



PRESS RELEASE: GLOBAL LEADERS CALL FOR \$1 TRILLION PLAN TO EASE CLIMATE DAMAGE IN GLOBAL SOUTH

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GLOBAL LEADERS CALL FOR \$1 TRILLION PLAN TO EASE CLIMATE DAMAGE IN GLOBAL SOUTH

RICH PETRO-STATES SHOULD PAY MULTI-BILLION "GLOBAL WINDFALL LEVY" TO KICK START ADAPTATION AND MITIGATION FUND.

MORE than 50 former Presidents and Prime Ministers, and a former UN Secretary General are among 85 global leaders calling on COP summit hosts UAE to unblock the climate deadlock by agreeing a plan to kickstart climate finance for the global south.

In a joint letter sent today to Sultan Al Jaber, the president-elect of this week's COP 28, the leaders argue that the world's leading petrostates - which banked \$4 trillion revenues last year from the high price of oil - should pay a "Global Windfall Levy" to help poorer nations in the fight against climate change.

Led by former UK Prime Minister Gordon Brown, the group argue that the nations - such as Saudi Arabia, the UAE, Qatar and Norway - should between them offer \$25b in finance for poorer nations.

They argue this would help kickstart a deal at this week's COP summit to build up a \$1tr climate fund for the global south to help efforts among poorer nations to mitigate against and adapt to the effects of climate change.

"A breakthrough in climate finance is urgently needed if COP28 is to be a success," the leaders write today.

"We believe that with the G20 and COP 28 chairs working in tandem we can finally plan for a trillion-dollar annual facility for development and climate mitigation and adaptation in the Global South."

Signatories include former UN Secretary General Ban Ki-Moon, and the former Prime Ministers and presidents of nations as diverse as New Zealand, Chile, Pakistan, Malawi, Costa Rica, the Netherlands, Mexico, Spain, Canada, Mauritius, Senegal, Greece, and more.

Mr Brown first proposed the idea of a Global Windfall Levy in September. It came after the International Energy Association revealed that rising oil prices triggered by the war in Ukraine led to staggering profits for oil-rich nations - with revenues leaping from \$1.5 tr a year pre-Covid to \$4 tr in 2022.

The leaders write: "This is 20 times the entire global aid budget, over 30 times the budgets of all multilateral development banks combined, and 40 times the \$100 billion a year promised back in 2009 for climate mitigation and adaptation in poor countries - still not yet delivered. In the space of just a year, a \$2.5 trillion of windfall profits were gained by the oil producer states and their national and other private companies that they have done nothing to earn."

The leaders argue that a Levy of \$25b - representing just 3% of major exporters' earnings - is only just, given the extra sums paid by the poorer nations for oil and gas in the last year. The high price of oil and gas is the principal cause behind the rise in extreme poverty from 400 million to 600 million, the leaders warn.

The letter is published today with the UAE having said it wants to use this week's summit to fix the long-standing issue of climate finance for the global south. A pledge to provide £100b a year in the 2009 summit has still not been fully implemented, prompting UN Secretary General Antonio Guterres to warn earlier this year that richer nations were

coming up “abysmally short” in their efforts to help poorer countries. In July, Al-Jaber called on donor nations to “show me the money” when they convene for the summit.

The group are also now proposing that the new chair of the G20, President Lula of Brazil, and the future chair of COP convene a joint online session of the G20 with OPEC to agree the funding deal, based on states’ capacity to pay.

The leaders declare: “With Sheikh Al Jaber also head of Abu Dhabi National Oil Company, there is an opportunity for the Gulf states and Norway, another main beneficiary of high prices, to lead the way in bridging the financing gap faced by low and middle income countries as they attempt to mitigate and adapt to climate change. The Global South is not only transferring billions to producer states – the principal cause of the recent rise in extreme poverty from 400m to 600m – but also suffering heavily from fossil fuel induced pollution. And we still await the full implementation of the £100b a year promised as long ago as 2009 for climate mitigation and adaptation in the global south. There can be no better time for the President of COP 28 to volunteer a practical proposal that recycles a fraction of the oil and gas revenues to a climate mitigation and adaption facility.”

They conclude: “A levy of \$25b – which represents just over 1 per cent of last year’s oil and gas windfall revenues and just 3 per cent of the major exporters’ earnings – could kickstart a programme of investment in the global south.”

ENDS

See the full list of signatories and the full letter below.

SIGNED

Ban Ki-Moon	Secretary-General of the United Nations 2007-2016 *
Vaira Vike-Freiberga	Co-Chair NGIC, President of Latvia 1999-2007 **
Laura Chinchilla	President of Costa Rica (2010-2014) and Vice President of Club de Madrid *
Alfred Gusenbauer	Chancellor of Austria (2007-2008) *
Ameenah Gurib-Fakim	President of Mauritius 2015-2017
Aminata Touré	Prime Minister of Senegal (2013-2014)*
Amre Moussa	Secretary-General Arab League 2001-2011 **
Ana Birchall	Deputy Prime Minister of Romania 2018-2019 **
Bai Chong-En	Chair in Economics and Dean of the School of Economics and Management at Tsinghua University
Beatrice Weder di Mauro	Professor of International Economics at IHEID
Bengt Holmstrom	Emeritus Professor of Economics at MIT
Bojidar Djelic	Deputy Prime Minister of Serbia 2007-2011
Boris Tadic	President of Serbia 2004-2012 **
Borut Pahor	President of Slovenia 2012-2022 **
Caasam Uteem	President of Mauritius (1992-2002)*
Kim Campbell	Prime Minister of Canada (1992
Carlos Alvarado Quesada	President of Costa Rica (2018-2022)*
Chandrika Kumaratunga	President of Sri Lanka (1994-2005)*
Chiril Gaburici	Prime Minister of Moldova 2014-2015 **
Chris Pissarides	Professor of Economics and Political Science LSE
Colin Mayer	Professor of Management Studies at the Saïd Business School at the University of Oxford
Cristina Manzano	External Relations Director, SEGIB. Representative of Constituent Foundation FRIDE
Csaba Korossi	President of the UN 77th General Assembly **
Dalia Grybauskaitė	President of Lithuania (2009-2019)*
Devi Sridhar	Professor of Global Public Health University of Edinburgh

Djoomart Otorbayev	Prime Minister of Kyrgyzstan 2014-2015 **
Egils Levits	President of Latvia 2019-2023 **
Elbegdorj Tsakhia	President of Mongolia (2009-2017)*
Emil Constantinescu	President of Romania 1996-2000 **
Erik Berglof	Professor of Economics, LSE, Chief Economist of the Asian Infrastructure Investment Bank (AIIB)
Ernesto Zedillo	President of Mexico (1994-2000)*
Felipe Calderon	President of Mexico (2006-2012)*
Filip Vujanovic	President of Montenegro 2003-2018 **
Francisco Sagasti	President of Peru (2020-2021)*
George Papandreou	Prime Minister of Greece (2009 – 2011)*
Gordon Brown	Prime Minister of the United Kingdom (2007-2010) * **
Helen Clark	Prime Minister of New Zealand (1999-2008)*
Helene Rey	Lord Bagri Professor of Economics at the London Business School
Hikmet Cetin	Minister of Foreign Affairs of Turkey 1991-1994, Speaker of Parliament 1997-1999, deputy Prime Minister 1995
Igor Luksic	Prime Minister of Montenegro 2010-2012 **
Ismail Serageldin	Co-Chair NGIC, Vice-President of the World Bank 1992-2000 **
Iveta Radičová	Prime Minister of Slovakia (2010-2012)*
Ivo Josipovic	President of Croatia 2010-2015 * **
James Michel	President of the Seychelles (2004-2016)*
Jan Fisher	Prime Minister of the Czech Republic 2009-2010 **
Jan Peter Balkenende	Prime Minister of the Netherlands (2002-2010) *
Jigmi Yoser Thinley	Prime Minister of Bhutan (2008-2013) *
José Luis Rodríguez Zapatero	President of the Government of Spain (2004-2011) *
José Manuel Romero	Vice-President, FRIDE *
Joseph Muscat	Prime Minister of Malta 2013-2020 **
Joyce Banda	President of Malawi (2012-2014)*
Juan Somavía	Ninth Director of the International Labour Organization (1999-2012) *
Justin Lin	Professor of Economics Peking University
Kaushik Basu	Professor of Economics at Cornell University
Kerry Kennedy	President, Robert F. Kennedy Human Rights **
Laimdota Straujuma	Prime Minister of Latvia 2014-2016 **
Leif Pagrotsky	Minister for Trade and Industry of Sweden, 1996-2006 *
Maria Fernanda Espinosa	President of the UN 73rd General Assembly **
Marie Louise Coleiro Preca	President of Malta (2014-2019)* **
Mats Karlsson	World Bank Vice President of External Affairs and United Nations Affairs* **
Michelle Bachelet	President of Chile (2006-2010; 2014-2018)*
Milica Pejanovic	Minister of Defense of Montenegro 2012-2016
Mirko Cvetkovic	Prime Minister of Serbia 2008-2012 **
Mladen Ivanic	President of Bosnia and Herzegovina 2014-2018 **
Moussa Mara	Prime Minister of Mali 2014-2015 **

Nora Lustig	Professor of Latin American Economics at Tulane University
Oscar Arias	President of Costa Rica (1986-1990; 2006-2010)*
Ouided Bouchamaoui	Nobel Peace Prize Laureate 2015 **
Petar Stoyanov	President of Bulgaria 1997-2002 **
Peter Medgyessy	Prime Minister of Hungary 2002-2004 **
Petre Roman	Prime Minister of Romania (1989-1991)*
Rexhep Meidani	President of Albania 1997-2002 * **
Rosen Plevneliev	President of Bulgaria 2012-2017 **
Shaukat Aziz	Prime Minister of Pakistan 2004-2007 **
Stefan Löfven	Prime Minister of Sweden (2014-2021)*
Stjepan Mesic	President of Croatia 2000-2010 **
T. Anthony Jones	Vice-President and Executive Director of GFNA *
Tarja Halonen	President of Finland 2000-2012 **
Valdis Zatlers	President of Latvia 2007-2011 **
Volkan Bozkir	President of the UN 75th General Assembly **
Vuke Jeremic	President of the UN 67th General Assembly **
Walter Fust	Director-General, Swiss Agency for Development and Cooperation 1993-2008 **
Wendy Carlin	Professor of Economics UCL
Yves Leterme	Prime Minister of Belgium (2008, 2009-2011)*
Zlatko Lagumdzija	Prime Minister of Bosnia and Herzegovina 2001-2002, deputy Prime Minister 1993-1996, 2012-2015

*member of Club de Madrid

**member of Nizami Ganjavi International Center

Dear Dr Sultan Al Jaber, President-Elect of COP28,
Dear President Lula, Chair of the G20,

A breakthrough in climate finance is urgently needed if COP28 is to be a success. We believe that with the G20 and COP28 chairs working in tandem, we can finally plan for a trillion-dollar annual facility for development and climate mitigation and adaptation in the Global South.

Sultan Al Jaber, President-Elect of COP28, stated on July 15 at a meeting in Brussels that fixing climate finance is one of four key Action Plans for COP28. He stated that he supported deep, system-wide reform of the international financial institutions to ensure that "all forms of finance must be more available, more accessible, and more affordable". He has also called on donor countries to "show me the money" when it comes to meeting long overdue financing pledges.

With Sultan Al Jaber also head of Abu Dhabi National Oil Company, there is an opportunity for the Gulf states and Norway, another main beneficiary of high prices, to lead the way in bridging the financing gap faced by low and middle-income countries as they attempt to mitigate and adapt to climate change. The Global South is not only transferring billions to producer states – the principal cause of the recent rise in extreme poverty from 400 million to 600 million – but also suffering heavily from fossil fuel-induced pollution. And we still await the full implementation of the \$100 billion dollars a year promised as long ago as 2009 for climate mitigation and adaptation in the Global South. There can be no better time for the President of COP28 to volunteer a practical proposal that recycles a fraction of the oil and gas revenues to a climate mitigation and adaptation facility.

Revenues

The International Energy Association (IEA) points out that pre-COVID petroleum revenues were one \$1.5 trillion a year but soared to a record \$4 trillion in 2022. This is twenty times the entire global aid budget, over thirty times the budgets of all multilateral development banks combined, and forty times the \$100 billion a year promised back in 2009 for climate mitigation and adaptation in poor countries – still not yet delivered. In the space of just a year, \$2.5 trillion of windfall profits were gained by the oil producer states and their national and other private companies that they have done nothing to earn.

The Levy

Some of the private companies in the sector have already paid extra taxes on their windfall profits but the private oil majors represent just fifteen percent of the revenues. The biggest beneficiaries by far have been the major petrostates amassing \$973 billion dollars in export earnings alone, up by \$381 billion on the year before. The UAE alone has seen their export earnings rise from \$63 billion to \$98 billion, with Qatar's export earnings rising from \$53 billion to \$86 billion, and Kuwait up from \$63 billion to \$88 billion. Norway's export earnings rose from \$87 billion to \$174 billion, with Saudi Arabia up from \$190 billion to \$311 billion. A levy of \$25 billion – which represents just over one percent of last year's oil and gas windfall revenues and just three percent of the major exporters' earnings – could kickstart a program of investment in the Global South.

The Principle

The principle of a fair burden-sharing agreement for global climate action, of which the levy is only one part, is simple: the countries and sectors that should pay the most are those that have contributed the largest share of global greenhouse gas emissions and have the highest per capita incomes and capacity to pay.

At least some of the \$25 billion levy should be used as paid-in capital for a new climate financing facility for the Global South.

But we should complement levy money with multi-billion guarantees from the historic and current emitters who also have a responsibility to pay.

The guarantee from the advanced economies that we propose can be leveraged four times over by the multilateral development banks to create new resources to be made available to low and middle-income countries for addressing both development and climate change. Already the use of guarantees has gained support in successive reports by international bodies including three recent reports to the G20:

1. Report of the G20 High-Level Independent Panel on Financing the Global Commons for Pandemic Preparedness and Response chaired by Tharman Shanmugaratnam, Lawrence Summers, and Ngozi Okonjo-Iweala;
2. The G20 Independent Review of Multilateral Development Banks' Capital Adequacy Frameworks;
3. Strengthening Multilateral Development Banks, The Triple Agenda, report of the G20 Independent Experts Group convened by Lawrence Summers and N K Singh.

With the implementation also of agreed elements of the much-respected G20 Singh-Summers reports 1 and 2 and the ambitious Bridgeton Agenda, led by PM Mia Motley of Barbados, we can extend development and climate support to the Global South to meet the target of \$1 trillion a year, acting in line with the independent High-Level Advisory Board on Effective Multilateralism report, "Breakthrough for People and Planet."

We suggest that in support of the President-Elect of COP28, President Lula, the new chair of the G20 and future chair of COP30 should offer to convene a joint online session of the G20 with OPEC to agree on this new funding, to which both the petrostates and the historic emitters contribute based on their capacity to pay. With this event, we can look forward to positive progress at COP28.

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