CLIMATE DAMAGES TAX

Could a Climate Damages Tax solve the loss and damage finance conundrum?

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Loss and damage finance: needs

- Loss and damage costs are separate to, and roughly twice, adaptation finance
- Climate Action Network (CAN) estimates international public finance of $50 billion by 2022 and $300 billion by 2030 required
- Yet: we have an adaptation finance gap and a political environment that doesn't lend itself to increasing ODA-style finance.

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Climate change: the problem

- At the heart of the problem of climate change is that the fossil fuel industry have caused the problem (70% of emissions) and not paid for the climate damage their products cause.
- Meanwhile they have make hundreds of billions of profit each year.
- In other fields we expect companies to pay for damage from their product – asbestos, tobacco, oil spills.
- Whilst we phase out fossil fuels (by mid century) we should tax fossil fuels for their damage.

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Climate Damages Tax Proposal

- A tax on the extraction of fossil fuel: per barrel of oil, tonne of coal, cubic litre of gas, global rate based on CO2e.
- Starting at $5 per tonne of CO2e in 2021, increasing $5 each year until 2030 to $50 a tonne, $10 annually after that to $250 a tonne by 2050.
- Sliding scale for equity:
  - Extraction from rich countries – 50% of revenue to loss and damage and 50% to fair transition domestically,
  - Extraction in poor countries 100% of CDT available for domestic use.

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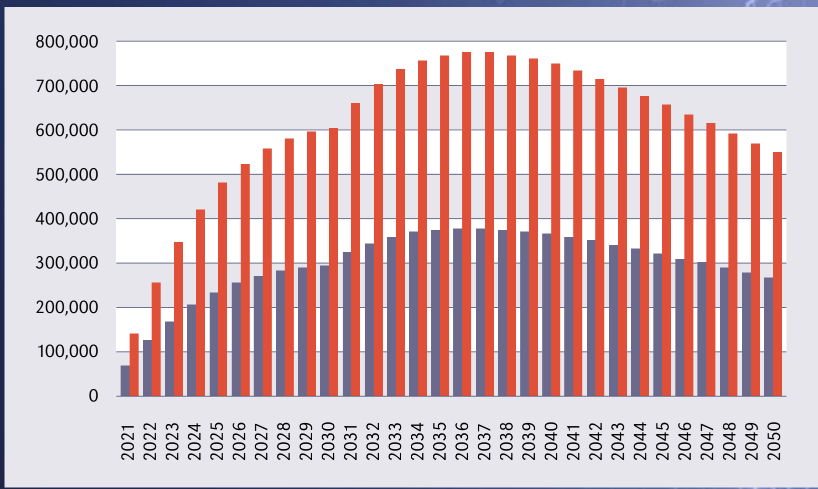
Potential Climate Damages Tax revenue



Red = fair transition revenue

Blue = loss and damage revenue

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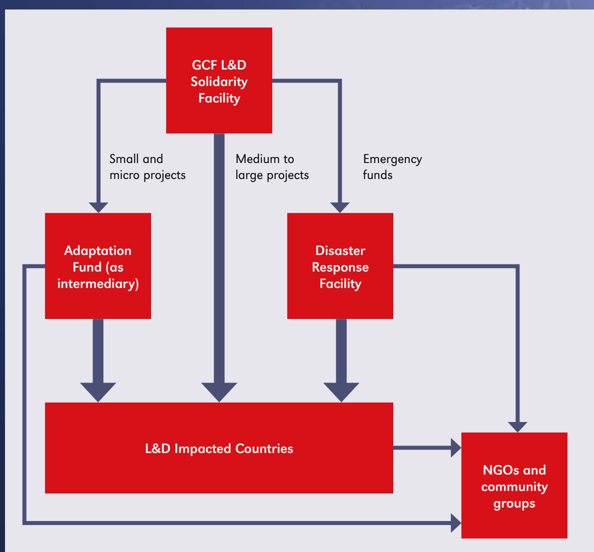
Climate Damages Tax Management



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For more

Launch of new report with all the details on Monday 10 December 2018

https://www.stampoutpoverty.org/cdt/climate-damages-tax/