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# Former world leaders call for permanent fossil fuel tax hike

Mary Robinson, Ban Ki-Moon and Felipe Calderon are among the dozens of world leaders imploring governments to implement permanent 'polluter pays' taxes on the fossil fuel industry.



**Sarah George**

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In [an open letter](#), sent to coincide with the UN General Assembly (UNGA) meeting in New York, the former leaders state: “Addressing [the climate] crisis requires solutions that are ambitious, equitable, and grounded in international cooperation.

“We have a crucial responsibility to align financial flows with climate goals, accelerate investment in renewable energy, and ensure that resources are mobilised fairly and effectively to meet the needs of all communities.”

The letter argues that the cost burden of decarbonisation and climate adaptation should be footed by “those with the greatest capacity to pay, rather than from ordinary consumers”.

It notes that many nations implemented windfall taxes on oil and gas producers and on utilities during the recent energy price crisis, which peaked in 2022. Making such a tax permanent would generate up to \$400bn a year, the letter claims.

The letter calls for a pollution tax to be applied in tandem with a reallocation of public money currently allocated to fossil fuel subsidies. Funds could, instead, be spent on energy efficiency programmes and public services.

Some \$1.1trn was invested in fossil fuels in 2024, according to the IEA. It estimates that subsidies accounted for more than \$600bn of this.

The International Monetary Fund has posted far higher figures, claiming that global fossil fuel subsidies in 2022 actually stood at \$7trn. Its calculations, unlike the IEA's, cover 'implicit' subsidies.

Nations pledged at the UN's annual climate summit in 2023, COP28, to "transition away from fossil fuels" with the support of "new and innovative sources of finance, including taxation".

The letter implores world leaders to make good on this pledge.

Signatories include former Mexican President Felipe Calderon, former Swedish Prime Minister Stefan Lofven, former Irish President Mary Robinson and former Irish Prime Minister Leo Varadkar.

Former leaders from Canada, Norway, Finland, Croatia, Austria, Tunisia, Latvia, Mauritius, Panama, Bhutan, Romania, Poland, Peru, Spain, Colombia, Greece, the Seychelles, Albania, Belgium, Sri Lanka, Slovenia, Lithuania, Guinea, Mozambique, Costa Rica and Bosnia and Herzegovina are also supporting the letter.

Additional signatories have been added by former UN Secretary-General Ban Ki-Moon and former International Labour Organisation (ILO) director Juan Somavia.

Greenpeace's global political lead, Rebecca Newsom, said the call to action is "powerful".

She said: "Pressure is mounting on today's politicians to hold those most responsible for the climate crisis to account. Taxing fossil fuel profits is not only fair – it is also essential to ease the economic burden of the climate crisis, felt by ordinary people through higher food prices, lost working days, pressure on energy bills and higher home insurance premiums."

## **Production gap**

The letter comes after a major report, known as [the 'production gap' report](#), exposed the plans of major economies to expand oil and gas production in the decades ahead – thereby jeopardising efforts to address global warming.

The report, from the Stockholm Environment Institute, the Climate Analytics thinktank and the International Institute for Sustainable Development, analysed

20 major producers of fossil fuels around the world. These nations collectively represented around 80% of global production in 2023.

Only three of these countries – namely the UK, Norway and Australia – plan to decrease oil and gas production between 2023 and 2023.

More than half of them (11) have ramped up plans to expand production this decade.

This all planned new extraction occurs, global fossil fuel production in 2030 would be more than double the level required to hold the global temperature increase below 1.5C above pre-industrial levels.

Climate scientists have repeatedly warned that every fraction of a degree of warming, particularly beyond 2C, would have devastating socioeconomic consequences.

Lead author Derik Broekhoff said: “While many countries have committed to a clean energy transition, many others appear to be stuck using a fossil-fuel-dependent playbook, planning even more production than they were two years ago.”

The report also assesses fossil fuel demand, concluding that it has not yet peaked. It notes that the peak and drop could be sooner and steeper than many world leaders expect, as transport and heating are electrified.

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