Climate justice

Asks for MPs

- Ask oral or written parliamentary questions.
- Write to the Minister for Development and Africa to raise the issues highlighted in this briefing.
- Attend the parliamentary event on Loss and Damage finance on 15th November 2023 organised by the Make Polluters Pay coalition.

Introduction

The urgency and scale of the climate crisis cannot be overstated. 2023 has seen the hottest July, August and September on record, and extreme weather events around the world. Currently, 3.3-3.6 billion people live in contexts highly vulnerable to climate change.[1] The world's poorest and most marginalised people, including women and girls, are paying the highest price.

Poverty and national debt crises are already preventing many nations from tackling climate change and meeting the needs of citizens, and yet climate change could push more than 100 million people into poverty by 2030.[2] In this context, wealthy nations must go further and faster than others to avert climate breakdown and invest in a global, rapid and just transition, as well as providing climate finance to support those countries already suffering the worst impacts, to meet the Paris Agreement.

At COP28, governments must seize our narrowing window of opportunity for effective climate action. Yet countries, including the UK, are falling short of what is required. The UK's pledges on international climate finance to support lower-income countries remain unmet, and have recently been watered down. Moreover, these pledges are drawn from an inadequate and depleted aid budget. Already off-course on domestic emissions targets[3], the UK government has recently backtracked on key net zero policies and continues to support new fossil fuel extraction projects. Not only does this threaten progress on cutting carbon and green investment, but it also undermines the UK's credibility to call for climate action on a global scale. The UK must demonstrate ambition and commitment as part of a bold climate justice agenda.[4]

Delivering on climate finance

Climate finance is essential to support lower- and middle-income countries to respond to climate impacts. In recognition of this, in 2009 richer country governments agreed to provide \$100bn in climate finance annually to developing countries. But this goal, which was originally meant to be fulfilled by 2020, has still not been met. Plus, too much of the climate finance that has been delivered has come in the form of loans, not grants, which increase debt. In many cases, climate finance commitments have been drawn from already-depleted aid budgets.

In the UK's case, the government committed in 2019 to provide £11.6bn in adaptation and mitigation finance by 2026. But it is behind on its commitments and has recently sought to address this through creative accounting and opening the way to more loan-based (rather than grant-based) finance.[4]

The failure of rich countries to meet the climate finance target has been blamed for impeding negotiations at COPs.[5] To keep global climate negotiations on track, the UK and other rich nations must meet their existing climate finance commitments.

These countries must also build ambition further, recognising that as the impacts of climate change increase, the \$100bn target is increasingly insufficient. At COP28, countries will continue negotiations to a create a new target, known as the New Collective Quantified Goal, to be agreed at COP29. The UK should lead efforts to ensure this is ambitious, responds to mitigation, adaptation and Loss and Damage needs and is predominantly through grant-based finance, that should be additional to aid.

[1] IPCC (2022) www.ipcc.ch/report/ar6/wg2
[2] World Bank (2016) www./openknowledge.worldbank.org/entities/publication/cc42cb9b-3f8e-5bf3-bba3-2cce3b0793ac
[3] Climate Change Committee (2023) www.theccc.org.uk/publication/2023-progress-report-to-parliament
[4] The Guardian (2023) www.theguardian.com/environment/2023/oct/17/definitions-changing-in-uks-bid-to-meet-climate-finance-target
[5] Climate Home News (2023) https://bit.ly/40hXBo7

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Loss and Damage

Loss and Damage occurs when the impacts of climate change can no longer be adapted to. This may be due to extreme weather events or slow onset climatic events, and may be economic (e.g. destroyed infrastructure) or non-economic (e.g. loss of lives and cultural heritage). In December 2022, at COP27, countries agreed to set up a fund to finance Loss and Damage. Throughout 2023, a "Transitional Committee" has worked to propose how this will operate, who pays into it and how this responsibility will be shared.

However, these negotiations have hit clear divisions which now not only threaten outcomes on Loss and Damage, but the wider agenda of COP28. In this context, we urge the UK Government, which has a seat on the Transitional Committee, to support calls from developing countries to secure a just financing arrangement. This fund must be accountable to the UN body responsible for climate, all developing countries must be eligible to receive money, and funding must be delivered at the scale needed through grants, not loans.

New sources of finance are needed to fill this fund. Current estimates place the costs of Loss and Damage in developing countries as approximately $290–580bn by 2030. Based on this, Christian Aid calculates that the UK's fair contribution to a Loss and Damage Fund could be 3.5% ($10-20bn[6]). Our research suggests a range of options through which the UK might be able to raise this fair share, including a fossil fuel profits tax, a net wealth tax and a combination of smaller, targeted taxes such as the existing International Air Passenger Levy.

Making polluters pay

According to the polluter pays principle, the most polluting industries and people should pay a fair share of the costs of their activities borne by communities resulting from environmental damage. The fossil fuel industry, for example, is receiving record profits in recent years. Oxfam estimates that fair taxes on the UK's biggest polluters and redirecting fossil fuel subsidies could have raised up to £23bn last year – money which could have been spent on Loss and Damage and other climate action in the UK and in climate vulnerable countries.

Case study: Malawi

For more than 50 years, climate-related events in Malawi have become more severe, frequent, and harder to adapt to. In March 2023, for example, Cyclone Freddy displaced over 650,000 people, destroying crops, livelihoods and infrastructure and causing 676 deaths. Climate-related disasters like this could reduce Malawi's GDP by 3-9% by 2030[7], threatening continued progress towards development goals. In the words of Malawi's President, Lazarus Chakwera, the climate crisis could keep "a nation like Malawi in perpetual poverty".[8]

No new fossil fuels

In 2021, the International Energy Agency advised that to achieve global net-zero emissions by 2050, there should be no new fossil fuel extraction projects beyond those already committed.[9] However, this year, the UK Government approved over 100 new North Sea oil and gas projects, including Rosebank, the largest untapped UK oilfield.[10] By approving new oil and gas projects, the UK Government is unlocking further oil and gas supply for decades to come, diverting investment away from renewable energy systems and severely undermining its influence in global climate negotiations. The UK must urgently change course by banning all new fossil fuel extraction projects and redirecting public and private investment to renewables and energy efficiency programmes, delivering green jobs and warmer homes for UK households, as part of a comprehensive national strategy for a just transition to net zero emissions.

We urge the UK government to:

- **Deliver the UK's existing pledges on international climate finance, predominantly through grants and without further depleting the aid budget.**
- **Pay the UK's fair share contribution into the Loss and Damage Fund agreed at COP27.**
- **Make UK's biggest polluters, including fossil fuel companies, pay in order to fund UK's Loss and Damage contributions.**
- **End all new UK fossil fuel extraction projects and invest in renewable, efficient energy instead.**

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[6] Christian Aid (2023) www.christianaid.org.uk/sites/default/files/2023-05/the-loss-and-damage-fund_may-2023.pdf
[7] World Bank (2023) Malawi Economic Monitor - Powering Malawi's Growth: Rapidly and Sustainably Increasing Energy Access
[8] The Guardian (2023) https://bit.ly/46OwAek
[9] IEA (2021) www.iea.org/reports/net-zero-by-2050
[10] UK Government (2023) www.gov.uk/government/news/hundreds-of-new-north-sea-oil-and-gas-licences-to-boost-british-energy-independence-and-grow-the-economy-31-july-2023

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