much higher than their domestic potential for emission reductions. So even if they were doing every aspect of mitigation possible at home (which is also not the case), this alone would not be enough to meet their fair share. Since, conversely, many developing countries have more potential for mitigation than their fair share would demand them to undertake with their own resources, climate finance is a way in which developed countries could meet the portion of their fair share that exceeds their own domestic mitigation potential.

However, progress on climate finance has been even worse than progress on domestic climate action. The Global North has failed to meet the USD 100 billion a year in climate finance target by 2020, and while they have since claimed to have met this threshold, overwhelmingly this has been met with loans and accounting tricks,[18] adding to the debt burden of the Global South. Very little new, additional, non-debt-creating finance is flowing and developing countries know this, regardless of the talking points coming from developed countries. These failures come despite the fact that the USD 100 billion target is at least an order of magnitude smaller than what is truly needed, according to several recent estimates (see section 3). This has led to both a worsening climate crisis and a deepening of the inequity of the crisis.

It is also important to recognize that a population of global elites resides within Global South countries (albeit fewer than in the North), and that they have considerable emissions footprints and climate action fair shares, as wealthy elites do in any country. Since all countries have fair shares, and since the wealth and responsibility of national elites – and all those with means – are primary drivers of national fair shares, a true fair share approach would see fair share principles applied to equitably divide the necessary domestic effort among socio-economic groups within countries, including in the Global South. Government policies should be designed to ensure that no community is inequitably and disproportionately burdened.

Fair Shares NDCs for 2035

	United States	Australia	Japan	United Kingdom	European Union	China	Brazil	South Africa	Indonesia	Tuvalu	Kenya	India
2035 Per Capita Fair Shares (tonnes of CO_2eq per capita below baseline in 2035)												
1850-High Progressivity	38.4	30.9	23.0	16.8	14.5	2.7	4.0	3.7	0.4	0.3	0.1	0.2
1950-Medium Progressivity	28.8	24.4	18.5	17.3	14.8	4.1	3.7	4.3	1.0	0.9	0.2	0.6
Reduction (%) below base year ...	**2005**	**2005**	**2013**	**1990**	**1990**		**2005**					
1850-High Progressivity	188%	156%	220%	219%	152%		58%					
1950-Medium Progressivity	141%	120%	178%	225%	155%		51%					
Reduction (%) below baseline projection in target year (2035)												
1850-High Progressivity								41%	12%	14%	4%	
1950-Medium Progressivity								49%	27%	45%	12%	
Reduction (%) below GHG intensity of GDP in base year						**2005**						**2005**
1850-High Progressivity						71%						57%
1950-Medium Progressivity						75%						62%

Table 1: 2035 mitigation fair shares for a selection of countries. The *same pair of two fair shares benchmarks are expressed in a number of different ways that countries typically use to communicate mitigation targets in their NDCs. All figures are for mitigation in 2035 of total GHG emissions exclusive of LULUCF.*

In 2024 and 2025, countries will set their new NDCs, with mitigation targets for 2035. If these new NDCs are to succeed in closing the gap between what is being promised and what is needed, all countries need to put forward NDCs with 2035 targets that are fully aligned with their fair share of the global mitigation needed to bring the world onto a 1.5 °C pathway. For the Global South , they should also be very explicit in emphasizing the potential for action beyond their fair share in the conditional portion of their NDCs, demonstrating explicitly where additional ambition could be unlocked with climate finance. For the Global North, these NDCs must:

- Reflect the needed domestic ambition for equitable 1.5 °C pathways and doing their part to close the gap in needed action;
- Include a commitment to grant-based climate finance to fulfill their full fair share;
- Include plans to equitably and rapidly phase out fossil fuel extraction (see below).

These are the key pieces of the equity-based strategy for stabilizing the climate and preserving a world in which human civilization can thrive.

As the climate crisis worsens, there has been and likely will continue to be pressure to abandon principles of justice in the name of expediency. The social movements, environmental and development NGOs, trade unions, faith and other civil society groups that have come together to present this report, representing a wide spectrum of organizations, reject this pressure.

ASSESSMENT OF EQUITABLE FOSSIL FUEL EXTRACTION PHASE OUT

We turn now to a specific aspect of mitigating climate change: the phaseout of fossil fuels.

At COP28 in Dubai, governments committed in the Global Stocktake to "transitioning away from fossil fuels in energy systems."[19] Energy systems are defined as comprising the physical infrastructures and societal processes that produce and consume energy, from primary extraction, through transport, processing and transformation, to the consumption of useful energy services.[20] Thus, at COP28, governments committed to decrease both the extraction and the use of fossil fuels.[21]

Traditionally, most climate mitigation efforts have focused at the point at which greenhouse gas emissions enter the atmosphere, such as chimneys and tailpipes. In the case of energy, this relates to the consumption of fossil fuels. However, a growing body of research over recent years has found that reducing the production of fossil fuels can effectively mitigate climate change, in some circumstances more effectively than tackling fossil fuel consumption.[22] Conversely, continued growth of production can undermine efforts to mitigate climate, by "locking in" future emissions.[23]

A FAIR PHASEOUT OF FOSSIL FUEL EXTRACTION

In our 2021 and 2023 reports,[24] building on prior research,[25] we proposed a framework for phasing out fossil fuel extraction in a way that is fair for everyone: for fossil fuel workers, for fenceline communities, for users of public services funded with fossil fuel revenue, for farmers, fishers and others affected by climate impacts. The framework is based on five principles:

- Stop extraction where it violates human rights;
- Phase down extraction at a global pace consistent with the 1.5 °C limit;
- Enable a just transition for workers and communities;
- Reduce extraction fastest in countries least socially dependent on it;
- Share transition costs fairly, according to ability to bear those costs.

The 2021 report includes profiles of thirteen countries, and the challenges they face in phasing out fossil fuel extraction. The 2023 report goes on to quantitatively assess countries' dependence on fossil fuel extraction for jobs, for revenues and for energy supplies. It calculates how fast each country would need to phase out fossil fuel extraction to be consistent with 1.5 °C, assuming the pace of phaseout is proportional to each country's dependence, combined across these three elements. We find that the least dependent countries would need to phase out extraction by around 2030, and the most dependent by around 2050.

The 2023 report also makes a first, very approximate, and likely lower-bound assessment of the global cost of phaseout, based on the limited number of studies currently available. Assuming countries contribute to the global costs of phaseout according to their capacity and responsibility, it estimates that lower-capacity countries will need about USD 240 billion per year of international support from wealthier countries. This is just for fair fossil phaseout support; international climate finance will also be needed for other aspects of mitigation, for adaptation and for loss and damage (see the discussion below).

BOX: HOW COUNTRIES' CIRCUMSTANCES DIFFER – AN ILLUSTRATION

To see why fairness implies countries phasing out fossil fuel extraction at different speeds, consider the widely differing degrees to which countries' economies depend on extraction.

For example, the UK has about 30,000 offshore oil and gas workers, plus up to 100,000 workers in the onshore supply chain for the industry,[26] together totalling about 0.35% of the country's workforce.[27] Some local and regional economies are largely sustained by spending from the oil and gas sector, such as in the northeast of Scotland. Delivering a just transition for all those workers and communities will not be a trivial endeavour. Fortunately, the world's sixth largest economy has considerable financial and institutional resources to invest in this endeavour. And that economic position will not be significantly affected by phasing out oil and gas, which provided just 4.5% of the UK's exports,[28] and 0.16% of its public revenues[29] in 2023-24.

Compare this with phasing out oil and gas in Iraq. There, a similar number and slightly higher proportion are employed in oil and gas extraction: about 100,000 people, 1% of the country's workforce.[30] However, oil and gas provide 88% of Iraqi government revenues,[31] meaning that this proportion of public sector workers – 3.4 million people, 33% of Iraq's total workforce[32] – depend for their income on oil revenues, in addition to those working directly in the sector. Not only salaries, but the vast majority of budgets for provision of public services, from health and education to electricity and water, are funded by oil and gas. A rapid decline in these revenues would cause profound hardship for Iraqis. Oil and gas also constitute 94% of exports, which are vital for generating foreign currency.[33] We know from many countries' experience that escaping economic dependence on oil is extremely difficult: even over several decades, few have succeeded in doing so.[34] In fact, the more dependent a country is, the harder it is to reduce that dependence – a vicious catch-22.

Add to this that Iraq's per capita income is less than an eighth of the UK's.[35] When we consider only the discretionary income above what is needed to meet people's basic needs – which is how the Civil Society Equity Review measures capacity – the gap is even starker: Not only is Iraq's transition considerably more challenging than the UK's, the resources that Iraq has available to ensure that this transition takes place in a just manner, and to invest in alternative economic sectors, are far fewer.

Given adequate support, countries like Iraq can phase out fossil fuels while delivering a just transition, but it will take time for them to do so. And to make this possible while staying within the 1.5 °C carbon budget, countries like the UK must phase out faster.

ASSESSING GOVERNMENTS' EXTRACTION PLANS

Whereas NDCs indicate a nominal (albeit often inadequate) intent to reduce a country's territorial emissions, most governments have not even committed to phase out any fossil fuel extraction. The *Production Gap Report (PGR),* produced by Stockholm Environment Institute, the UN Environment Programme and others, finds that government plans for and projections of their future fossil-fuel extraction would lead to global coal, oil and gas extraction respectively 460%, 29%, and 82% higher than they would be under 1.5 °C-consistent pathways.[36]

The *PGR* compiles governments' extraction plans and projections for nineteen[37] countries, which together account for 92% of global coal extraction, 74% of oil and 72% of gas.[38] In this section of this report, we compare these countries' planned changes in extraction from 2021 to 2030 with those that would be needed under a fair, 1.5 °C-consistent phaseout, as outlined in our 2023 report.

In a fair phaseout, all countries would reduce their extraction by 2030, but by different proportions, ranging from a 29% reduction for Kazakhstan's oil extraction[39] to an 83% reduction for the United States' coal and Norway's oil and gas. When we compare such numbers with what governments are actually planning, the results are sobering. Especially egregious cases are low-dependence wealthy countries like the United States and Canada, which plan to significantly *increase* their extraction. Given these increases, the only way to align globally with climate limits would be for fossil-dependent countries to make even faster cuts to their extraction than the already-challenging phaseouts we have proposed. Thus, the Global North's planned increases not only threaten the world's ability to limit warming to 1.5 °C, they also deny Global South countries the opportunity of a just transition, damaging their prospects for economic development. More immediately, as the Global North floods global oil and gas markets, it undercuts the prices export-dependent producers need to finance their diversification efforts.

The Global North has simply failed to either reduce its own extraction or to provide finance and support to enable Global South countries to reduce theirs. Even countries that plan to decrease production, such as the UK and Norway, do so far too slowly to be consistent with their fair share in a global 1.5 °C pathway, and these decreases are, in any case, driven by geological depletion rather than government policy.[40] Most fossil-rich countries, whether their history lies with the Global North or the Global South, are still planning on exploiting their coal, oil, and gas resources for as long as they possibly can.

Figure 6 shows the combined total extraction by these 19 countries, for coal and oil and gas. For each, it compares governments' plans (the top lines in the graphs) with fair, 1.5 °C-aligned phaseouts (the bottom lines). The gaps between these pathways is divided into three portions: in orange, excess production in high-capacity countries; in the shaded area, excess production in low-capacity countries where international support is required to close the gap; and in blue, excess production in low-capacity countries where those countries should close the gap using their own resources.

For coal, the large majority of excess planned extraction is in low-capacity countries where a fair phaseout requires support to enable closing the gap. Smaller portions of excess coal are left for governments (of both high- and low-capacity countries) to decrease on their own. For oil and gas, more than half of the excess extraction is set to occur in high-capacity countries; of the remainder, a majority requires support to close the gap. These graphs illustrate the predominant share of phaseout effort needed from high-capacity countries, both in reducing their own extraction and in providing support to enable low-capacity countries to reduce theirs.

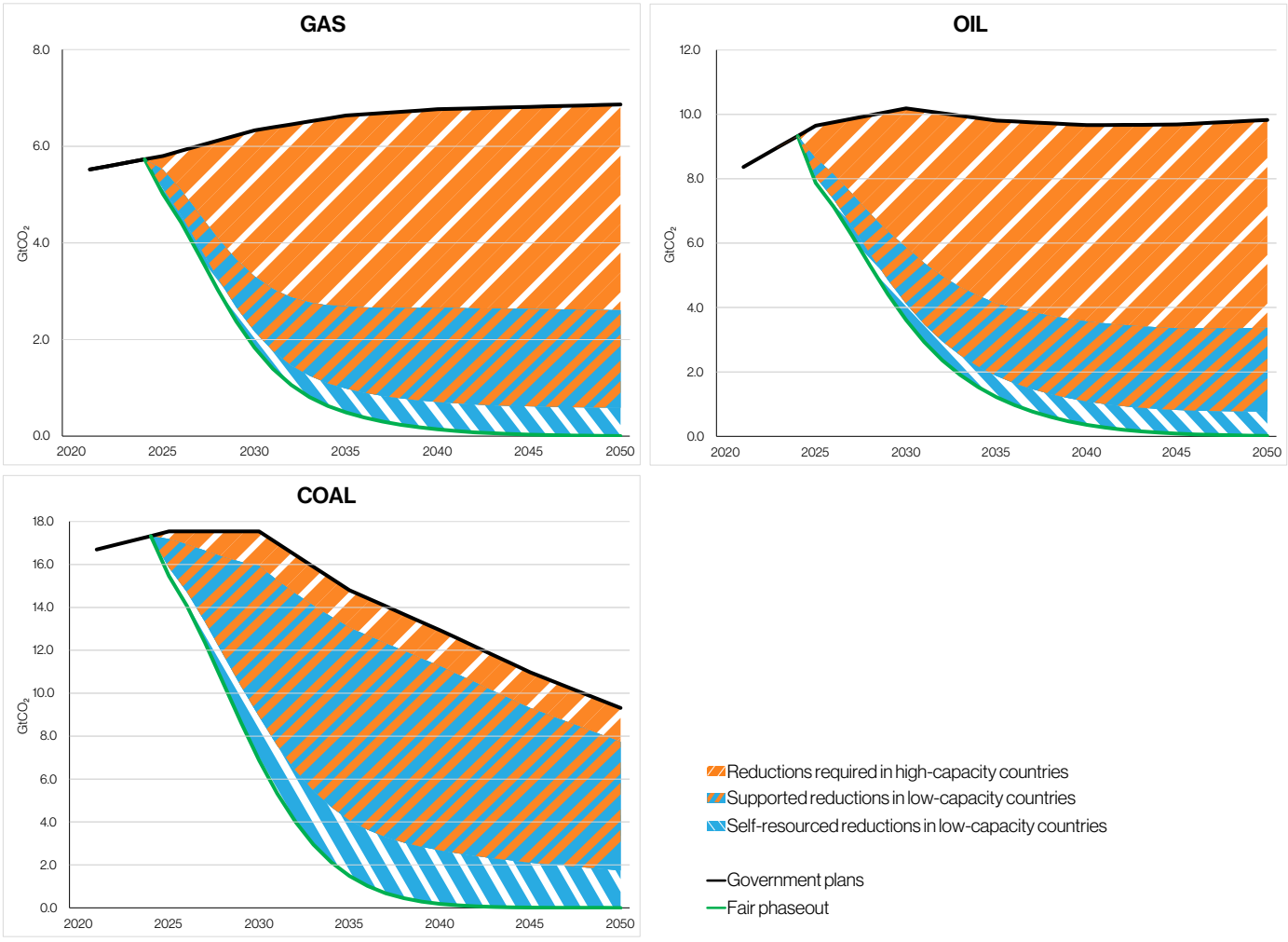


Figure 6: Changes in fossil fuel extraction from 2021 to 2030. By fuel type: government plans and projections, compared to reductions needed for a 1.5 °C-consistent fair phaseout. For each fuel type, the panels show the combined increase in fossil fuel extraction that would result from industry and government expansion plans compared to the 1.5 °C-consistent fair share phaseout trajectory. The gap between plans and phaseout trajectory is differentiated based on whether it is effort that would need to take place in high-capacity (orange) or low-capacity (blue) countries, with the latter further differentiated between effort that those countries would have to implement with their own resources (dot pattern) or with support from high-capacity countries (orange-blue stripes). Sources: Production Gap Report 2023,[41] Civil Society Equity Review 2023.[42]

DENIAL AND ORCHESTRATED DELAY

As the saying goes, when you are in a hole, you should stop digging. In 2021, the International Energy Agency (IEA) found that in its 1.5 °C Net Zero Emissions scenario, fossil fuel consumption can be fully supplied by the fields and mines already in operation.[43] In other words, no new fossil fuel development – no new digging – is actually needed. Subsequent research by the International Institute for Sustainable Development (IISD) finds that the same is true in the median 1.5 °C IPCC scenario, and, indeed, in all significant 1.5 °C scenarios published by universities, intergovernmental organizations and companies.[44] Noting that it is much harder politically, economically and legally to close an existing field than to prevent a new one from opening, this implies that no new fields or mines should be opened, in order to achieve the Paris goals.[45]

Yet many countries continue to open new fields and mines, prioritizing their own short-term benefits over international cooperation on climate change.

A report by Oil Change International entitled *Planet Wreckers* finds that new oil and gas fields projected to be opened between 2023 and 2050 could add nearly 200 billion tons of carbon dioxide to the atmosphere, equivalent to the lifetime emissions of over 1,200 coal plants – this on top of the emissions already committed by existing fields![46] More than half of this growth is projected to come from five low-dependence countries in the Global North: the United States, Canada, Australia, Norway, and the United Kingdom. The report characterizes these five as "the biggest climate hypocrites and most egregious Planet Wreckers." The same five countries also account for two thirds of the new exploration licenses awarded since 2020.[47]

The hosts of COP28 and COP30, the UAE and Brazil, are each set to open new fields that will contribute more than 5 billion tons of carbon dioxide emissions. And COP29 host Azerbaijan is projected to increase its gas extraction by a third from 2024 to 2033, according to research by Global Witness.[48]

Meanwhile, Global Energy Monitor finds that China is developing 1,280 million tons per year of new coal mine capacity,[49] equivalent to a quarter of the country's current production. Eighty percent of this new capacity is on greenfield sites.

While these new fields threaten both the global achievement of the 1.5 °C goal and the development needs of Southern countries (by forcing too rapid a transition on them) they also constitute a waste of capital that could be used to help achieve the transition. For example, IISD finds that if redirected, the projected expenditure on *new* oil and gas fields in 2030 could fully close the investment gap for wind and solar worldwide.[50]

PHASING OUT FOSSIL FUELS IN THE NEW NDCs

Since COP28, most governments have done little to implement their pledges to transition away from fossil fuels. The new round of NDCs is an important opportunity to make those words more concrete.

Previous NDCs have rarely even mentioned fossil fuel extraction.[51] In their new NDCs, governments should rectify this by:

- Commiting to not open any new coal mines or oil and gas fields;
- Commiting to phase out their extraction of coal, oil and gas at a pace consistent with a fair fossil fuel phaseout;
- Identifying diversification pathways for their economies, and plans for just transition support for workers and communities;
- In the case of Global North governments, providing sufficient support to enable poorer countries' phaseout, as part of a larger package of climate finance and support;
- In the case of Global South governments, costing their fossil fuel phaseout needs, including by identifying the actions they can take with their own resources and additional conditional actions that can be taken if adequate international support is provided.

A driver of an online taxi based on an electric motorcycle exchanges his lithium-ion battery at the swapping station in Jakarta, Indonesia.
© Aji Styawan / Climate Visuals

A building releases flames in the industrial area of Witbank, Emalahleni South Africa on November 28, 2023. Witbank, just like many communities in South Africa is surrounded by mines and industry. Just nineteen months ago the High Court in Pretoria confirmed a judgement in what was called the Deadly Air Case, that the poor air quality over the Highveld Priority Area is a breach of residents' section 24(a) constitutional right to an environment that is not harmful to their health and well-being. © Gulshan Khan / Climate Visuals

CLIMATE FINANCE AND ITS SOURCES

Climate finance is the key to unlocking our global deadlock. This is true in the short term, as the debate over the "New Collective Quantitative Goal" is going to painfully demonstrate. And it is true in the long term because – whatever happens at COP29 and COP30 – the financial challenges of the climate transition will remain at center stage. Think of these challenges as specters that haunt the negotiations, echoing within the COP hallways the overarching historical, economic and ecological debts that are owed by the rich world to the poor.

To clarify, by "climate finance" we specifically mean international, public, grant-based finance from Global North countries to Global South countries. While private sector direct investment and debt financing must also – obviously – be radically redirected as well, this is not what we are referring to here. Also, we are referring to finance that is specifically targeted at a comprehensive social and infrastructural transformation to climate resilient, zero carbon development paths. This leaves entirely aside any obligations associated with broader notions of ecological debt, or colonial debt, or the cancellation of odious sovereign debt, or the various other dimensions of historical injustice, which taken together are essentially incalculable.

It is important to note that countries in the Global South are already spending tremendous amounts domestically to address climate change. According to the most recent *Global Landscape of Climate Finance* report in 2022, these countries spent more than USD 680 billion domestically that was considered climate finance.[52] This was more than six times as much as all the international climate finance received from the Global North, even if one includes all sources, both private and public, grant and non-grant. Additional to this official climate finance spent by the Global South, one must also consider all of the unofficial costs borne by individuals, communities and households struggling to adapt to climate change or incurred as damage due to climate impacts.

Whatever shape the climate transformation finally takes, it must match the scale of the climate challenge itself, and that means that the associated climate finance must be measured not in units of millions of dollars, but in units of trillions. This is most clearly obvious in the scale of the impacts, the death and the destruction that is already occurring. These impacts are already immense and continue mounting at ever-increasing rates. To respond to them, believably and effectively, we will have to match their scale across the whole range of challenges – mitigation, adaptation, loss and damage response, justice based transition – all of them on a global scale.

At this moment in time, we cannot know with any real precision, how much, exactly, the climate finance requirement amounts to. Human society has never before undertaken, deliberately and in defiance of organized corporate opposition, an intentional transition of the scale now needed. And note well that the scale of necessary adaptation and loss and damage efforts will depend on the success of the mitigation efforts, as well as the unknowable responses of a climate system that is approaching extremely dangerous tipping points. Facing such challenges, we can only learn-by-doing, while being sure not to doom our own effort by starving them of resources.

We do have some rough preliminary estimates of what it will take to get started. For example, the new Needs Determination Report, just released by the UNFCCC's Standing Committee on Finance, tells us that "the costed needs from the latest NDCs amount to USD 5.012-6.852 trillion cumulatively out to 2030," a figure which it annualizes (over the 2020 to 2030 period) as USD 455-585 billion. This figure, however, is neither complete nor firm – only a page later, the same report tells us that the national communications, by a reckoning that leverages the identified needs of 145 Parties, suggest a total need of USD 28.32-28.67 trillion, though the time period here is not clearly specified.

Numbers like these clearly tell us that the financial demands of the transition will be very large indeed, even though we do not yet know the precise details of these demands. So take these numbers as meaningful, but take them with care. The truth here is that, however meticulous and participatory any needs assessment is, it can only be provisional, because the "real" bottom line will depend on how quickly and decisively humanity mobilizes, and how much obstruction the mobilization faces, and how forgiving the climate system turns out to be; none of which is knowable in advance.

Given this, a true global climate mobilization must ultimately redirect trillions of public dollars a year to the Global South, trillions of dollars that – it is safe to say – are not going to be on offer at the coming COP.

What will be on offer? All indications are that the Global North's position on the new finance goal will be almost entirely rooted in private finance, and will be shockingly inadequate. One way to understand these paltry amounts is by measuring them against a proper "moral barometer" marked to quantities of at least USD 5 trillion a year in public finance, which is the standard set by the Pay Up campaign.[53] In the climate talks themselves, where the logic of the formal negotiations sets the terms, both developing country governments and civil society groups have submitted positions that call for USD 1 trillion a year in public, pre-2030 climate finance, and in almost all cases, these positions have clearly stipulated that this finance must be entirely grant-based or concessional.[54] The African Negotiating Group has aimed a bit higher with a call for USD1.3 trillion a year, though this does not seem to exclude the mobilization of private finance.[55] If anything is certain, it's that numbers like these will become familiar in the years ahead. We are talking now, finally, about trillions, not billions.

The Global North's negotiators are refusing to engage with numbers of this scale, and by so doing are playing a very dangerous game. In this refusal, they imagine themselves realists, but they are in fact refusing to engage with numbers that have real empirical bases, and by so doing are endangering the UNFCCC regime and, indeed, the entire multilateral system, not to mention any remaining possibility of a stable climate and all that depends on it. True realism lies in the recognition that we actually have the money to save ourselves, and that the reallocation and redistribution of that money is now an existential necessity.

Against this backdrop, we identify below some possible climate finance sources that could scale to be commensurate with the need. In doing so, we are acutely aware that actually mobilizing North to

South finance flows of this scale will take more than the identification of sources. In fact, it would require the financial architecture of the globalized economy to be fundamentally reformed, because the existing architecture is simply not fit for purpose. Thus, after discussing sources, we will turn to some of the basic reforms immediately needed, as well as core elements of the systemic change required to make a global climate transformation feasible.

POTENTIAL SOURCES FOR CLIMATE FINANCE AT THE NEEDED SCALE

The list of possibilities below is not by any means exhaustive, and is very strongly slanted towards public finance. This is because private finance – which dominates the vast bulk of the mainstream climate finance discussion – could never, even in the very best possible case, meet the needs of the transition. Suffice it here to say that real social and environmental protection will never be funded by the private sector. Adaptation measures and addressing loss and damage are by their nature not profitable and have already proven incapable of attracting private sector funding.

One essential point here is that some public climate finance – say a trillion or two per year – could be quickly and readily made available, even in the world as we have it today. Doing so would not require "system change" in any larger, deeper sense. When it comes, for example, to subsidy reform or tax reform – such that public support flows to clean energy rather than fossil fuel extraction – the possibilities of redirection and reallocation are immediate and even practical. The same is true when it comes to other potential finance sources listed below. How much structural change is needed to, for example, close the tax havens? The answer, in principle, is "not much". What is needed, in the first instance, is courage, and vision, and a political coalition that is able to break through the resistance of anti-tax elites.[56] Ultimately, this will have to be followed up by further changes designed to ensure global systems of finance, trade, and governance do not work at cross purposes to effective climate action and equitable development, but this will be taken up in the next section.

We will focus first on sources of potential climate finance, beginning this discussion with subsidy reform, and go on to the redirection of the military budget and tax justice. All of these require major political and institutional changes, but none demand the wholesale transformation of the global finance and trade systems. Nor do these few chosen examples exhaust the list of the reforms that are immediately available to us. All sorts of others – e.g. a reinvention of the Special Drawing Rights system, which could yield USD 500 billion in concessional loans,[57] and financial transaction taxes, which could, globally, yield USD 327 billion annually,[58] and frequent flier taxes, which could yield USD 150 billion a year,[59] and maritime levies, which could bring in USD 100 billion more[60] – are also on the table.

Again, such "reforms" could quickly yield trillions, and we want to make this point as crisply and decisively as possible,[61] before going on to discuss the deeper structural changes – most of which turn on the international trade and finance systems – that will be necessary to achieve a just global financial architecture.

BEGIN WITH FOSSIL SUBSIDIES, AND THE PRIVATE INVESTMENTS THEY ENABLE

No climate stabilization effort can succeed unless the flow of capital into fossil infrastructure is stopped. This is a key point of strategic sequencing, in the first place because stopping new fossil investment will be easier than rapidly transitioning existing fossil infrastructure to renewables,[62] and because – the key strategic point – the first step to ending new private investment into fossils is to stop public subsidies for fossil fuel infrastructure.

These subsidies are astonishing in size, and they represent a finance flow that could very quickly be redirected to finance the climate transition. How large is that flow, exactly? This question can be answered in terms of either direct public support or "total" subsidies. The former, according to Energy Policy Tracker, **reached a record high of USD 1.7 trillion in 2022**, a figure that represents "public financial support for fossil fuels, in the form of subsidies, investments by state-owned enterprises, and lending from public financial institutions."[63] The latter (and this is according to the International Monetary Fund, no hotbed of green socialism) takes a more expansive view of subsidies, one that includes "undercharging for global warming and local air pollution," and concludes that total fossil-fuel subsidies come to **USD 7 trillion a year.**[64]

With regard to the private investments, which really must be mentioned here, look first to the banks. Because, since 2015's Paris Agreement, **the world's big banks have pumped more than USD 7 trillion into the global fossil fuel business**.[65] These flows, of course, are not entirely consequent to public subsidies for new fossil investment, but there is no reason to think they will stop while such public subsidies continue. This is because private investment into fossil energy is by no means an autonomous process. Governmental policies and especially governmental subsidies actively enable and encourage it. Changing these policies and stopping these subsidies is an essential step towards the necessary fossil investment freeze.

These are huge figures, and they tell a tale in which governments everywhere, even amidst unfolding catastrophe, continue to pour fuel on the fire. A tale in which governments have been captured by the fossil fuel industry, sometimes to the point where it's impossible to tell where one begins and another ends. Given this, the necessary reform, while not *deeply* structural, is not going to be trivial either. The problem is that the capture of national governments by the fossil fuel industry comes along with profound economic entanglements, as for example when nations everywhere, many of them quite poor, are dependent on the fossil sector for revenue and jobs as well as energy itself.[66]

Still, despite these tangles, redirecting fossil subsidies would slow private fossil investment, and free up a huge stream of capital to fund both domestic action and international finance, while fostering the urgent phase out of fossil fuels and supporting critical progress towards emissions reduction targets.

GLOBAL MILITARY SPENDING MIGHT BE THE ULTIMATE MORAL BENCHMARK

Military spending is the gold standard of wasted economic potential, so it is notable that the Stockholm International Peace Research Institute estimates that, in 2023, global military expenditure surged to an unprecedented **USD 2.4 trillion** – the highest level ever recorded after the steepest annual increase since 2009.[67]

The trend here can be no real surprise, for we all know that the post Cold War "global order" is disintegrating, and that the climate transition will have to take place within a rough and dangerous world. What we must add is that it cannot be a world that tolerates territorial expansion by force, or one that bows before enthno-nationalist authoritarianism, with its blithe justifications of mind-boggling cruelties.

The immediate point, from a finance perspective, is that war diverts massive streams of resources from the urgent needs of climate transformation. The wealthiest nations, those in the UNFCCC's Annex II, are, according to the research of the Transnational Institute, "spending 30 times as much on their armed forces as they spend on providing climate finance for the world's most vulnerable countries."[68] The US is responsible for a huge chunk of that, with an official 2025 military budget of USD 852 billion, but other countries are by no means innocent. China holds second place, with a military budget that is now estimated at USD 296 billion a year and is growing fast. Throughout the world, even very poor countries burn significant proportions of their public finance on the military sector, to the obvious detriment of climate transformation and, of course, the well-being of their populations.

Also, and not at all incidentally, the world's militaries are among the world's biggest consumers of fossil fuel, accounting in 2022 for 5.5% of global emissions.[69] If the world's militaries were a country, it would have an emission's footprint greater than Russia's.

Must more be said? If so, let it be this, which is also via the Transnational Institute – "Between 2013 and 2021, the richest (Annex II) countries spent USD 9.45 trillion on the military, 56.3% of total global military spending (USD 16.8 trillion) compared to an estimated USD 243.9 billion on climate finance." And, as of 2022, military spending had increased by 21.3% since 2013. This, obviously, is not the way forward – what is needed is international solidarity, and its demands are rooted in peaceful co-existence, not military violence. And peaceful co-existence, of course, is impossible without justice.

TAXING PROFITEERS AND POLLUTERS

The UN climate negotiations have long been shadowed by the need for transformative levels of international public finance, which never actually materializes. Now, with the need to negotiate a new global finance goal, this shadow has become a dark cloud that is impossible to ignore.

Around the world, people are reaching the conclusion that not only should the rich be taxed but the polluters should be made to pay as well. Witness the increasingly common demand that big polluters pay the true costs of their activities, and how it is being joined to the realization that the excessive wealth of the billionaire class easily could be turned to the task of climate mobilization.

How much money are we talking about?

Begin with tax havens, where each year – again according to the International Monetary Fund – **USD 500 billion to USD 600 billion of corporate tax revenue** disappears, by legal and less-than-legal means. And note that this revenue is not just being hidden from the rich governments. Some USD 200 billion of it belongs, by rights, to lower-income countries, and this is a larger hit, as a percentage of GDP, than the revenue that would have gone to high-income countries. It is also more than the USD 150 billion or so these lower-income countries receive each year in foreign development assistance."[70]

Moreover, this is only the beginning. Because if public finance is urgently needed to address climate, then the scale of the climate crisis compels us to see that the bill has now mounted into trillions of dollars a year. This may seem like a prohibitive amount of money, but it can be collected as wealth and income taxes, or as extraction and pollution taxes, or in a variety of other interesting forms. Here, just as examples of what is being actively considered, are a few key proposals,

- **A Climate Damages Tax, which could raise USD 900 billion by 2030 by taxing fossil fuel extraction in the OECD countries**.[71] USD 720 billion (80%) would go to the Fund for Responding to Loss and Damage Fund, while the rest could be reserved to support the climate transition in countries where the tax is imposed. Notably, its designers have taken care to require very little system change – the CDT could be administered within existing royalty systems that fossil fuel companies already have to pay in the states where they operate. This is a fossil fuel extraction levy and it falls squarely on the pollution tax end of the climate tax spectrum – it is charged on each tonne of carbon extracted.
- **Taxing fossil fuel companies' profits.** The five oil supermajors alone – ExxonMobil, Shell, Chevron, TotalEnergies and BP – made over USD 120 billion of profits in 2023.[72] For the oil industry as a whole, the total will be much larger. Given that most oil companies have continued expanding production (see above), while climate stabilization requires rapid reduction, and given especially that they have simultaneously denied, delayed and obstructed climate action, they can have little moral claim to this ill-gotten profit, which thereby becomes a reasonable target for taxation.
- **Taxes and levies for shipping and aviation.** A wide variety of such mechanisms have been proposed[73] and an equally wide variety of estimates exist for the amount of revenue they could generate. Estimates range from USD 10 billion[74] or 35 billion[75] annually at the low end to USD 392 billion[76] at the high end. In practice, much of the revenue generated from global carbon pricing for these sectors would likely be used for in-sector decarbonization measures, or to ensure a just transition by compensating those Global South countries most affected by the measures.

- Wealth Taxes, an example of which is **the *Blueprint for a Co-ordinated Taxation Standard for Ultra-high-net-worth Individuals* that was commissioned by the Brazilian G20 presidency and prepared by economist Gabriel Zucman.**[77] It is notable for its connection to the Brazilian presidency, and for the precision with which it is aimed at the current tax system, which is based on income taxes that fail to effectively tax the super rich. The proposed solution is to "agree that billionaires should pay income taxes equivalent to a small portion – say, 2 percent – of their wealth each year. Someone like Bernard Arnault, who is worth about USD 210 billion, would have to pay an additional tax equal to roughly USD 4.2 billion if he pays no income tax. In total, the proposal would allow countries to collect an estimated USD 250 billion in additional tax revenue per year." [78]
- Another approach is to cast a wider net, and to go straight to a system of globally harmonized national wealth taxes. This approach is perfectly exemplified by a recent proposal from the Tax Justice Network, which it presents as an **"international version of Spain's 'featherlight' progressive wealth tax".**[79] That tax, which is now in effect, applies a tax of 1.7% to 3.5% to the richest 0.5% of the country's households – a group of about 26.5 million people. If adopted by nations around the world, it would raise about **USD 2.1 trillion a year.** The key move here is to erase the unfair distinction between "earned wealth" like salaries and "unearned wealth" like dividends, capital gains and rents that are gained by owning things (being wealthy), which is typically taxed at far lower rates than earned wealth. The reason this erasure would yield so much revenue is that just 3% of all wealth is owned by half the population, while the richest 0.5% own a quarter (25.7%) of all wealth.
- Oil Change International, in its recent *We Can Pay for It* factsheet, estimated that an all-out effort "to pursue these **new, fair, redistributive, polluter-pays measures to raise new public funds**" could, if they were "all unlocked," yield a total of USD 10.3 trillion per year for global public goods. Tellingly, more than half of that total would come from wealth taxes on multi-millionaires and billionaires.[80]
- **Financial Transaction Taxes:** Various proposals for financial transaction taxes have long been considered. In addition to raising public revenue, a key motivation for such taxes has been the need to discipline currency speculation and short term capital flows – chief causes of currency destabilization and financial crises in recent decades. Even proposals based on fairly low tax rates would yield considerable revenues. One version calls for a levy of 0.05% to be applied to various categories of financial transactions including stocks, bonds and currency, and would be imposed on both domestic and international transactions. In 2011, the estimate for the global aggregate revenues for this tax at this rate was between US $600-700 billion.[81] At today's volume of financial transactions, this can easily raise more than a trillion USD.

What are the key takeaways here? The first is that there is plenty of money, that we not only have the ways and means needed to stabilize the climate system, we have the ways and means needed to do it well and fairly. The second is that there are lots of ideas in play, and that, as a practical matter, the best way forward is probably to combine them. Action Aid, in a recent report called *Finding the Finance*, put this well: "Taking coordinated action globally to introduce a range of new taxes that could raise trillions of US dollars – such as through windfall taxes, wealth taxes, higher tax rates on the income of the top 1%, financial transaction taxes, a range of carbon and climate damage taxes, and taxes on aviation and shipping."[82]

Meanwhile, there is still the challenge of fundamental systemic change.

Patryk Bialas, director of Innovation and Competence Centre, stands on the roof of the ICC and monitors air pollution resulting from heating with coal fires. He is also founder of the Silesian Climate Movement and coordinator of the Clean Air Campaign. Katowice, Poland. © Anna Liminowicz / Climate Visuals

BOX: POTENTIAL SOURCES OF CLIMATE FINANCE

FINANCE SOURCE	HOW MUCH FINANCE COULD IT RAISE OR RELEASE?
Fossil-fuel Subsidy Reform	Each year the fossil fuel industry receives about **USD 1.7 trillion** in direct subsidies and **USD 7 trillion** in total subsidies. These subsidies leverage **USD 7 trillion i**n investment.
Targeted Global Finance Mechanisms	The reinvention of Special Drawing Rights could easily yield **USD 500 billion** in concessional finance Financial transaction tax proposals vary. One 2011 proposal was estimated to bring in **USD 600 to 700 billion** a year, globally. Today, that figure could easily be more than **a trillion USD**. Maritime and aviation levies could yield **hundreds of billions USD** a year.
Military Spending	Total global military spending reached **USD 2.4 trillion** in 2023, after the fastest year upon year increase since 2009.
Taxing profiteers and polluters	Each year **USD 500 billion to USD 600 billion** of tax revenue disappears into tax havens. A Climate Damages Tax in the OECD countries could raise **USD 900 billion** by the end of the decade. A global minimum tax on billionaires (about 3,000 people, globally) equal to 2% of their wealth would raise **USD 200-250 billion** per year. A "featherweight" 0.5% tax on the wealth of the world's richest households could raise **USD 2.1 trillion** a year globally.

Bicycles used as alternate forms of transport. © Connel / Shutterstock

BOX: THE CONTRIBUTOR BASE "CONTROVERSY": A CALCULATED DISTRACTION

Which nations should bear primary responsibility for providing the international climate finance needed to address climate change? The question is fundamental to the politics of collective climate action, since it is clear that there is no fair global solution that does not involve large amounts of international support. The UN Framework Convention on Climate Change, drafted and adopted in 1992, answers this question through an affirmation of principles that include equity, common but differentiated responsibilities and respective capabilities, and an acknowledgement of the responsibility of developed countries for historical emissions. The Convention further specifies a classification of countries into "annexes," and a differentiation of obligations that corresponded to this classification. Developed economies were grouped into Annex II, and, along with the "economies in transition", into Annex I, and it was agreed that "Parties ... in Annex II *shall* ... provide such financial resources, including for the transfer of technology, needed by the developing country Parties to meet the agreed full incremental costs of implementing measures (covered by the agreement)." (Article 4.3, UNFCCC, our emphasis)

Unfortunately, as the true scale of the costs associated with addressing climate change became clearer, cracks quickly formed in this political consensus. This is of course a long and painful story of an intractable conflict between the Global North and the Global South, a conflict which continued during the negotiation of the Paris Agreement. The Paris Agreement maintained that, while developed countries are obligated to provide climate finance, Global South countries are "encouraged" to voluntarily provide it: "Developed country Parties *shall* provide financial resources to assist developing country Parties with respect to both mitigation and adaptation in continuation of their existing obligations under the Convention. ... Other Parties are encouraged to provide or continue to provide such support voluntarily." (Articles 9.1 and 9.2 Paris Agreement, our emphasis)

Today, as negotiations to decide the New Collective Quantitative Goal (NCQG) on climate finance heat up, Annex II negotiators insist that "the world has changed" and the "contributor base" must be broadened to include not only countries that have become "developed countries" since 1992 but also "emerging economies" and even "developing countries." The Global South's negotiators generally reject this argument as a ploy to help the wealthiest countries yet again avoid their financial obligations – a view we tend to agree with – and are unwilling to renegotiate the Annexes, nor their legal status in terms of the Convention, nor the provisions of the Paris Agreement that specify which countries have obligations to provide climate finance and support.

Are Annex II negotiators using this issue as a distraction, a device by which to turn attention away from their proper obligations? The empirical data suggest that they are, because even if the contributor base was substantially expanded to include, for example, countries with the same levels of capacity and responsibility per capita as the Annex II countries, or even to additionally also include all Annex I countries, **the overwhelming majority (82%-94%) of the fair shares of climate finance provisions would remain with the original Annex II countries**.[83] In other words, the world has changed, but not that much. Once again, Annex II's ongoing failure to meet its past, ongoing and future obligations, and not the alleged need to renegotiate which countries should or should not contribute, remains the main obstacle for success in climate finance provision.

In this context, the real challenge is to achieve an international finance breakthrough. The contributor base dispute must not be allowed to divert the COP29 and COP30 negotiations from this.

The key here is to recognize that Global North governments raise the contributor base question to distract focus from their ongoing failure to meet their existing responsibilities, and to divide the South as a negotiating bloc.[84] Despite this, there is the kernel of a serious question here, and perhaps someday, it would make sense to revisit it. But that day can only come when the Global North has actually made a sincere effort to carry its fair share of the global climate stabilization effort – including, crucially, meeting past and ongoing obligations on climate finance. Moreover, it is rather audacious of the Global North to raise the contributor base question before it has even acknowledged the other – much larger – dimensions of its overall ecological and colonial debt to the Global South (see above). In other words, real, good faith steps must first be taken to bridge the massive deficit of trust and actions between the Global North and the Global South.

FROM REFORM TO SYSTEM CHANGE

As suggested in the above section, significant volumes of finance could be redirected for the delivery of climate finance obligations.

But, as ever, money is not enough. In order for climate finance to be effectively utilized, to actually support nations of the Global South in building zero-carbon resilient economies while meeting their development priorities, much more needs to be done. Major reforms of the global economic and financial architecture are needed, followed up by more fundamental systemic changes. Without such changes, it will be impossible to shift away from a fossil-fuel addicted and inequality-plagued global society. Ultimately, it is incoherent to sharply distinguish "climate finance" from finance writ large or, for that matter, to distinguish "climate action" from development.

There are three chief objectives of these reforms and systemic changes:

1. *To stop the enormous and continuing hemorrhaging of wealth and natural resources from the Global South to the Global North, and change the systems that enable and sustain it.*

   The net extraction from the South to the North takes various forms: direct financial flows, outflows of natural resources, appropriation of land, exploitation of labour. One attempt to quantify this in purely financial terms estimated that the total value amounts to more than USD 10 trillion,[85] which of course, dwarfs international aid and climate finance flows combined. Even if delivery of climate finance by the North to the South is scaled up substantially – the net outflow of resources would likely still negate those climate finance flows. These net transfers are "invisibly" built into highly extractivist global and national fiscal, monetary, finance, trade and investment systems, and indeed into the international order writ large. These leave countries in the Global South with deepening poverty and inequalities, and without the fiscal and policy space to deal with mounting climate impacts, let alone to build resilience and pursue a just and equitable transition away from fossil fuel dependence.

2. *To end the inequitable and unjust relations between countries, both economic and political, which stand in the way of the robust international cooperation needed to solve global problems.*

   It is helpful here to remember the imperative of global cooperation, which we focused on in our 2022 report.[86] Its key point was that international cooperation is absolutely necessary if we're to stabilize the climate system in time, and that such cooperation is not possible given the poisonous dysfunctions and injustices that define our existing institutions of global governance. These injustices are especially manifest in the realms of the global financial and economic architecture and the political economy that underlies it, driven by unequal and unfair power relations. The details are many and sprawling and interwoven. They include debilitating networks of debt peonage and unequal exchange, and the still hegemonic neoliberal financial system within which these networks are embedded. They include the power and impunity of transnational corporations, and the dominance of inequitable domestic economic and political systems that, in the Global South, remain freighted with the crippling legacies of colonialism.

3. *To ensure that economic, social and cultural rights are protected and fulfilled, and that equitable development and social justice goals can be met.*

   Without major transformation in the institutions that guide and constrain countries' development paths, development-as-usual will propel us all along an unsustainable path that is as perilous as it is unjust. Climate is only one of multiple sustainability crises facing global society, all of which are intertwined with development. Promoting an integrated approach is crucial for creating equitable, just, resilient and sustainable societies.

SOME OF THE MAJOR REFORMS THAT ARE NEEDED IMMEDIATELY

1. CANCELLATION OF PUBLIC DEBTS OF THE GLOBAL SOUTH

Public debt – both external and domestic – is a debilitating millstone around the necks of countries and communities endeavoring to transition toward more sustainable pathways, and a critical obstacle to climate transformation. Servicing debt payments places an enormous strain on developing countries. Debt service payments from "Low and Middle Income Countries" that are public and publicly guaranteed (including to the International Monetary Fund) totaled USD 443 billion in 2022,[87] the highest level in history, and were forecast to continue growing. This is more than *twice* the total grant component of overseas development aid provided by the Global North to the Global South in that same year.[88]

The accumulation of unsustainable and illegitimate public debt in the Global South – spanning across many decades – has been primarily driven by extractivist and unequal economic and financial relations between the Global North and the Global South, loan-pushing by creditors, and internal flaws and weaknesses in Global South economies many of which are legacies of colonization.

Many developing countries are bearing additional public debt burdens created by the international financial crisis quickly followed by the economic shock of the Covid crisis, occurring even as the climate crisis intensified. The response was, as it has always been in the face of crisis, to offer more loans, and increasingly on the even stricter terms dictated by private sector creditors.

This dynamic, as it turns out, is a perverse cycle that perpetuates the problem by making countries dependent on the carbon-intensive exploitation of forests, fossil fuels, and other natural resources, deepening *both* the South's debt crisis and the climate crisis.[89]

Immediate reforms relating to debt include the following:

- *The unconditional cancellation of unsustainable and illegitimate public debt by all lenders – bilateral, multilateral, private, and buyers of bonds and securities.* Not debt "restructuring" or debt "relief", which is always on creditor-defined terms that merely deepen the debt traps for the Global South. Nor should it be some slippery "debt for climate" deal, cleverly defined to implicitly relieve the Global North of its climate finance obligations.
- *The establishment of a global, democratic and transparent mechanism to review and work for changes in international lending policies and practices that create debt traps.*

2. GLOBAL FINANCIAL ARCHITECTURE REFORMS

The international financial system – in its international and national articulations – has evolved into a complex architecture that is no longer aimed at serving the real economy, but rather is driven primarily by its own logic of financial profit. It is riddled with irrational and unjust policies and practices, exploiting and exacerbating inequities in the real economy.

Crises of increasing severity have demonstrated with striking clarity how governments can move fast to mobilize and spend trillions of dollars to bail out banks and corporations. There is no reason they cannot do much more for people and the planet in the face of multiple crises. These crises have also demonstrated, sharply and painfully, that international financial flows and financial institutions – private and public – must, at the very least, be highly regulated and subject to strict oversight, controls and public accountability.

Immediate reforms in the global financial architecture include the following:

- *Changes in policies and practices in lending, borrowing, investment, and related transactions.* It is necessary to institutionalize robust requirements, standards and safeguards for due diligence, transparency, fairness, and democratic process, and to ensure the primacy of human rights and social, economic and environmental justice obligations over debt payments and contractual obligations.
- *Regulation of international capital flows, especially short term portfolio capital.* Recurrent crises have demonstrated, sharply and painfully, that international financial flows and financial institutions – private and public – must at the very least be highly regulated and subject to strict controls and public accountability. Moreover, strict measures are needed to safeguard Global South economies from external shocks, volatility of exchange rates, and prices of assets and staple commodities, and predatory and speculative activities.

3. THE GLOBAL TRADE AND INVESTMENT SYSTEM

A just global climate transition calls for immediate reforms in the rules, agreements and dominant practices in trade and investments, which at present reflect and deepen existing economic inequities across and within countries, deepen the highly extractive relations between the North and the South as well as between the global economy and nature, and exacerbate climate change.

Key target areas of reforms include the following:

- *Unequal Trade Agreements, Unfavorable Terms of Trade, Unilateral Measures* – Many Global South countries have signed unequal trade and investment treaties that prioritize the protection of foreign investors over their own development needs, or have otherwise been forced to accept unfavourable terms of trade. Currently, carbon-based border levies such as the EU's Carbon Border Adjustment Mechanism (CBAM) threaten to deepen such inequities. They are justified by their proponents with the need for rapid decarbonisation, but in their current form and given existing trade balances, such border levies constitute unilateral protectionist measures that disadvantage producers in the Global South. Without major changes, the EU's CBAM and similar mechanisms will force an inequitable and disproportionate share of the burden of decarbonisation onto the Global South and further increase the transfer of wealth from the Global South to the Global North.[90]
- *Trade Liberalization Policies* – These policies, promoted by institutions like the World Bank and the IMF, require developing countries to open up their markets to foreign competition without providing equivalent support for domestic industries. Trade liberalization has led to the collapse of local businesses, job losses, and a reliance on imports, which further contributes to resource outflows.
- *Resource Extraction and Trade in Raw Materials including Transition Minerals* – Many Global South countries are rich in natural resources. However, in many countries, these resources are primarily extracted by foreign companies, with both the natural resources and the profits primarily flowing back to the companies' home countries, rather than benefiting the local economies. Extractive industries and mining operations are often replete with cases of labour abuse, human rights violations and ecological damages. In the Global South countries and communities also bear significant environmental costs such as deforestation, water pollution, and loss of biodiversity, which are rarely compensated for by the companies or countries benefiting from the extracted resources.
- *Technology and intellectual property regime* – The regime on trade-related intellectual property rights suffers from a patent-enforced monopolization that increases the cost of technology transfer, acquisition and dissemination for many countries of the Global South, while demonstrably leading to underinvestment in innovation for important public goods. A more accommodating regime geared toward improving public welfare is urgently needed, particularly in certain critical

domains such as medical technologies – including vaccines – and renewable energy technologies.

- *Investor-State Dispute Settlement (ISDS) Agreements* – These agreements privilege the interests of multinational corporations and international investors over those of countries of the Global South and their citizens. They enshrine as a right for foreign investors and corporations the ability to sue governments for compensation on the grounds that government policies reduce their profits and/or allegedly breach investment-related obligations. This can severely constrain host governments' ability to implement policies and enforce measures strengthening regulation of fossil fuel industries and facilitating a phase out of fossil fuel energy systems.

4. GLOBAL TAX JUSTICE

The demand for a major scale-up in climate finance is often met by the claim that "governments are broke," pointing to statistics such as the public debt-to-GDP ratio in OECD countries, which now exceeds 100%. However, we must remember that this is *by choice.* Governments, as a core tenet of the neoliberal ideology, have very intentionally cut taxes, especially for the wealthy and corporations. And likewise, governments could now choose to raise taxes – a course that would be eminently sensible. Not only would this allow them to fulfill obligations for climate finance, it would also make it more feasible for countries of the South to effectively implement climate actions. But more broadly, it would be a critical step to correcting flaws and injustices in existing global and national tax codes.

Perversities in national and international tax architecture, tax abuses by elites and corporations, and the existence of tax havens contribute significantly to the bleeding of financial resources from the South – amounting together to hundreds of billions of US$ per year. Unjust tax burdens on impoverished and low-income groups due to regressive national tax policies, in Global South countries, many of which were promoted by international financial institutions in the name of tax efficiency, render people of the Global South even more vulnerable to climate and economic crisis impacts.

Such reforms[91] in national tax systems and global tax architecture can not only help mobilize resources for climate action, but also for essential services, social protection, and public common goods, for reducing inequalities, and for pursuing sustainable development goals.

Major reforms immediately needed include:

- *The adoption and enforcement of an international tax convention aimed at, among others*:
  - the elimination of tax havens and secrecy jurisdictions;
  - ensuring transparency in beneficial ownership of corporations and a global registry;
  - strengthen capacities Global South and setting up global system for Automatic Information Exchange and Country by Country Reporting;
  - raising of corporate tax rates and eliminating "race to the bottom" competition among countries ;
  - stopping transfer mispricing and profit shifting from high tax countries to low tax countries;
  - stopping other tax abuses by multinational corporations.
- *Eliminate the regressive elements of national tax systems and make tax systems more progressive:*
  - undertake reforms towards more progressive, gender-fair and equitable tax policies;
  - raise taxes and eliminate tax loopholes for rich individuals and corporations.

Led by thousands of youth from the San Francisco Bay Area, this march of many thousands made its way through the streets of San Francisco, stopping along the way at numerous banks and corporations that are funding the fossil fuel industry and the climate crisis to say "We See You". © USA global youth strike

PRINCIPLES TOWARD FUNDAMENTAL SYSTEM CHANGE

The national and global systems that define our world today have so far proven manifestly incapable of addressing climate change. Beyond major reforms of the type noted above, these governance and political systems must be fundamentally transformed if we are to achieve an equitable and just transition out of fossil fuels and rebuild towards societies and economies that give primacy to people's rights and needs and the enduring health of the planet.

We put forward five overarching principles defining the change that is needed.

1. SHIFT TO TRULY DEMOCRATIC AND EQUITABLE GOVERNANCE.

The vast inequities in power and control over resources and institutions fundamentally undermine efforts to deal with climate change[92]. Raising the world's poorest people to a decent standard of living is certainly possible. To achieve this in a world as obscenely unequal as our own – where members of the elite consume resources and create pollution at orders of magnitude greater levels than the least well-off – would imply an enormous and resource-intensive economy that has little chance of keeping within the earth's ecological limits, including its carbon budget. And if those elites, shielding themselves from the most immediate and tragic consequences of climate change, continue using their power to prolong the fossil-fueled status quo from which they profit, then chances fall to zero.

To reach our climate goals and do it in a manner that allows just and equitable prosperity across the world's populations, rather than the eternal impoverishment of much of the world, we need to transform toward truly democratic systems of governance. This includes democratic governance not only within nations but also between nations so that we can address the increasingly pressing global problems facing us, including climate change. We must withdraw the disproportionate political power currently held by corporations and elites and restore it to the people, communities, and workers. We need democratic processes and institutions that are founded on robust social dialogue, and which actively eliminate patterns of marginalization associated with gender, race, indigeneity, caste, and other persistent inequities.

Shifting toward democratic norms, practices, and governance structures also makes conceivable the following major transformations.

2. TRANSFORM DOMESTIC ECONOMIES TO PRIORITIZE MEETING PEOPLE'S NEEDS AND INVESTING IN PUBLIC GOODS.

Building zero-carbon, resilient and equitable societies relies on having economic institutions that are designed to meet people's needs, provide necessary social protections, and invest in necessary public goods,[93] rather than catering to those with the greatest financial and market power. Southern economies that have been engineered to primarily export raw materials and unfinished goods may satisfy Northern demand and benefit corporations and local elites, but it leaves countries dependent on imports and hungry for foreign currency in order to meet basic needs, while suppressing the development of domestic industries. Northern economies, too, have overwhelmingly benefited the wealthier over the past four decades, with the lion's share of its considerable growth going to the wealthy.

3. AT THE GLOBAL LEVEL, REPLACE OUR EXTRACTIVIST AND EXPLOITATIVE SYSTEMS WITH ECONOMIC, FINANCIAL, TRADE, AND INVESTMENT SYSTEMS THAT PROMOTE EQUITABLE AND MUTUALLY BENEFICIAL RELATIONS BETWEEN AND WITHIN COUNTRIES.

It is difficult to envision how today's extractivist global order, which is premised on exploiting both the environment and people, could mediate an effective response to the climate crisis while meeting pressing developmental needs.[94] Ultimately, we will need economic institutions that contribute to the empowerment and resilience of communities, the ending of inequalities, and economic justice for all. Its objective should be the production and distribution of goods and services that prioritize meeting the needs and fulfilling the rights of people rather than the maximization of profits. A critical component of this is the redistribution and democratization of ownership and control of economic resources.

4. CREATE GLOBAL AND NATIONAL SYSTEMS OF ECONOMIC GOVERNANCE THAT EMBODY RELATIONS WITH NATURE THAT PROMOTE ECOLOGICAL RESTORATION AND ZERO-CARBON CIRCULAR ECONOMIES.

Meeting human needs in a manner that preserves the integrity of ecosystems and natural resources will entail a recognition of the value of nature and the Commons. We need to direct economies toward investing heavily in ecological restoration, given the extent of

the ecological degradation that industrialized civilization has already caused. It further requires building circular economies to shift away from the resource-intensive mode of development, establishing new models of development pathways and shift toward zero-carbon societies.

One ambitious example of progress in this direction is the UN Tax Convention – its formal name is the United Nations Framework Convention on International Tax Cooperation (UNFCITC), which offers the promise of an "inclusive and effective" international tax agreement that would support the UN Financing for Development Agenda and the UN Sustainable Development agenda. Such an agreement would also help deliver climate finance of the necessary size and scale.[95]

Its recently drafted terms of reference states that its objective is to: "Establish an inclusive, fair, transparent, efficient, equitable, and effective international tax system for sustainable development, with a view to enhancing the legitimacy, certainty, resilience, and fairness of international tax rules, while addressing challenges to strengthening domestic resource mobilization."

The UN Tax Convention offers the world a real chance at a systemic finance breakthrough.[96] The Global South deserves most all the credit for the initiative, for it was the Global South that pushed aside OECD resistance, and cued up the UNFCITC negotiations,[97] and it is the Global South that is driving them forward.

Another example would be the establishment of the Fossil Fuel Non-Proliferation Treaty, for which a growing bloc of 14 countries is seeking a negotiating mandate to protect people from the threat that fossil fuels pose to our climate, our health, and our future. The proposed treaty would complement the Paris Agreement by providing the global roadmap needed to halt the expansion of fossil fuel, manage an equitable phase-out of coal, oil and gas, and lay the foundations for a true just energy transition in which no worker, community or country is left behind.

BOX: FUNDAMENTAL CHANGE IN FOOD SYSTEMS – A CRUCIAL CASE

Nowhere are the above principles more important than in global and national food systems designed to serve people's needs. Current industrial agriculture and industrial food systems are deeply flawed. They are major contributors to causing the climate crisis, amounting to as much as 30% total GHG emissions, arising from intensive fossil fuel use, land-use change and ecosystem degradation, and emissions from livestock. And yet, between 2015 and 2023, major banks provided USD 370 billion to industrial agriculture activities in the South, only expanding the North's highly industrialized model of agriculture, and making the climate crisis worse.

A detailed treatment of necessary changes to global food systems is beyond the scope of this paper. But we place primary emphasis on creating a fundamentally transformed food system embodying the above four principles: democratically governed, economically equitable, geared toward meeting the needs of people, and environmentally sound.

In other words, our food systems must be fundamentally redesigned to ensure food sovereignty, rather than maximize profits through export-led growth, which can also create price shocks and exacerbate volatility, and . . This is essential first and foremost in order to end the moral travesty of persistent hunger and deprivation that continues even amidst affluence and waste. It becomes only more vital as pressure on food systems intensifies with accelerating climate impacts, further undermining resilience and threatening the right to food.

Ecosystem restoration is thus a necessary objective as well, and the agriculture sector is key to protecting the remaining forests, protecting freshwater resources, and sustaining biodiversity. Habitat loss due to agricultural expansion cannot continue at its current devastating rate. Centering agroecology, land tenure rights, and protecting remaining ecosystems, are all crucial.

5. CREATE INSTITUTIONS FOR THE RESOLUTION OF CONFLICT BASED ON PEACE AND JUSTICE.

Finally, a fifth principle toward transformation focuses on eliminating the devastating social and economic costs of our prevailing global order premised on military power. These costs are immeasurably greater than even the USD 2.4 trillion global military budget noted previously. The persistence of violent conflict, including military occupation, is not only a source of incalculable pain and suffering, but it is plainly antithetical to a just and sustainable world.

It also directly undermines the goals of climate finance and the broader struggle to deal with climate change[98]. It creates and magnifies climate crises and undermines the resilience necessary to endure climate impacts. It hobbles our efforts to resolve the climate crisis, not only by consuming the enormous resources noted above, but also by undermining global cooperation and multilateralism. It is a major source of emissions that must stop if we are to keep warming below 1.5 °C.

To demilitarize, we need to invest in building up democratic institutions of governance at the multilateral level, where powerful nations no longer are granted a veto right, and which serve instead as transparent and democratic forums in which peaceful conflict resolution can take place. We also need to strengthen human rights law, and the ability to genuinely support and safeguard human rights around the world.

CONCLUSION

The existential threats we face are visible to all who would look. Given this, it is no surprise that there is a powerful temptation, today, towards pessimism and even despair. But at the same time, there is an opportunity opening before us, and it is crucial to emphasize that we have the money and the science and the technology – the ways and the means – to save ourselves.

Having the money is good news, because if we are going to stabilize the climate system in time, we're going to have to do it as part of a global just transition, and this in turn means that a great deal of finance – trillions of dollars a year – will be needed, and not just as private "investments." This is the reason we've spent so much time and space reviewing some of the many ways we could collect or release hundreds of billions or even trillions of dollars in public finance.

Still, there is a danger in focusing too tightly on finance, and on all the billions and trillions that could – given the political will and institutional capacity – be mobilized to animate the climate transformation. Such a focus can create the impression that finance is the key to the future, that the climate transformation seeks, if you will, a lower-carbon version of business as usual. But this is not the case, for while we must begin, here, in the world as we find it, there is in fact no such thing as a "climate-friendly business as usual." If we pretend there is, we will only discover that other elements of business as usual will undermine effective climate action.

The situation is a difficult one – we need finance, and lots of it, but at the same time the institutions and systems that deliver that finance must change. This includes the intellectual property regime. Otherwise, we risk replicating the existing extractivist system of profiteering and energy colonialism over the Global South (only this time with greener energy sources as the vector) if the transition – once sufficient funding is secured – is allowed to happen solely through technologies owned in the Global North. To make meaningful change, real intellectual property sharing and technology transfer will need to accompany the shifts in finance.

The good news is that the situation is also a pregnant one. In fact, people everywhere are concluding that we're at a tipping point. And perhaps we are. The negotiations, certainly, are heading for a crisis, and if it can tip things – and in a productive direction – then we might just break the deadlock that has mired the negotiations now for decades.

Meanwhile, this report will end as it began, by stressing the importance of equity – as a principle, of course, but also as a critical nexus of political realism. Finance, again, is the best possible focusing device, for it is quite impossible to imagine that we will collect, or release, the trillions that are needed unless it's done in a manner that is very widely seen as fair. And this, in turn, will only be possible if we not only insist that the Global North pay its fair share, but also insist that the rich, everywhere, do the same.

The path is open, though the politics will be difficult. The rich, after all, do not live exclusively in the Global North, and this has all sorts of implications. At the end of the day, though, it will be possible to invent a globally just finance system that is capable of supporting the necessary transition, and that is exactly the task before us. It will have to be a system in which the wealthy countries raise the funds to pay their international fair shares in a transformation that goes far beyond mitigation alone. It will have to be a fair system, in which they do this by taxing their rich much more, and by ensuring that already-disadvantaged communities don't end up carrying much of the burden. And this will have to be part of a larger, globally just finance system in which developing countries, similarly, tax their own elites to meet their own fair shares, and then productively deploy both those funds and the support they receive from the Global North to pioneer just and inclusive new sustainable development paths.

Finance isn't the ultimate point here, but a breakthrough on finance is needed to fund the necessary social transformations, and to power the necessary global tipping point. This, of course, is an unbounded challenge, one that is difficult to even speak of without falling into hyperbole and cliche. There is, after all, so much that must be changed, and the climate challenge cannot be met in isolation. It is inextricably entwined with all the ways of a world deformed by centuries of colonialism and decades of neoliberal capitalism, and all manner of other infamies.

And yet the world is changing. This much we know. The challenge before us is to act to drive that change in a just and sustainable direction, within a physical world that is becoming even less welcoming and even more dangerous. This means many things, but one of them is certainly that, after decades of inaction and temporizing, the Global North – with its disproportionate share of humanity's wealth and resources – cannot continue to rationalize its inadequate domestic and international action, as if they truly were the best it can do.

An adequate response to the climate crisis will transform development, governance, agriculture, energy and trade, among much else. To that end, it will have to unlock trillions of dollars of *public* climate finance. The equity and fair share approaches are essential to the ambition and solidarity needed to navigate such a profound transformation. Continued inaction, and continued zero-sum negotiating strategies that poison multilateralism and undermine global ambition, can no longer be tolerated as political realism.

Bundei Hidreka, 31, (left) is sharing her electrical engineering skills with Rohim Miniaka, 20, teaching him how to make a solar lamp. The "barefoot" solar engineers of Tinginaput, India are passing on their skills to other villagers and tribes to help more communities reap the benefits of clean solar power, addressing energy poverty and the climate crisis at the same time. © Abbie Trayler-Smith / DFID

The barefoot solar engineers of Tinginaput, India. Since the four women (left to right: Talsa Miniaka, Pulka Wadeka, Meenakshi Dewan and Bundei Hidreka) have brought electricity to their remote village, they have had artificial light, can power radios and watch television. And they see the potential for more from this clean energy source - such as solar powered cookers. As Meenakshi says, "That would be a very good thing to have here, where people use wood from the hills to cook. There are few trees left." © Abbie Trayler-Smith / Panos Pictures

ENDNOTES

1 Friedlingstein, Pierre et al. (2023) "Global Carbon Budget 2023." Earth System Science Data. https://doi.org/10.5194/essd-15-5301-2023

2 The Civil Society Equity Review, https://equityreview.org. For more information of how national fair shares are understood and calculated, see Holz, Ceecee; Sivan Kartha and Tom Athanasiou (2018) "Fairly Sharing 1.5 – National Fair Shares of a 1.5°C-Compliant Global Mitigation Effort." International Environmental Agreements: Politics, Law and Economics. https://rdcu.be/u8C3

3 The first of these arguments has been repeatedly made, though often off the record. With regard to the second, note that Ambassador Mohamed Nasr, Chief Negotiator of the COP27 Presidency, asserted after COP27 that "We cannot keep moving the goal posts and talk about the next round of NDCs when we haven't implemented existing NDCs and national adaptation plans".

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10 This figure is slightly increased when considering the more stringent end of the fair share benchmark range, and the figure is slightly reduced when considering the mitigation impact of the climate finance that they *did* provide to the developing world, though previous studies found that this only lowered the shortfall by about 1% (for example, see Holz, Ceecee (2024) *Canada's Fair Share of 1.5°C-Consistent Global Mitigation Through 2035*. Climate Equity Reference Project. https://doi.org/10.5281/zenodo.2595506)

11 The median mitigation cost in countries outside the OECD in 2030 is USD 92.58/ton across the low and no overshoot 1.5°C scenarios in the Scenario Database of the IPCC Special Report on 1.5°C (Huppmann, Daniel et al. (2018) *IAMC 1.5°C Scenario Explorer and Data Hosted by IIASA*. Integrated Assessment Modeling Consortium & International Institute for Applied Systems Analysis. https://doi.org/10.22022/SR15/08-2018.15429)

12 https://energy-profits.org/climate-finance/

13 Schneider, Audrey (2020) *Big Oil Dumps Billions Into Misleading Advertising Campaign.* https://earthrights.org/blog/big-oil-dumps-billions-into-misleading-advertising-campaigns/

14 Irwin-Hunt, Alex (2023) *Energy Majors Fall Short on Renewables Investment.* https://www.fdiintelligence.com/content/locations/global/energy-majors-fall-short-on-renewables-investment-82261

15 Specifically, we are now using the income inequality data provided by the World Inequality Lab, via their World Inequality Database. The World Inequality Lab has become perhaps the foremost source of reliable and well-sourced inequality data, and is especially focussed on faithfully reflecting the distributions of income and wealth in the upper most extremes of the distribution, i.e. those of the ultra-rich. We are specifically using their data that captures the inequality of incomes after the operation of the income tax and social welfare systems, including in-kind social transfers, such as government provided health care services. As such, it measures the inequality of income that remains even after states have undertaken measures of redistribution.

16 For Indonesia, the NDC document presents baseline emissions in 2030 of 2,154 $MtCO_2eq$ (excl. LULUCF), which is nearly double its current (2022) emissions of 1,156 $MtCO_2eq$, baseline figures have remained unchanged from the previous version of the NDC, despite the substantial shifts brought on by the Covid-19 pandemic and its aftermath. Given Indonesia's total unconditional target of 19.2% reduction (excluding LULUCF, or 31.89% incl. LULUCF), the resulting emissions level after this 19.2% reduction would still remain above the baseline used in this analysis, thus representing no mitigation relative to that baseline. India's case is similar, whose 30-35% economy-wide GHG-intensity-of-GDP improvement target remained unchanged since its 2015 INDC submission, and leads to no mitigation relative to baseline when applied to baseline GDP figures updated after the Covid-19 pandemic.

17 Quantifications of Brazil's NDC that exclude LULUCF (like ours) are subject to a high degree of uncertainty due to Brazil's treatment of LULUCF in their NDC. Brazil expresses its NDC target as an economy-wide target (i.e. including LULUCF) but does not indicate how much of this economy-wide target it intends to achieve through LULUCF and how much in other sectors. Brazil selected the year 2005 as the base year for its target, when LULUCF emissions were very high – representing nearly two-thirds of total Brazilian emissions. Hence, the analysis of the mitigation impact of Brazil's NDC in sectors other than LULUCF depends greatly on assumptions about the country's action (or inaction) in the LULUCF sector. The quantification here utilizes the most charitable interpretation (for non-LULUCF sectors) possible, namely that Brazil will not undertake any emission reduction efforts in the LULUCF sector beyond the Brazilian government's reference scenario for LULUCF, thus all mitigation efforts needed to implement its economy wide NDC target would take place in non-LULUCF sectors. Were Brazil, on the other hand, to actually reduce deforestation below that reference level – which it should do, since deforestation is a very important source of emissions –, our fair shares assessment of the Brazilian NDC would become much less favourable.

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39 Some countries are more dependent than Kazakhstan, and would therefore reduce more slowly, but are not included in the PGR.

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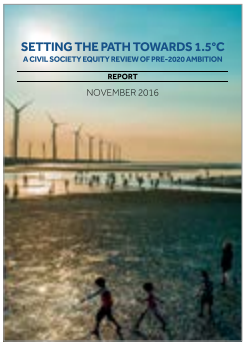
2015 REPORT **VIEW>**



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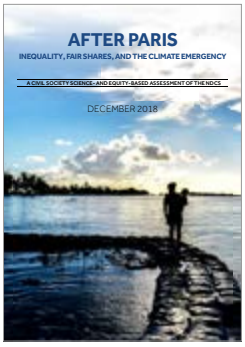

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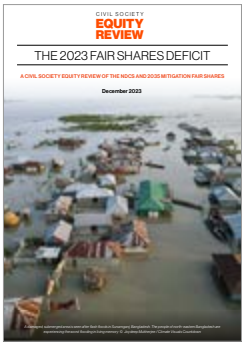

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