

# Making polluters pay climate reparations

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At the COP27 climate talks in 2022, countries finally agreed to set up an international compensation fund for lower income countries facing loss and damage due to climate change.

We're campaigning to make sure that this compensation is paid by the big polluting corporations in the fossil fuel industry who have created and profited from climate catastrophe.

## Why are climate reparations needed?

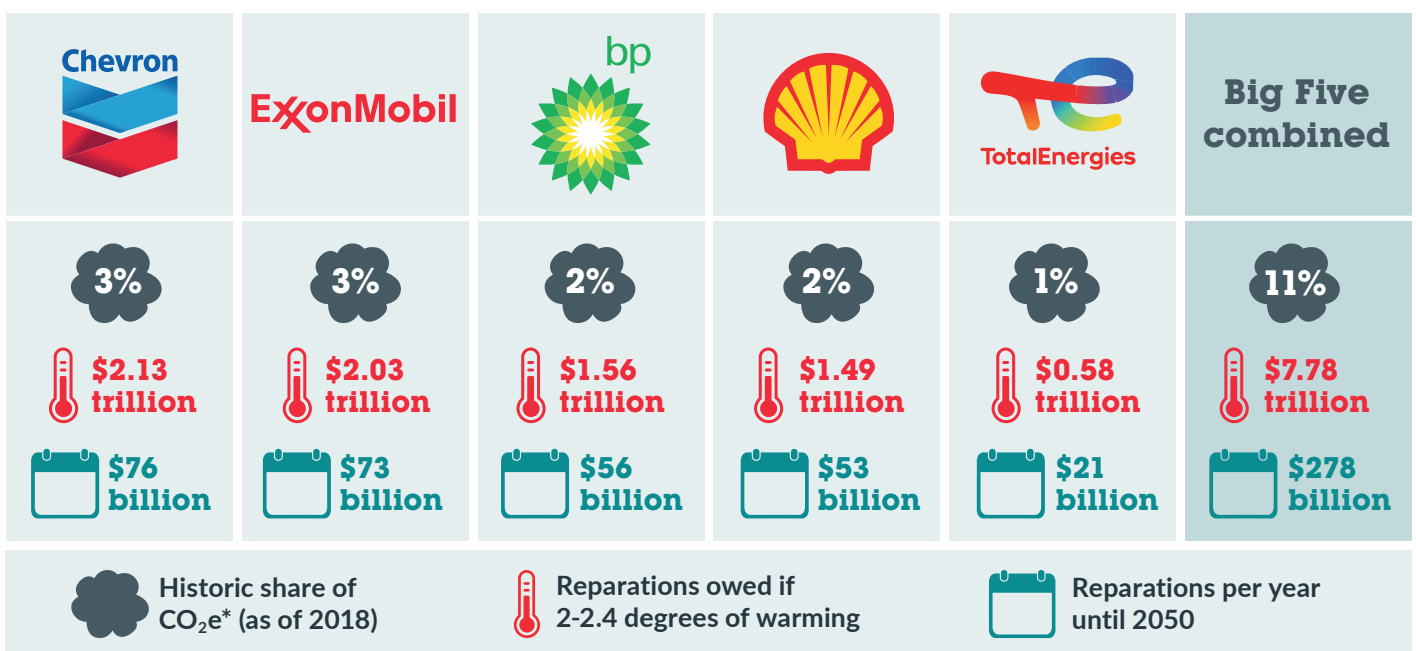
Rich countries in the global north have contributed far more to global warming than those in the global south. As much as 92% of the carbon emissions that are in excess of safe planetary limits come from those rich countries. This includes the UK, which is historically the world's fifth biggest polluter.

Despite this, it is countries in the global south that are facing the worst impacts of climate change, including hundreds of billions of dollars' worth of economic damage each year (predicted to rise to over \$1 trillion a year by 2050). This is a clear injustice.

In response, social movements and governments from across the global south have, for decades, called on rich countries to compensate them for that damage. At COP27, these demands were finally met with the agreement to set up a loss and damage fund.

## Who should pay?

It is clear that the fossil fuel-driven development of the global north is responsible for the climate chaos devastating countries like Pakistan, Mozambique and island nations year after year. Our research shows that, when taking into account the costs of loss and damage, investments in green energy and adapting to climate change, this could cost the global south up to \$77 trillion between now and 2050.



Figures rounded to nearest percent and nearest US\$ billion. Figures drawn from *Making Polluters Pay: Estimates for corporate climate debt and reparations* (Global Justice Now, 2022). Available at [globaljustice.org.uk/resources](https://globaljustice.org.uk/resources)

\*CO<sub>2</sub>e = Carbon dioxide equivalent – all greenhouse gas emissions expressed in terms of CO<sub>2</sub> based on their relative global warming potential.

It is clear then that the global north owes the global south a huge climate debt and, if climate justice is to be achieved, should transfer large amounts of finance to the global south to pay this debt.

However, it would also be unjust to fund these transfers out of public expenditure in the global north without raising new finance for it. To do so would be to ensure continuing austerity and worsening living conditions for millions, and would place the burden of the climate crisis on the 99% who have done the least to cause it.

## Why should fossil fuel corporations pay?

For over one hundred years, fossil fuel corporations have driven climate change by profiting from the burning of coal, oil and gas. The Big Five fossil fuel companies (Chevron, ExxonMobil, BP, Shell and TotalEnergies) have played a particularly big role in this, contributing to over 11% of global historic carbon emissions between them. For many decades now, the same companies have known about the impact their operations would have on people and planet in the future, and yet instead of stopping, they covered it up and carried on.

These companies have been making huge profits for decades, and even more so during the current cost of living crisis. The Big Five made nearly \$200 billion in profits between them in 2022. So they can definitely afford to pay.

And they should pay a lot. Based on their historic emissions, each of the Big Five could owe in the region of \$500 billion to \$2.2 trillion between now and 2050. Ultimately we need a world without fossil fuels, but forcing the energy giants to pay for the devastation they've wreaked is an important step. The super-profits they're already making from oil and gas extraction cannot be allowed to go into the pockets of wealthy shareholders, or be reinvested in further fossil fuel development.

## What do we want to see?

Global Justice Now and other organisations in the climate justice movement are calling for:

- 1. Polluter taxes to be introduced on fossil fuel companies** in order to fund climate compensation to the global south. These taxes won't just focus on windfall profits, but will also tax corporations for their polluting activities.
- 2. Rich countries to stick to their commitments from COP27** and agree to establish a loss and damage fund that enables financial transfers at the scale that is needed and that is rooted in solidarity and justice.
- 3. The establishment of a process to dismantle the power of the fossil fuel industry** to make sure they can't keep profiting and destroying our planet.

## Can we win?

Fossil fuel giants are becoming more toxic by the day. We're taking on a massively powerful industry, with many friends in government. But that doesn't mean we can't win.

Fossil fuel corporations are becoming as unpopular as the tobacco industry once was, with even a Conservative government levying windfall taxes on them. We now need to build that pressure to ensure inadequate windfall taxes become substantial polluter taxes.

Winning a loss and damage fund at the UN wasn't easy – the climate justice movement and global south countries had to overcome the long-running opposition of rich country governments. But now we have a mechanism through which climate compensation can be paid. The next step is to ensure this fund is filled by polluter taxes.

## Take action

Join the campaign to tackle corporate power and make polluters pay climate reparations. Go to [globaljustice.org.uk](https://globaljustice.org.uk)



Global Justice Now campaigns for a world where resources are controlled by the many, not the few. With thousands of members around the UK, we work in solidarity with global social movements to fight inequality and injustice.

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